



Kent County, Michigan

Annual Financial Report

For the year ended June 30, 2021

NORTHVIEW PUBLIC SCHOOLS

Table of Contents

For the year ended June 30, 2021

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis 5

Basic Financial Statements 15

District-wide Financial Statements:

 Statement of Net Position 16

 Statement of Activities 17

Fund Financial Statements:

 Governmental Funds:

 Balance Sheet 18

 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities 19

 Statement of Revenues, Expenditures and Changes in Fund Balances 20

 Reconciliation of the Statement of Revenues, Expenditures and Changes
 In Fund Balances of Governmental Funds to the Statement of Activities 21

 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General Fund 22

 Fiduciary Funds:

 Statement of Fiduciary Net Position 23

 Statement of Changes in Fiduciary Net Position 24

Notes to Basic Financial Statements 25

Required Supplementary Information

 Schedule of the District's Proportionate Share

 Net Pension Liability 62

 Net OPEB Liability 64

 Schedule of District Contributions

 Pension Contributions 66

 OPEB Contributions 68

Notes to Required Supplementary Information 70

NORTHVIEW PUBLIC SCHOOLS
Table of Contents (Continued)
For the year ended June 30, 2021

Supplementary Information

Combining and Individual Fund Statements and Schedules:

General Fund	72
Comparative Balance Sheet	73
Comparative Schedule of Revenues	74
Comparative Schedule of Expenditures	76
Nonmajor Governmental Funds	83
Combining Balance Sheet	84
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: Food Service Special Revenue Fund	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: Student/School Activity Special Revenue Fund	89
Special Revenue Funds	90
Food Service Special Revenue Fund: Comparative Balance Sheet	91
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	92
Student/School Activity Special Revenue Fund: Comparative Balance Sheet	93
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	94
Debt Service Funds	95
Combining Balance Sheet	96
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	98
Capital Projects Funds	101
Building and Site Capital Projects Fund: Comparative Balance Sheet	102
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	103
2018 Capital Projects Fund: Comparative Balance Sheet	104
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	105
2020 Construction Capital Projects Fund: Comparative Balance Sheet	106
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	107
Other Information	108
Summary of 2020 Taxes Levied and Collected	109

FINANCIAL SECTION



INDEPENDENT AUDITOR’S REPORT

November 1, 2021

The Board of Education
Northview Public Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Northview Public Schools (the “District”) as of and for the year ended June 30, 2021, 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, each major fund and the aggregate remaining fund information of Northview Public Schools as of June 30, 2021, 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 November 1, 2021 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.

A handwritten signature in cursive script that reads "Hungerford Nichols".

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2021

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, 2021. 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, 2021

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.

Condensed District-wide Financial Information

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

	<u>2021</u>	<u>2020</u>
Assets		
Current assets	\$ 26,519,025	\$ 24,382,442
Net capital assets	<u>46,445,917</u>	<u>44,619,375</u>
Total Assets	<u>72,964,942</u>	<u>69,001,817</u>
Deferred Outflows of Resources	<u>22,490,022</u>	<u>27,641,517</u>
Liabilities		
Current liabilities	14,186,010	11,801,112
Long-term liabilities	42,538,499	45,689,279
Net pension liability	76,491,426	74,735,919
Net OPEB liability	<u>11,893,551</u>	<u>16,034,034</u>
Total Liabilities	<u>145,109,486</u>	<u>148,260,344</u>
Deferred Inflows of Resources	<u>10,412,822</u>	<u>9,818,986</u>
Net Position		
Net investment in capital assets	7,617,840	6,328,779
Restricted	3,122,210	3,103,939
Unrestricted (deficit)	<u>(70,807,394)</u>	<u>(70,868,714)</u>
Total Net Position	<u>\$ (60,067,344)</u>	<u>\$ (61,435,996)</u>



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2021

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

	<u>2021</u>	<u>2020</u>
Program Revenues		
Charges for services	\$ 70,964	\$ 568,626
Operating grants	15,179,119	14,455,672
General Revenues		
Property taxes	9,155,673	8,670,694
State school aid, unrestricted	23,047,493	22,432,933
Earnings on deposits and investments	24,047	132,541
Other	641,735	1,613,558
Total Revenues	<u>48,119,031</u>	<u>47,874,024</u>
Expenses		
Instruction	26,124,903	30,127,183
Supporting services	17,820,606	17,253,749
Community services	591,815	594,641
Food service	1,212,744	1,444,137
Interest on long-term debt	896,310	1,790,683
Other	104,001	1,283,398
Total Expenses	<u>46,750,379</u>	<u>52,493,791</u>
Increase (decrease) in net position	1,368,652	(4,619,767)
Net Position, Beginning of Year	<u>(61,435,996)</u>	<u>(56,816,229)</u>
Net Position, End of Year	<u><u>\$ (60,067,344)</u></u>	<u><u>\$ (61,435,996)</u></u>

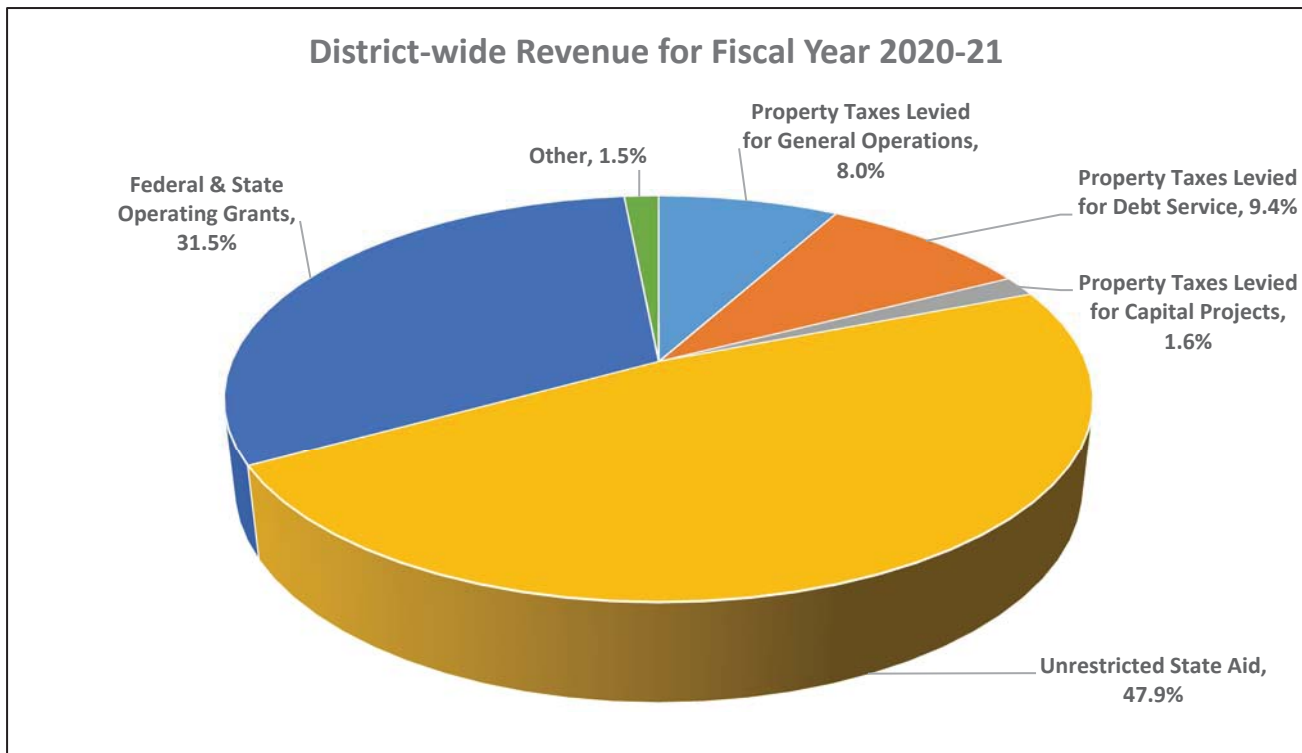
Financial Analysis of the District as a Whole

The District's financial position is the product of many factors including state aid and enrollment. In 2020-21 the District received one time COVID funding from several sources that helped improve the District's net position at the end of the year.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2021

The District's total revenues increased \$245,007 or 0.51%, in the fiscal year. Property taxes and unrestricted State aid accounted for 66.92% of the District's revenue. Federal and State grants for specific programs accounted for 31.54% of total District revenues, increasing \$723,447 over the previous fiscal year. The balance of revenues came from charges for services (driver education, athletics, leisure-time), donations, interest earnings and other local sources. State revenues increased over the prior year by \$614,560, including \$128,295 of ESSER II per pupil equalization funding.

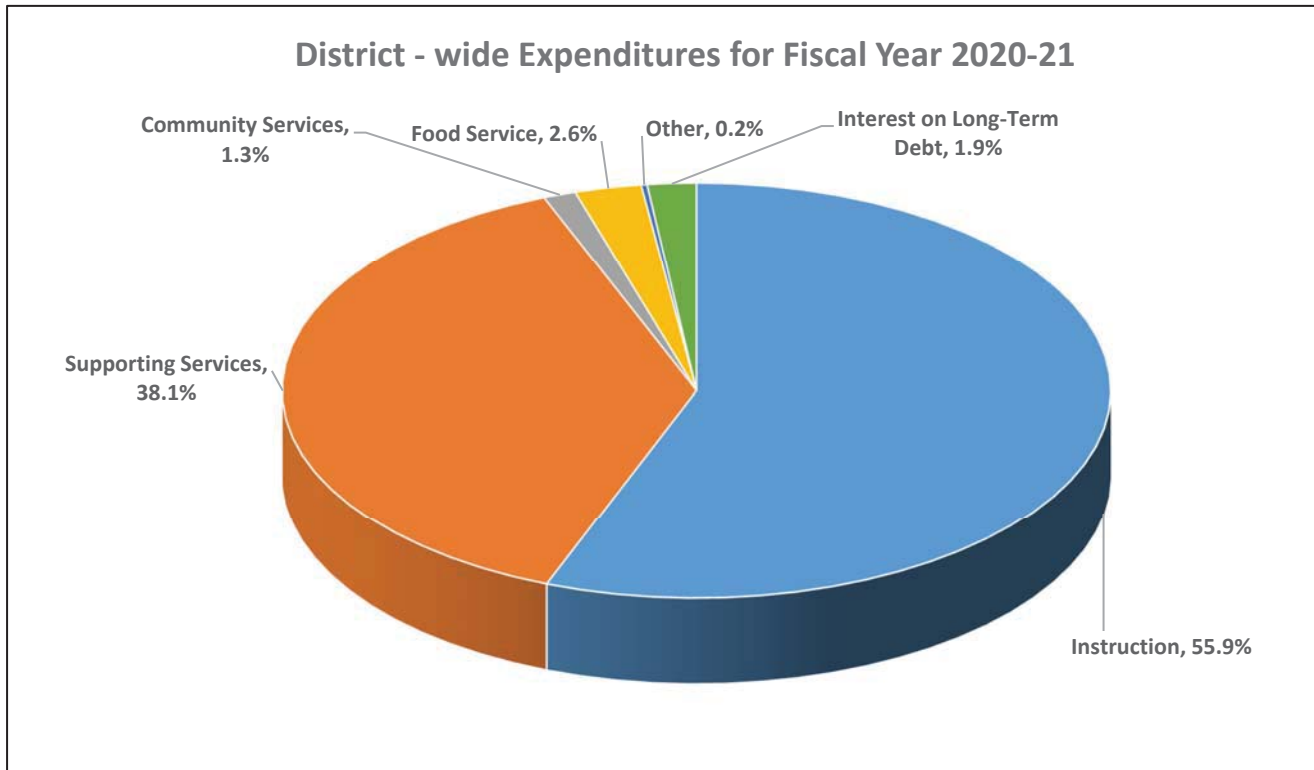


Total cost of all programs and services has decreased \$5.7 million to \$46.8 million in 2020-21. The District's expenses are predominantly related to instruction (56%) and supporting services (38%). The District's expenses are dominated by staff salaries and benefits, which amount to approximately 67% of total expenses.

Total revenues exceeded expenses by \$1,368,652, increasing total net position from a deficit of \$61,435,996 to a deficit of \$60,067,344. Unrestricted net assets increased by \$61,320 to a deficit of \$70,807,394 at June 30, 2021. The District's net pension liability, including deferred outflows and inflows of resources, increased by \$5,075,440 during the fiscal year. In addition, the District's net OPEB liability, including outflows and inflows of resources, decreased by \$1,752,437 during the fiscal year.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2021



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, 2021

- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as Custodial 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 Funds

General Fund

The General Fund is the District's primary operating fund. The General Fund had total revenues of \$41,459,643, total other financing sources of \$20,000 and total expenditures of \$38,038,423. It ended the fiscal year with a fund balance of \$6,712,971, up from \$3,271,751 at June 30, 2020.

Capital Projects Fund

The District has one major Capital Projects Fund. The 2020 Construction Capital Projects Fund accounts for bond proceeds to be used for voter approved capital improvement projects. During the fiscal year 2020-21, the fund had total revenues of \$10,980 and expenditures of \$3,878,786 that primarily consisted of bond issuance costs and capital outlay purchases. The fund balance at year end was \$6,100,511, and is to be used for facilities improvement projects in subsequent fiscal years.

Nonmajor Funds

Special Revenue Fund

The District operates two Special Revenue funds, the Food Service and Student/School Activity Fund. Total revenues of the Food Service Fund were \$1,052,931, total expenditures were \$1,184,466, and total other financing uses were \$20,000. The ending fund balance was \$356,721, down from \$508,256 at June 30, 2020. Total revenues of the Student/School Activity Fund were \$258,786, and total expenditures were \$239,722. The ending fund balance was \$389,781, up from \$370,717 at June 30, 2020.

Debt Service Funds

The District operates five Debt Service funds. Total revenues were \$4,557,064, total other financing sources of \$2,118,013, total expenditures were \$4,500,837 and total other financing uses of \$2,118,013. The ending fund balances in the Debt Service Funds totaled \$907,980 at June 30, 2021, up from \$848,507 at June 30, 2020.

Capital Projects Funds

The District operates two nonmajor Capital Projects Funds; the Building and Site Sinking Fund and the 2018 Building and Site Sinking Fund. Total revenues of the Building and Site Fund were \$678, and total expenditures were \$900,604. Ending fund balance decreased by \$899,926 to \$305,823 at June 30, 2021. Total revenues of the 2018 Building and Site Fund were \$775,703, and total expenditures were \$21,358. Ending fund balance was \$1,399,315 at June 30, 2021.

Fiduciary Funds

The District has a Custodial fund of which the assets of this fund are being held for the benefit of District residents. The balance on hand at June 30, 2021 totaled \$61,902.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2021

General Fund Budgetary Highlights

Original budgets for fiscal year 2020-21 were developed in a conservative manner. They were adopted by the Board of Education in June 2020 prior to beginning the fiscal year on July 1, 2020. During the course of the year, the District amended the annual operating budget three times: in November 2020, in April 2021, and in June 2021. 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:

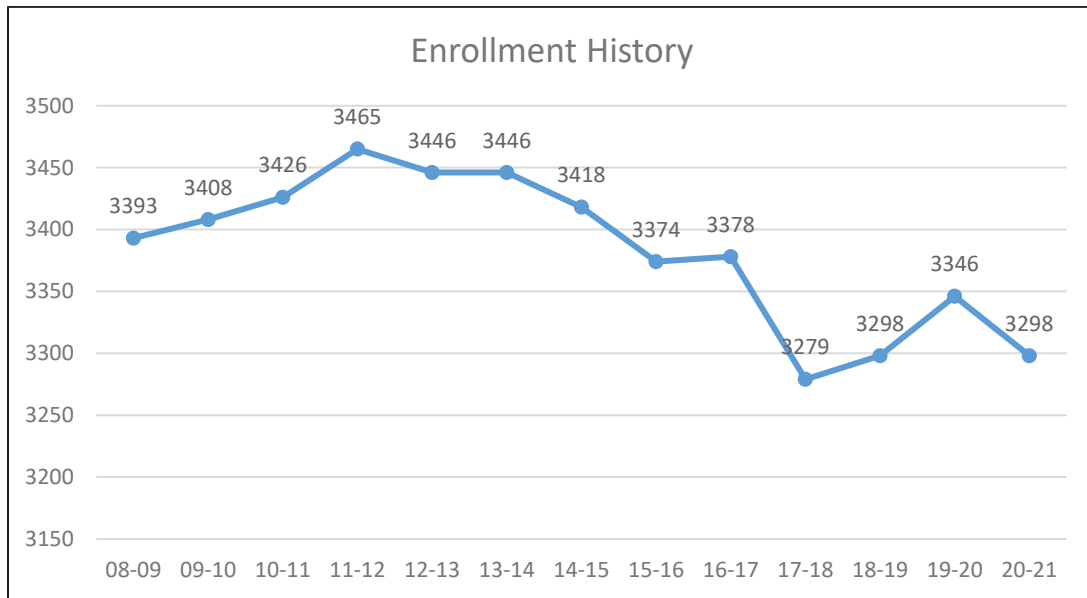
- Revenues – actual revenues were \$34,361 or 0.08% more than expected due to additional At-Risk funds received in August State Aid as a result of redistribution of unused CEP hold harmless funds.
- Expenditures – actual expenditures were \$228,261 or 0.6% less than budgeted due mainly to timing of expenses incurred.
- The actual net change in fund balances for the fiscal year was \$3,441,220 as compared to a final budgeted excess of \$3,156,598.

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 20-21 was \$8,111. Added to that amount is funding the District receives from the state as an offset to increased retirement costs.
- Student Enrollment – For fiscal year 20-21 only, student enrollment is blended at 75% of the fiscal year 19-20 blended rate plus 25% of the fiscal year 20-21 blended rate. The blended rate for each year is calculated at 90% of the current fiscal year fall count plus 10% of the prior fiscal year spring count. The District's audited student enrollment for 2020-21 was 3,298, down 21 students from the prior year of 3,319. 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 \$179,286,966. Total taxable value of all properties was \$713,674,831.



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2021



Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2020-21, the District had a \$99.7 million investment in a broad range of capital assets including land, school buildings, athletic facilities, administrative offices, furniture and equipment, and transportation and other vehicles. This represents an increase of \$4,488,009 over the previous year. More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.

At June 30, 2021, the District's net investment in capital assets (after accumulated depreciation) was \$46,445,917. Net capital asset additions totaled \$4,934,453 for the fiscal year with accumulating depreciation increasing \$2,661,467 leaving an increase in net capital assets of \$1,826,542. Net capital assets of the District at June 30, 2021 are detailed as follows:

Land	\$ 115,296
Buildings and improvements	41,691,578
Furniture and equipment	516,588
Vehicles	1,107,251
Construction in progress	<u>3,015,204</u>
Net Capital Assets	<u>\$ 46,445,917</u>



NORTHVIEW PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2021

Long-term Obligations

At year end, the District had \$46,141,176 in general obligation bonds and other long-term debt outstanding – a net decrease of \$3,310,780 from the previous year.

The District's bond rating for general obligation debt was affirmed by Standard and Poor's as A with a stable outlook. The State limits the amount of general obligation debt that schools can issue to 15% 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 G 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. Two of the most important factors affecting funding are the per pupil foundation and student count. Based on early enrollment data, we anticipate that the fall student count will increase by approximately 84 students. In addition, the District is expecting a \$589 per pupil increase in the 2021-22 foundation grant.
- In May 2018, voters in Kent County approved the regional Enhancement Millage that is expected to provide approximately \$265 for every student in the District. During 2021-22, we expect to receive approximately \$821,718 from this millage.
- Voters approved a Headlee Override in November 2018 allowing the District to levy the full 18 mill non homestead millage thereby ensuring the District can collect its full non homestead taxes.
- In May 2021, District teachers approved a 3-year teaching contract. The base salary increased a minimum of a step and 2.5% in year 1 and 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.

BASIC FINANCIAL STATEMENTS

NORTHVIEW PUBLIC SCHOOLS
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash	\$ 1,974
Cash equivalents and investments (Note B)	19,677,168
Accounts receivable	2,122
Due from other governmental units (Note C)	6,736,248
Inventory	10,315
Prepaid expenses	91,198
Capital assets not being depreciated (Note E)	3,130,500
Capital assets being depreciated, net (Note E)	43,315,417
Total Assets	72,964,942
Deferred Outflows of Resources	
Loss on advance bond refundings, net	370,334
Deferred pension amounts	16,468,882
Deferred OPEB amounts	5,650,806
Total Deferred Outflows of Resources	22,490,022
Liabilities	
Accounts payable	1,920,754
State aid anticipation loan payable (Note F)	4,000,000
Due to other governmental units	1,759,688
Payroll withholdings payable	115,464
Accrued interest payable	250,027
Salaries payable	1,721,097
Unearned revenue	816,303
Long-term liabilities (Note G):	
Due within one year	3,602,677
Due in more than one year	42,538,499
Net pension liability	76,491,426
Net OPEB Liability	11,893,551
Total Liabilities	145,109,486
Deferred Inflows of Resources	
Deferred pension amounts	1,065,569
Deferred OPEB amounts	9,347,253
Total Deferred Inflows of Resources	10,412,822
Net Position	
Net investment in capital assets	7,617,840
Restricted for:	
Capital projects	1,705,138
Debt service	670,570
Food service	356,721
Student/School activity	389,781
Unrestricted (deficit)	(70,807,394)
Total Net Position	\$ (60,067,344)

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 26,124,903	\$ -	\$13,373,549	\$ (12,751,354)
Supporting services	17,820,606	-	735,745	(17,084,861)
Community services	591,815	48,179	-	(543,636)
Food service	1,212,744	22,785	1,030,023	(159,936)
Interest on long-term debt	896,310	-	39,802	(856,508)
Other	104,001	-	-	(104,001)
Total Governmental Activities	\$ 46,750,379	\$ 70,964	\$ 15,179,119	(31,500,296)
General Revenues				
Taxes:				
Property taxes, levied for general operations				3,860,680
Property taxes, levied for debt service				4,525,677
Property taxes, levied for capital projects				769,316
State school aid, unrestricted				23,047,493
Interest on deposits and investments				24,047
Other				641,735
Total General Revenues				32,868,948
Change in Net Position				1,368,652
Net Position - Beginning of Year				(61,435,996)
Net Position - End of Year				\$ (60,067,344)

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2021

Assets	<u>General</u>	<u>2020 Construction</u>	<u>Nonmajor</u>	<u>Total</u>
Cash	\$ 1,070	\$ -	\$ 904	\$ 1,974
Cash equivalents and investments (Note B)	8,668,615	7,485,556	3,522,997	19,677,168
Accounts receivable	2,122	-	-	2,122
Due from other funds (Note D)	20,000	14,509	-	34,509
Due from other governmental units (Note C)	6,698,411	-	37,837	6,736,248
Inventory	-	-	10,315	10,315
Prepaid expenditures	91,198	-	-	91,198
Total Assets	<u>\$ 15,481,416</u>	<u>\$ 7,500,065</u>	<u>\$ 3,572,053</u>	<u>\$ 26,553,534</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 359,008	\$ 1,399,554	\$ 162,192	\$ 1,920,754
State aid anticipation loan payable (Note F)	4,000,000	-	-	4,000,000
Due to other funds (Note D)	14,509	-	20,000	34,509
Due to other governmental units	1,759,688	-	-	1,759,688
Payroll withholdings payable	115,464	-	-	115,464
Accrued interest payable	12,617	-	-	12,617
Salaries payable	1,721,097	-	-	1,721,097
Unearned revenue	786,062	-	30,241	816,303
Total Liabilities	<u>8,768,445</u>	<u>1,399,554</u>	<u>212,433</u>	<u>10,380,432</u>
Fund Balances (Note A)				
Nonspendable	91,198	-	10,315	101,513
Restricted	-	6,100,511	3,349,305	9,449,816
Unassigned	6,621,773	-	-	6,621,773
Total Fund Balances	<u>6,712,971</u>	<u>6,100,511</u>	<u>3,359,620</u>	<u>16,173,102</u>
Total Liabilities and Fund Balances	<u>\$ 15,481,416</u>	<u>\$ 7,500,065</u>	<u>\$ 3,572,053</u>	<u>\$ 26,553,534</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, 2021

Total governmental fund balances		\$ 16,173,102
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 \$99,656,210 and accumulated depreciation is \$53,210,293.		46,445,917
Bond refunding losses are not expensed but are amortized over the life of the new bond issue.		370,334
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	\$ (41,390,000)	
Bond premium, unamortized	(3,908,922)	
Severance pay	(296,955)	
Accumulated vacation/sick leave	<u>(545,299)</u>	(46,141,176)
Accrued interest is not included as a liability in governmental funds.		(237,410)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(76,491,426)	
Deferred outflows	16,468,882	
Deferred inflows	<u>(1,065,569)</u>	(61,088,113)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(11,893,551)	
Deferred outflows	5,650,806	
Deferred inflows	<u>(9,347,253)</u>	(15,589,998)
Total net position - governmental activities		<u><u>\$ (60,067,344)</u></u>

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, 2021

	General	2020 Construction	Nonmajor	Total
Revenues				
Local sources	\$ 4,299,334	\$ 10,980	\$ 5,578,859	\$ 9,889,173
State sources	30,130,338	-	97,238	30,227,576
Federal sources	3,450,003	-	969,065	4,419,068
Interdistrict sources	3,579,968	-	-	3,579,968
Total Revenues	41,459,643	10,980	6,645,162	48,115,785
Expenditures				
Current:				
Instruction	22,265,083	-	-	22,265,083
Supporting services	15,218,339	-	239,722	15,458,061
Community services	516,600	-	-	516,600
Food service	-	-	1,184,466	1,184,466
Capital outlay	12,454	3,812,137	921,962	4,746,553
Debt service:				
Principal repayment	-	-	3,190,000	3,190,000
Interest and fiscal charges	-	-	1,310,837	1,310,837
Bond issuance costs	-	66,649	-	66,649
Inter-Governmental	25,947	-	-	25,947
Total Expenditures	38,038,423	3,878,786	6,846,987	48,764,196
Excess (Deficiency) of Revenues Over Expenditures	3,421,220	(3,867,806)	(201,825)	(648,411)
Other Financing Sources (Uses)				
Transfers in	20,000	-	2,118,013	2,138,013
Transfers out	-	-	(2,138,013)	(2,138,013)
Other transactions	-	-	3,246	3,246
Total Other Financing Sources (Uses)	20,000	-	(16,754)	3,246
Net Change in Fund Balances	3,441,220	(3,867,806)	(218,579)	(645,165)
Fund Balances, Beginning of Year	3,271,751	9,968,317	3,578,199	16,818,267
Fund Balances, End of Year	\$ 6,712,971	\$ 6,100,511	\$ 3,359,620	\$ 16,173,102

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, 2021

Net change in fund balances - total governmental funds	\$ (645,165)
Amounts reported for governmental activities in the Statement of Activities are different because:	
<p>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 capital outlays exceeded depreciation in the current period:</p>	
Capital outlays	\$ 4,934,453
Depreciation expense	<u>(3,107,911)</u>
	1,826,542
Bond refunding losses are amortized over the life of the new bond issue on the Statement of Activities.	(37,352)
Bond premium is amortized over the life of the new bond issue on the Statement of Activities.	177,677
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.	3,190,000
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.	236,850
In the Statement of Net Position, 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 earned (\$314,776) exceeded the amounts used/paid (\$257,879).	(56,897)
The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	(5,075,440)
The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	<u>1,752,437</u>
Total change in net position - governmental activities	<u><u>\$ 1,368,652</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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 3,928,139	\$ 4,286,053	\$ 4,299,334	\$ 13,281
State sources	27,053,831	30,033,121	30,130,338	97,217
Federal sources	1,265,347	3,521,005	3,450,003	(71,002)
Interdistrict sources	3,461,647	3,585,103	3,579,968	(5,135)
Total Revenues	35,708,964	41,425,282	41,459,643	34,361
Expenditures				
Current:				
Instruction:				
Basic programs	17,751,230	19,181,542	19,140,344	41,198
Added needs	3,022,842	3,139,683	3,124,739	14,944
Supporting services:				
Pupil services	3,099,947	2,941,716	2,882,170	59,546
Instructional staff services	730,352	1,030,205	1,015,980	14,225
General administrative services	585,881	561,906	568,226	(6,320)
School administrative services	2,036,101	2,082,156	2,088,644	(6,488)
Business services	868,531	923,217	921,324	1,893
Operation and maintenance services	3,407,975	3,641,821	3,724,671	(82,850)
Pupil transportation services	1,387,915	1,560,560	1,551,026	9,534
Central services	1,218,030	1,616,324	1,434,932	181,392
Other supporting services	1,091,189	1,030,760	1,031,366	(606)
Community services	476,985	518,368	516,600	1,768
Capital outlay	-	12,479	12,454	25
Inter-Governmental	-	25,947	25,947	-
Total Expenditures	35,676,978	38,266,684	38,038,423	228,261
Excess of Revenues Over Expenditures	31,986	3,158,598	3,421,220	262,622
Other Financing Sources (Uses)				
Transfer in	-	-	20,000	20,000
Transfer out	(31,987)	(2,000)	-	2,000
Total Other Financing Sources (Uses)	(31,987)	(2,000)	20,000	22,000
Net Change in Fund Balances	(1)	3,156,598	3,441,220	284,622
Fund Balances, Beginning of Year	3,271,751	3,271,751	3,271,751	-
Fund Balances, End of Year	\$ 3,271,750	\$ 6,428,349	\$ 6,712,971	\$ 284,622

See accompanying notes to basic financial statements.

NORTHVIEW PUBLIC SCHOOLS
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021

	<u>Custodial Fund</u>
Assets	
Cash equivalents, deposits and investments (Note B)	\$ 55,432
Accounts receivable	<u>6,470</u>
Total Assets	<u>61,902</u>
Liabilities	
	<u>-</u>
Net Position	
Restricted for: Individuals and organizations	<u><u>\$ 61,902</u></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, 2021

	<u>Custodial Fund</u>
Additions	
Contributions:	
Members	<u>\$ 94,384</u>
Deductions	
Distributions to members	<u>95,084</u>
Net Decrease in Fiduciary Net Position	(700)
Net Position, Beginning of Year	<u>62,602</u>
Net Position, End of Year	<u><u>\$ 61,902</u></u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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 3,165 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, 2021

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 and the 2020 Construction Capital Projects Fund are the District's major funds. 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 statements. 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, 2021

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 Funds maintained by the District are the Food Service and Student/School Activities Special Revenue Funds.

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.

Custodial Funds—The Custodial Fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The District presently maintains funds held for the benefit of Northview Senior Citizen Group.

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, 2021

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 Funds. 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, 2021

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

Buildings and improvements	10 - 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

Severance pay and accumulated vacation/sick leave at June 30, 2021 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, 2021, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for severance pay and accumulated vacation/sick leave amounted to \$296,955 and \$545,299, respectively.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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 actuarial 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 establishes 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 actuarial 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, 2021

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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

- 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.
- 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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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.

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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

- 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.

Balances at June 30, 2021 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	\$ 19,677,168
Fiduciary Funds:	
Custodial Funds	<u>55,432</u>
	<u>\$ 19,732,600</u>

Cash Equivalents

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

1. Chase Bank
2. Fifth Third Bank

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

June 30, 2021 balances are detailed as follows:

Cash equivalents	<u>\$ 619,692</u>
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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 \$619,692 and the bank balance was the same. Of the bank balance, \$250,000 was covered by federal depository insurance and \$369,692 was uninsured and uncollateralized.

Restricted Cash

Restricted cash consists of cash held in escrow.

June 30, 2021 balances are detailed as follows:

U.S. Bank	<u>\$ 1,034,091</u>
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The District's State Aid Anticipation Note set aside payments are held by U.S. Bank, trustee until the notes mature in August 2021.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Investments

As of June 30, 2021, the District had the following investments:

Surplus Funds Investment Pool Accounts:	
Michigan Liquid Asset Fund	<u>\$ 18,078,817</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, 2021. 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.

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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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 2020 and October 2020. The 2020-21 "Foundation Allowance" for Northview Public Schools was \$8,111 for 3,298 "Full Time Equivalent" students, generating \$30,165,703 in State aid payments to the District of which \$5,540,666 was paid to the District in July and August 2021 and is included in "Due From Other Governmental Units" of the General Fund and Food Service Special Revenue Fund at June 30, 2021.

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 17.1447 mills of non-homestead property tax was levied in the District for 2020. To supplement the Headlee rollbacks, electors approved (November 6, 2018) an additional eight year operating millage not to exceed 2 mills. Of this additional millage, only .8553 mills of non-homestead property tax was levied in the District for 2020.

The District levied a .7165 recreation millage, 6.308 mills for debt service purposes, and 1.1786 mills for building and site in 2020, applied on all taxable property in the District.

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 NPRES.

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 (NPRES) 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).

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note D – Interfund Receivables/Payables and Transfers

Amounts due from (to) other funds, representing interfund receivables and payables for year end expenditure allocations not reimbursed at June 30, 2021 are detailed as follows:

	Due From	Due To
<u>Major Fund</u>		
General Fund:		
Special Revenue Funds		
Food Service	\$ 20,000	\$ -
Capital Projects Funds		
2020 Capital Projects	-	14,509
Capital Projects Funds:		
2020 Capital Projects		
General Fund	14,509	-
Total Major Funds	34,509	14,509
<u>Nonmajor Funds</u>		
Special Revenue Fund:		
Food Service Fund		
General Fund	-	20,000
Total Funds	\$ 34,509	\$ 34,509

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Transfers between funds during the year ended June 30, 2021 were as follows:

	Transfers In	Transfers Out
<u>Major Fund</u>		
General Fund:		
Special Revenue Fund		
Food Service Fund	\$ 20,000	\$ -
<u>Nonmajor Funds</u>		
Special Revenue Fund:		
Food Service Fund		
General Fund	-	20,000
Debt Service Fund:		
2012 Debt Fund		
2020 Refunding Debt	-	143,542
2012B Debt Fund		
2020 Refunding Debt	-	110,368
2018 Refunding Debt		
2020 Debt Service	-	264,103
2020 Debt Service		
2018 Refunding Debt	264,103	-
2020 Refunding Debt	1,600,000	-
2020 Refunding Debt		
2020 Debt Service	-	1,600,000
2012 Debt Fund	143,542	-
2012B Debt Fund	110,368	-
Total Nonmajor Funds	2,118,013	2,138,013
Total Funds	\$ 2,138,013	\$ 2,138,013

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balances</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2021</u>
Capital assets not depreciated:				
Land	\$ 115,296	\$ -	\$ -	\$ 115,296
Construction in process	54,836	3,695,055	734,687	3,015,204
Total capital assets not being depreciated	<u>170,132</u>	<u>\$ 3,695,055</u>	<u>\$ 734,687</u>	<u>3,130,500</u>
Capital assets being depreciated:				
Buildings and improvements	92,200,926	\$ 890,919	\$ -	93,091,845
Furniture and equipment	1,192,090	190,926	-	1,383,016
Vehicles	1,605,053	892,240	446,444	2,050,849
Total capital assets being depreciated	<u>94,998,069</u>	<u>\$ 1,974,085</u>	<u>\$ 446,444</u>	<u>96,525,710</u>
Less accumulated depreciation for:				
Buildings and improvements	48,505,907	\$ 2,894,360	\$ -	51,400,267
Furniture and equipment	756,964	109,464	-	866,428
Vehicles	1,285,955	104,087	446,444	943,598
Total accumulated depreciation	<u>50,548,826</u>	<u>\$ 3,107,911</u>	<u>\$ 446,444</u>	<u>53,210,293</u>
Total capital assets being depreciated, net	<u>44,449,243</u>			<u>43,315,417</u>
Net Capital Assets	<u>\$ 44,619,375</u>			<u>\$ 46,445,917</u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 2,639,096
Supporting services (includes athletics)	346,819
Community services	35,231
Food service	86,765
	<u>\$ 3,107,911</u>

Note F – Short-term Debt

On August 21, 2019, the District borrowed \$1,200,000 and \$2,300,000 in anticipation of State aid (interest at 1.3% each), both were paid on August 20, 2020. On August 20, 2020, the District borrowed \$1,200,000 and \$2,800,000 in anticipation of State aid (interest at 0.70% and 0.25%, respectively), both are due in full by August 20, 2021. Set-aside payments of \$1,034,091 were held at U.S. Bank, trustee during the fiscal year. Interest expense on the loans for the year was \$12,617.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note G – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2021 are summarized as follows:

	Debt Outstanding June 30, 2020	Debt Added	Debt Retired	Debt Outstanding June 30, 2021
General obligation bonds:				
February 14, 2018	\$ 335,000	\$ -	\$ 335,000	\$ -
June 24, 2020	34,755,000	-	1,025,000	33,730,000
June 24, 2020	9,490,000	-	1,830,000	7,660,000
Bond premium	4,086,599	-	177,677	3,908,922
Severance pay	247,342	84,270	34,657	296,955
Accumulated vacation/sick leave	538,015	230,506	223,222	545,299
	<u>\$ 49,451,956</u>	<u>\$ 314,776</u>	<u>\$ 3,625,556</u>	<u>\$ 46,141,176</u>

Long-term obligations outstanding at June 30, 2021 is comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General obligation bonds				
\$34,755K 2020 Refunding:				
Annual Maturities of \$485K and \$1,855K	May 1, 2042	2.00 - 5.00	\$ 33,730,000	\$ 1,315,000
\$9,490K 2020 Building & Site:				
Annual Maturities of \$200K and \$1,850K	May 1, 2050	2.00 - 5.00	7,660,000	1,850,000
Bond premium			3,908,922	177,677
Other obligations				
Severance pay			296,955	35,000
Accumulated vacation/sick leave			545,299	225,000
			<u>\$ 46,141,176</u>	<u>\$ 3,602,677</u>

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

Year Ending June 30	Principal	Interest	Total
2022	\$ 3,165,000	\$ 1,424,459	\$ 4,589,459
2023	1,665,000	1,258,709	2,923,709
2024	1,660,000	1,175,709	2,835,709
2025	1,690,000	1,092,709	2,782,709
2026	1,710,000	1,008,459	2,718,459
2027	1,745,000	923,084	2,668,084
2028	1,785,000	834,459	2,619,459
2029	1,830,000	744,459	2,574,459
2030	1,870,000	652,959	2,522,959
2031	1,915,000	559,709	2,474,709
2032	1,970,000	486,584	2,456,584
2033	2,015,000	440,884	2,455,884
2034	2,055,000	400,634	2,455,634
2035	2,055,000	359,296	2,414,296
2036	2,025,000	316,434	2,341,434
2037	2,010,000	273,206	2,283,206
2038	1,990,000	228,728	2,218,728
2039	1,970,000	183,953	2,153,953
2040	1,995,000	138,264	2,133,264
2041	1,985,000	91,031	2,076,031
2042	685,000	52,009	737,009
2043	200,000	41,250	241,250
2044	200,000	36,250	236,250
2045	200,000	31,250	231,250
2046	200,000	26,250	226,250
2047	200,000	21,000	221,000
2048	200,000	15,750	215,750
2049	200,000	10,500	210,500
2050	200,000	5,250	205,250
	<u>\$ 41,390,000</u>	<u>\$ 12,833,235</u>	<u>\$ 54,223,235</u>

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note H – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (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 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 MPSERS are detailed as follows:

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

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, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

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

Option 4 members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to 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).

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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 Defined 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 Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan 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 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: $FAC \text{ as of transition date} \times \text{years of service as of transition date} \times 1.5\%$

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 may retire at age 60 with 10 or more years of credited service.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

A Pension Plus 2 member may retire at age 60 with 10 or more years of credited service. Section 81c(5) of PA 300 as amended requires the regular retirement age to be increased in whole year increments based on the results of mortality analysis five-year actuarial experience studies performed after October 1, 2019 and the actuarial funding status of the plan. If the regular retirement age for Pension Plus 2 members is increased in accordance with this provision, members within five years of retirement from the effective date of the increase are automatically exempted and the retirement board may additionally authorize those between five and eight years of the then current retirement age to be exempted.

A Basic Plan member may retire at:

- age 55 with 30 or more years of service; or
- age 60 with 10 or more years of 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 2% for each year retired; first year 100%, next year 102%, etc.).

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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.).

Pension Payment Options

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 beneficiaries.

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 – For MIP and Basic members, 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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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.

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. 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.

Postemployment Adjustments

A retiree who became a Member Investment Plan (MIP) member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of 3% 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 adjustments.

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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

The schedule below summarizes pension contribution rates in effect for the plan fiscal year 2020.

Pension Contribution Rates:		
Plan Name	Member	District
Basic	0.0 – 4.0%	19.41%
Member Investment Plan (MIP)	3.0 – 7.0%	19.41%
Pension Plus	3.0 – 6.4%	16.46%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2021, inclusive of the MSPERS UAAL Stabilization, totaled \$6,331,783.

MPSERS Plan Net Pension Liability (in thousands)

Total Pension Liability	\$ 86,490,336
Plan Fiduciary Net Position	<u>51,456,228</u>
Net Pension Liability	<u>\$ 35,034,108</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.49%
Net Pension Liability as a Percentage of Covered Employee Payroll	385.51%
Total Covered Payroll	\$ 9,087,724

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Proportionate Share of Reporting Unit's Net Pension Liability

At June 30, 2021, the District reported a liability of \$76,491,426 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2019. The 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, 2020 the District's proportion was 0.22267541%, which was a decrease from 0.22567484% at September 30, 2019.

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

For the year ended June 30, 2021, the District recognized pension expense of \$11,328,151. At June 30, 2021, 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	\$ 1,168,726	\$ 163,260
Changes of assumptions	8,475,987	—
Net difference between projected and actual earnings on pension plan investments	321,383	—
Changes in proportion and differences between District contributions and proportionate share of contributions	534,665	902,309
District contributions subsequent to the measurement date*	5,968,121	—
Total	\$ 16,468,882	\$ 1,065,569

* 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, 2022.

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
2022	\$ 4,594,637
2023	2,990,587
2024	1,426,048
2025	423,920

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2019
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	6.80% net of investment expenses
Pension Plus Plan (Hybrid):	6.80% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4892 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at (www.michigan.gov/orsschools).

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 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 these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 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:

	1% Decrease 5.8%/5.8%/5.0%	Current Single Discount Rate Assumption 6.8%/6.8%/6.0%	1% Increase 7.8%/7.8%/7.0%
District's proportionate share of the net pension liability	\$ 99,005,175	\$ 76,491,426	\$ 57,832,546

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, 2020 Comprehensive Annual Financial Report, available here: (www.michigan.gov/orsschools).

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

Payables to the pension plan totaling \$856,240 at June 30, 2021 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 – 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.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2020:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	8.09%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the District were \$1,437,165 for the year ended September 30, 2020.

Net OPEB Liability (in thousands)

Total OPEB Liability	\$ 13,418,548
Plan Fiduciary Net Position	<u>8,019,027</u>
Net OPEB Liability	<u><u>\$ 5,399,521</u></u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	59.76%
Net OPEB Liability as a Percentage of Covered Employee Payroll	59.42%
Total Covered Payroll	\$ 9,087,724

Proportionate Share of the Reporting Unit's Net OPEB Liability

At June 30, 2021, the District reported a liability of \$11,893,551 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2020 the District's proportion was 0.22200781%, which was an decrease from 0.22338530% at September 30, 2019.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

For the year ended June 30, 2021, the District recognized an OPEB credit of \$324,163. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 8,861,807
Changes of assumptions	3,921,540	—
Net difference between projected and actual earnings on OPEB plan investments	99,265	—
Changes in proportion and differences between District contributions and proportionate share of contributions	344,569	485,446
District contributions subsequent to the measurement date*	1,285,432	—
Total	\$ 5,650,806	\$ 9,347,253

* 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, 2022.

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

Year ended June 30	Amount
2022	\$ (1,309,924)
2023	(1,171,615)
2024	(1,006,198)
2025	(857,478)
2026	(636,664)

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, 2021

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2019
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.95% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	7.0% Year 1 graded 3.5% Year 15; 3.0% Year 12
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Other Assumptions:	
Opt Out Assumptions:	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage:	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement:	75% of male and 60% of female future retirees are assumed to elect coverage for one or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2017 valuation. The total OPEB liability as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [5.6018 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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, 2020, are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

A discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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 6.95 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 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
District's proportionate share of the net OPEB liability	\$ 15,278,618	\$ 11,893,551	\$ 9,043,608

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	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 8,934,489	\$ 11,893,551	\$ 15,259,119

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2020 MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$138,257 at June 30, 2021 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 J – 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 2020-21, and as of year ended June 30, 2021, there were no material pending claims against the District.

NORTHVIEW PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note K – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of \$70,807,394 and a total net position deficit of \$60,067,344, as of June 30, 2021. These deficit net positions result primarily from the net pension liability of \$61,088,113 and the net OPEB liability of \$15,589,998 (net of deferred outflows and inflows of resources related to the pension/OPEB plan).

Note L – Commitments

On June 24, 2020, the District issued \$9,490,000 of general obligation 2020 Building and Site bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2021, unspent balances committed these construction projects totaled \$6,100,511, which are expected to fully expended by the year ended June 30, 2022.

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, 2021

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
District's proportion of the net pension liability	0.22267541%	0.22567484%	0.22720206%
District's proportionate share of the net pension liability	\$ 76,491,426	\$ 74,735,919	\$ 68,301,041
District's covered-employee payroll	\$ 19,655,729	\$ 19,512,201	\$ 19,571,270
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	389.16%	383.02%	348.99%
Plan fiduciary net position as a percentage of the total pension liability	59.72%	60.31%	62.36%

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.

<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
0.22259593%	0.21684084%	0.22027334%	0.21231027%
\$ 57,684,068	\$ 54,100,015	\$ 53,801,822	\$ 46,764,528
\$ 18,940,449	\$ 18,334,362	\$ 18,410,071	\$ 18,035,709
304.55%	295.07%	292.24%	259.29%
63.96%	63.01%	62.92%	66.15%

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, 2021

	Year Ended June 30, 2021	Year Ended June 30, 2020
District's proportion of the net OPEB liability	0.22200781%	0.22338530%
District's proportionate share of the net OPEB liability	\$ 11,893,551	\$ 16,034,034
District's covered-employee payroll	\$ 19,655,729	\$ 19,512,201
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	60.51%	82.17%
Plan fiduciary net position as a percentage of the total OPEB liability	59.44%	48.46%

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.

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
0.22986734%	0.22223994%
\$ 18,272,044	\$ 19,680,394
\$ 19,571,270	\$ 18,940,449
93.36%	103.91%
43.10%	36.53%

NORTHVIEW PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District Pension Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2021

	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
Contractually required contribution	\$ 6,331,783	\$ 6,208,217	\$ 6,103,324
Contributions in relation to the contractually required contribution	<u>6,331,783</u>	<u>6,208,217</u>	<u>6,103,324</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 17,872,765	\$ 19,885,004	\$ 19,781,389
Contributions as a percentage of covered employee payroll	35.43%	31.22%	30.85%

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.

<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
\$ 5,853,387	\$ 5,824,302	\$ 5,667,274	\$ 5,753,374
<u>5,853,387</u>	<u>5,824,302</u>	<u>5,667,274</u>	<u>5,753,374</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,717,560	\$ 18,913,839	\$ 18,801,146	\$ 18,464,688
29.69%	30.79%	30.14%	31.16%

NORTHVIEW PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District OPEB Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2021

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
Contractually required contribution	\$ 1,437,165	\$ 1,574,164
Contributions in relation to the contractually required contribution	<u>1,437,165</u>	<u>1,574,164</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 17,872,765	\$ 19,885,004
Contributions as a percentage of covered employee payroll	8.05%	7.92%

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.

See accompanying notes to required supplementary information.

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
\$ 1,463,943	\$ 1,460,066
<u>1,463,943</u>	<u>1,460,066</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 19,781,389	\$ 19,717,560
7.40%	7.40%

NORTHVIEW PUBLIC SCHOOLS
Notes to Required Supplementary Information
June 30, 2021

Note A - Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2020-21.

Changes of assumptions: There were no changes of benefit assumptions in 2020-21.

Note B - Net OPEB Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2020-21.

Changes of assumptions: There were no changes of benefit assumptions in 2020-21.

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, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 1,070	\$ 1,070
Cash equivalents and investments	8,668,615	5,211,679
Accounts receivable	2,122	100
Due from other funds	20,000	-
Due from other governmental units	6,698,411	5,433,104
Prepaid expenditures	91,198	86,446
Total Assets	\$ 15,481,416	\$ 10,732,399
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 359,008	\$ 162,803
State aid anticipation loan payable	4,000,000	3,500,000
Due to other funds	14,509	-
Due to other governmental units	1,759,688	1,771,268
Payroll withholdings payable	115,464	101,136
Accrued interest payable	12,617	45,500
Salaries payable	1,721,097	1,815,099
Unearned revenue	786,062	64,842
Total Liabilities	8,768,445	7,460,648
Fund Balances		
Nonspendable	91,198	86,446
Unassigned	6,621,773	3,185,305
Total Fund Balances	6,712,971	3,271,751
Total Liabilities and Fund Balances	\$ 15,481,416	\$ 10,732,399

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2021 and 2020

	2021	2020
Local sources:		
Property taxes:		
Current property taxes	\$ 3,259,240	\$ 3,081,792
Recreation taxes	584,213	490,932
Payments in lieu of taxes	1,478	697
Delinquent property taxes	1,627	3,638
Interest on delinquent taxes	4,497	6,405
Other taxes	9,625	6,883
	<u>3,860,680</u>	<u>3,590,347</u>
Investment earnings:		
Earnings on deposits and investments	10,474	68,829
Revenue from student activities:		
Athletics admissions	5,139	103,447
Tournament revenue	2,095	11,625
	<u>7,234</u>	<u>115,072</u>
Revenue from community service activities:		
Recreation/community programs	17,431	47,286
Summer school tuition	-	16,979
Night school tuition	-	175
Fitness center	6,008	43,021
Pool revenue	5,320	6,974
	<u>28,759</u>	<u>114,435</u>
Other local revenue:		
Rental of school facilities	19,420	61,890
Donations	-	2,500
Miscellaneous	372,767	237,900
	<u>392,187</u>	<u>302,290</u>
Total local sources	<u>4,299,334</u>	<u>4,190,973</u>
State sources:		
State aid	29,385,512	28,779,442
Early literacy	48,719	-
Special education - transportation	423,066	354,274
Special education - itinerants	128,107	116,424
Michigan rehabilitation services grant	96,270	87,050
MPERS forfeiture credit	45,142	-
Other	3,522	3,353
Total state sources	<u>30,130,338</u>	<u>29,340,543</u>
Federal sources:		
Title I	422,187	345,729
Title IIA	93,080	64,893
CARES Funding	2,038,158	14,560
Title IIIA	2,356	2,128
Title IV	25,189	24,374
I.D.E.A. program	863,817	1,003,681
Medicaid - Outreach	5,216	13,483
Total federal sources	<u>3,450,003</u>	<u>1,468,848</u>

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2021 and 2020

	2021	2020
Interdistrict sources:		
ISD collected millage	\$ 2,578,877	\$ 3,471,990
Special education - tuition	-	1,040,421
Prevocational coordinator reimbursement	492,165	106,295
Medicaid - fee for service	265,375	237,067
Other	243,551	140,455
Total interdistrict sources	3,579,968	4,996,228
Total Revenues	\$ 41,459,643	\$ 39,996,592

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 3,908,937	\$ 3,648,538
Employee benefits	2,910,376	2,570,221
Purchased services	39,257	60,522
Supplies	156,833	97,912
Capital outlay	335	417
Miscellaneous	3,585	5,835
	<u>7,019,323</u>	<u>6,383,445</u>
Middle school:		
Salaries	3,105,825	3,286,260
Employee benefits	2,336,856	2,402,395
Purchased services	86,230	42,345
Supplies	77,926	58,561
Capital outlay	2,471	2,479
Miscellaneous	472	1,474
	<u>5,609,780</u>	<u>5,793,514</u>
High school:		
Salaries	3,161,456	3,708,934
Employee benefits	2,514,679	2,654,473
Purchased services	435,547	291,932
Supplies	267,300	76,609
Capital outlay	160	7,977
Miscellaneous	4,594	3,813
Payments to other districts	87,614	108,553
	<u>6,471,350</u>	<u>6,852,291</u>
Summer school:		
Salaries	26,993	17,621
Employee benefits	12,828	8,163
Supplies	70	-
Miscellaneous	-	1,269
	<u>39,891</u>	<u>27,053</u>
Total basic programs	<u>19,140,344</u>	<u>19,056,303</u>
Added needs:		
Special education:		
Salaries	1,281,957	2,684,167
Employee benefits	864,662	1,965,574
Purchased services	48,009	77,263
Supplies	9,796	21,562
Capital outlay	-	35,738
Miscellaneous	300	2,902
Payments to other districts	266,797	254,833
	<u>2,471,521</u>	<u>5,042,039</u>

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2021 and 2020

	2021	2020
Compensatory education:		
Salaries	\$ 349,559	\$ 258,342
Employee benefits	222,719	172,026
Purchased services	63,462	69,663
Supplies	17,478	24,917
	653,218	524,948
Total added needs	3,124,739	5,566,987
Total instruction	22,265,083	24,623,290
Supporting services:		
Pupil services:		
Truancy/absenteeism services:		
Salaries	19,674	-
Employee benefits	11,473	-
	31,147	-
Guidance services:		
Salaries	428,497	416,576
Employee benefits	311,965	296,443
Supplies	596	658
	741,058	713,677
Physical therapist services:		
Purchased services	65,179	84,035
Supplies	751	380
Payments to other districts	101,324	136,237
	167,254	220,652
Psychological services:		
Employee benefits	-	439
Purchased services	77	111
Supplies	2,082	692
Payments to other districts	214,739	253,931
	216,898	255,173
Speech pathology services:		
Salaries	125	38,720
Employee benefits	10	40,636
Purchased services	26,789	373
Supplies	4,353	2,830
Payments to other districts	410,202	534,716
	441,479	617,275
Social worker services:		
Salaries	64,586	58,295
Employee benefits	42,006	38,956
Purchased services	104,000	239
Supplies	1,553	1,176
Payments to other districts	533,151	765,043
	745,296	863,709

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2021 and 2020

	2021	2020
Visual aid services:		
Payments to other districts	\$ 7,790	\$ 11,431
Teacher consultant services:		
Salaries	119,568	223,121
Employee benefits	88,007	163,409
Purchased services	10,036	8,039
Supplies	2	21
Miscellaneous	31,398	-
	<u>249,011</u>	<u>394,590</u>
Other pupil services:		
Salaries	154,284	208,412
Employee benefits	126,317	140,978
Purchased services	1,636	779
	<u>282,237</u>	<u>350,169</u>
Total pupil services	2,882,170	3,426,676
Instructional staff services:		
Improvement of instruction:		
Salaries	170,628	114,625
Employee benefits	99,432	77,969
Purchased services	9,420	36,963
Supplies	16,410	2,176
Miscellaneous	2,207	4,709
	<u>298,097</u>	<u>236,442</u>
Educational media services:		
Salaries	1,539	21,747
Employee benefits	885	14,658
Purchased services	-	30
Supplies	5,041	4,651
	<u>7,465</u>	<u>41,086</u>
Technology assisted instruction:		
Salaries	34,783	72,763
Employee benefits	25,517	50,580
Purchased services	37,338	5,187
Supplies	13,745	2,128
Capital outlay	316,326	-
	<u>427,709</u>	<u>130,658</u>
Supervision and direction of instruction:		
Salaries	149,431	267,808
Employee benefits	126,075	170,986
Purchased services	2,626	6,356
Supplies	2,291	1,106
Capital outlay	297	673
Miscellaneous	1,448	2,890
	<u>282,168</u>	<u>449,819</u>
Academic student assessment:		
Salaries	360	-
Employee benefits	181	-
	<u>541</u>	<u>-</u>
Total instructional staff services	1,015,980	858,005

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2021 and 2020

	2021	2020
General administrative services:		
Board of education:		
Purchased services	\$ 98,234	\$ 99,241
Supplies	875	475
Miscellaneous	11,273	19,061
	110,382	118,777
Executive administration:		
Salaries	254,327	229,792
Employee benefits	162,863	143,932
Purchased services	25,921	20,088
Supplies	4,326	3,237
Capital outlay	575	-
Miscellaneous	9,832	8,499
	457,844	405,548
Total general administrative services	568,226	524,325
School administrative services:		
Office of the principal:		
Salaries	1,181,536	1,154,935
Employee benefits	854,255	810,861
Purchased services	19,557	20,346
Supplies	2,598	1,350
Miscellaneous	2,402	2,224
	2,060,348	1,989,716
Graduation:		
Miscellaneous	28,296	3,271
Total school administrative services	2,088,644	1,992,987
Business services:		
Fiscal services:		
Salaries	335,527	352,396
Employee benefits	259,217	240,040
Purchased services	4,137	4,020
Supplies	4,705	5,069
Miscellaneous	1,224	474
	604,810	601,999
Internal services:		
Salaries	15,267	17,756
Employee benefits	7,880	8,815
Purchased services	27,639	10,917
Supplies	713	2,876
	51,499	40,364
Other business services:		
Purchased services	168,259	153,248
Miscellaneous	96,756	110,459
	265,015	263,707
Total business services	921,324	906,070

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2021 and 2020

	2021	2020
Operation and maintenance services:		
Operation and maintenance:		
Salaries	\$ 1,084,721	\$ 1,078,125
Employee benefits	808,598	774,064
Purchased services	598,857	414,239
Supplies	985,400	877,262
Capital outlay	52,733	38,345
Miscellaneous	31,535	1,054
	3,561,844	3,183,089
Security services:		
Salaries	60,960	44,902
Employee benefits	34,973	28,034
Purchased services	66,679	86,533
Miscellaneous	215	3,069
	162,827	162,538
Total operation and maintenance services	3,724,671	3,345,627
Pupil transportation services:		
Pupil transportation:		
Salaries	408,529	395,459
Employee benefits	300,515	301,468
Purchased services	20,833	11,998
Supplies	108,478	127,465
Capital outlay	253,948	75,342
Payments to other districts	449,494	485,877
Miscellaneous	9,229	13,668
Total pupil transportation services	1,551,026	1,411,277
Central services:		
Communication services:		
Purchased services	44,749	56,567
Staff/professional services:		
Salaries	133,742	110,669
Employee benefits	90,872	75,518
Purchased services	45,560	9,836
Miscellaneous	2,493	2,854
	272,667	198,877
Technology services:		
Salaries	281,544	199,659
Employee benefits	215,701	148,785
Purchased services	260,088	266,317
Supplies	1,336	470
Capital outlay	45,094	45,442
Miscellaneous	1,086	-
Payments to other districts	111,099	85,064
	915,948	745,737

(Continued)

NORTHVIEW PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2021 and 2020

	2021	2020
Central services (Continued)		
Pupil accounting services:		
Salaries	\$ 113,425	\$ 134,402
Employee benefits	85,089	100,734
Purchased services	2,884	3,622
Miscellaneous	170	428
	<u>201,568</u>	<u>239,186</u>
Total central services	1,434,932	1,240,367
Other supporting services:		
Athletics:		
Salaries	593,327	524,692
Employee benefits	311,945	252,430
Purchased services	60,642	94,570
Supplies	3,377	5,262
Capital outlay	39,185	24,070
Miscellaneous	18,072	28,609
Itinerant services	4,818	4,840
Total other supporting services	<u>1,031,366</u>	<u>934,473</u>
Total supporting services	15,218,339	14,639,807
Community services:		
Community recreation:		
Salaries	118,715	146,933
Employee benefits	65,231	82,729
Purchased services	5,065	22,667
Supplies	48	1,219
Capital outlay	5,797	9,782
Miscellaneous	5,634	29,991
	<u>200,490</u>	<u>293,321</u>
Senior citizens services:		
Salaries	50,475	49,138
Employee benefits	23,640	21,802
Purchased services	4,833	4,022
	<u>78,948</u>	<u>74,962</u>
Performing arts center:		
Salaries	73,354	70,817
Employee benefits	51,676	47,814
Supplies	6,542	10,095
	<u>131,572</u>	<u>128,726</u>
Custody and care of children:		
Purchased services	105,020	-
Welfare activities:		
Supplies	-	189
Non-public school pupils:		
Purchased services	570	1,246
Total community services	<u>516,600</u>	<u>498,444</u>
Inter-Governmental	25,947	25,018
Capital outlay	12,454	-
Total Expenditures	<u><u>\$ 38,038,423</u></u>	<u><u>\$ 39,786,559</u></u>

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NONMAJOR GOVERNMENTAL FUNDS

NORTHVIEW PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

Assets	<u>Special Revenue</u>		<u>Debt Service</u>
	<u>Food Service</u>	<u>Student/School Activity</u>	<u>2012</u>
Cash	\$ 904	\$ -	\$ -
Cash equivalents and investments	463,821	414,997	-
Due from other governmental units	37,837	-	-
Inventory	10,315	-	-
Total Assets	<u>\$ 512,877</u>	<u>\$ 414,997</u>	<u>\$ -</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 105,915	\$ 25,216	\$ -
Due to other funds	20,000	-	-
Unearned revenue	30,241	-	-
Total Liabilities	<u>156,156</u>	<u>25,216</u>	<u>-</u>
Fund Balances			
Nonspendable	10,315	-	-
Restricted	346,406	389,781	-
Total Fund Balances	<u>356,721</u>	<u>389,781</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 512,877</u>	<u>\$ 414,997</u>	<u>\$ -</u>

Debt Service				Capital Projects		Total
2012B	2018 Refunding	2020	2020 Refunding	Building and Site Sinking	2018 Building and Site Sinking	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 904
-	-	660,866	247,114	336,884	1,399,315	3,522,997
-	-	-	-	-	-	37,837
-	-	-	-	-	-	10,315
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 660,866</u>	<u>\$ 247,114</u>	<u>\$ 336,884</u>	<u>\$ 1,399,315</u>	<u>\$ 3,572,053</u>
\$ -	\$ -	\$ -	\$ -	\$ 31,061	\$ -	\$ 162,192
-	-	-	-	-	-	20,000
-	-	-	-	-	-	30,241
-	-	-	-	31,061	-	212,433
-	-	-	-	-	-	10,315
-	-	660,866	247,114	305,823	1,399,315	3,349,305
-	-	660,866	247,114	305,823	1,399,315	3,359,620
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 660,866</u>	<u>\$ 247,114</u>	<u>\$ 336,884</u>	<u>\$ 1,399,315</u>	<u>\$ 3,572,053</u>

NORTHVIEW PUBLIC SCHOOLS
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2021

	Special Revenue		Debt Service	
	Food Service	Student/School Activity	2012	2012B
Revenues				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Earnings on deposits and investments	123	298	18	14
Food sales	22,785	-	-	-
Other local sources	-	258,488	-	-
Total local sources	22,908	258,786	18	14
State sources	60,958	-	-	-
Federal sources	969,065	-	-	-
Total Revenues	1,052,931	258,786	18	14
Expenditures				
Current:				
Food service	1,184,466	-	-	-
Supporting services	-	239,722	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,184,466	239,722	-	-
Excess (Deficiency) of Revenues Over Expenditures	(131,535)	19,064	18	14
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(20,000)	-	(143,542)	(110,368)
Other transactions	-	-	-	-
Total Other Financing Sources (Uses)	(20,000)	-	(143,542)	(110,368)
Net Change in Fund Balances	(151,535)	19,064	(143,524)	(110,354)
Fund Balances, Beginning of Year	508,256	370,717	143,524	110,354
Fund Balances, End of Year	\$ 356,721	\$ 389,781	\$ -	\$ -

Debt Service			Capital Project Funds		
2018 Refunding	2020	2020 Refunding	Building and Site Sinking	2018 Building and Site Sinking	Total
\$ 7,046	\$ 931,378	\$ 3,587,253	\$ -	\$ 769,316	\$ 5,294,993
360	147	360	678	595	2,593
-	-	-	-	-	22,785
-	-	-	-	-	258,488
7,406	931,525	3,587,613	678	769,911	5,578,859
48	6,274	24,166	-	5,792	97,238
-	-	-	-	-	969,065
7,454	937,799	3,611,779	678	775,703	6,645,162
-	-	-	-	-	1,184,466
-	-	-	-	-	239,722
-	-	-	900,604	21,358	921,962
335,000	1,830,000	1,025,000	-	-	3,190,000
2,980	314,282	993,575	-	-	1,310,837
337,980	2,144,282	2,018,575	900,604	21,358	6,846,987
(330,526)	(1,206,483)	1,593,204	(899,926)	754,345	(201,825)
-	1,864,103	253,910	-	-	2,118,013
(264,103)	-	(1,600,000)	-	-	(2,138,013)
-	3,246	-	-	-	3,246
(264,103)	1,867,349	(1,346,090)	-	-	(16,754)
(594,629)	660,866	247,114	(899,926)	754,345	(218,579)
594,629	-	-	1,205,749	644,970	3,578,199
\$ -	\$ 660,866	\$ 247,114	\$ 305,823	\$ 1,399,315	\$ 3,359,620

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 21,316	\$ 22,908	\$ 1,592
State sources	59,957	60,958	1,001
Federal sources	939,434	969,065	29,631
Total Revenues	<u>1,020,707</u>	<u>1,052,931</u>	<u>32,224</u>
Expenditures			
Current:			
Food service	<u>1,172,220</u>	<u>1,184,466</u>	<u>(12,246)</u>
Deficiency of Revenues Over Expenditures	(151,513)	(131,535)	19,978
Other Financing Uses			
Transfers out	<u>-</u>	<u>(20,000)</u>	<u>20,000</u>
Net Change in Fund Balances	(151,513)	(151,535)	22
Fund Balances, Beginning of Year	<u>508,256</u>	<u>508,256</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 356,743</u></u>	<u><u>\$ 356,721</u></u>	<u><u>\$ 22</u></u>

NORTHVIEW PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	<u>\$ 265,000</u>	<u>\$ 258,786</u>	<u>\$ (6,214)</u>
Expenditures			
Current:			
Other supporting services	<u>220,000</u>	<u>239,722</u>	<u>(19,722)</u>
Net Change in Fund Balances	45,000	19,064	25,936
Fund Balances, Beginning of Year	<u>370,717</u>	<u>370,717</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 415,717</u></u>	<u><u>\$ 389,781</u></u>	<u><u>\$ 25,936</u></u>

SPECIAL REVENUE FUNDS

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.

Student/School Activity – to account for monies held for the benefit of the District’s students.

NORTHVIEW PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 904	\$ 904
Cash equivalents and investments	463,821	467,570
Due from other governmental units	37,837	77,491
Inventory	10,315	18,179
Total Assets	\$ 512,877	\$ 564,144
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 105,915	\$ 23,960
Due to other funds	20,000	-
Unearned revenue	30,241	31,928
Total Liabilities	156,156	55,888
Fund Balances		
Nonspendable	10,315	18,179
Restricted	346,406	490,077
Total Fund Balances	356,721	508,256
Total Liabilities and Fund Balances	\$ 512,877	\$ 564,144

NORTHVIEW PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Food sales:		
Children's lunches	\$ 539	\$ 207,203
Children's breakfasts	-	20,236
Adult lunches and banquets	2,078	3,752
Ala carte	16,305	89,481
Catering	3,815	9,095
Other	48	227
	<u>22,785</u>	<u>329,994</u>
Interest earnings:		
Earnings on deposits and investments	123	5,339
Total local sources	<u>22,908</u>	<u>335,333</u>
State sources	60,958	68,257
Federal sources	969,065	980,488
	<u>1,052,931</u>	<u>1,384,078</u>
Total Revenues		
Expenditures		
Current:		
Food service:		
Salaries	364,874	376,565
Employee benefits	228,936	223,946
Purchased services	4,568	5,628
Supplies	461,454	624,381
Capital outlay	104,718	17,451
Miscellaneous	19,916	17,011
	<u>1,184,466</u>	<u>1,264,982</u>
Total Expenditures		
Excess (Deficiency) of Revenues Over Expenditures	(131,535)	119,096
Other Financing Uses		
Transfers out	(20,000)	(90,000)
	<u>(20,000)</u>	<u>(90,000)</u>
Net Change in Fund Balances	(151,535)	29,096
Fund Balances, Beginning of Year	508,256	479,160
Fund Balances, End of Year	<u>\$ 356,721</u>	<u>\$ 508,256</u>

NORTHVIEW PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash equivalents and investments	\$ 414,997	\$ 401,191
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 25,216	\$ 30,474
Fund Balance		
Restricted	389,781	370,717
Total Liabilities and Fund Balance	\$ 414,997	\$ 401,191

NORTHVIEW PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Revenue from student activities	\$ 258,488	\$ 366,946
Interest earnings:		
Earnings on deposits and investments	<u>298</u>	<u>5,993</u>
Total Revenues	<u>258,786</u>	<u>372,939</u>
Expenditures		
Current:		
Other student/school activity	<u>239,722</u>	<u>371,808</u>
Net Change in Fund Balances	19,064	1,131
Fund Balances, Beginning of Year	<u>370,717</u>	<u>369,586</u>
Fund Balances, End of Year	<u><u>\$ 389,781</u></u>	<u><u>\$ 370,717</u></u>

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, 2021

	2012	2012B	2018 Refunding
Assets			
Cash equivalents and investments	\$ -	\$ -	\$ -
Liabilities and Fund Balances			
Liabilities	\$ -	\$ -	\$ -
Fund Balances			
Restricted	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -

2020	2020 Refunding	Totals	
		2021	2020
\$ 660,866	\$ 247,114	\$ 907,980	\$ 848,507
\$ -	\$ -	\$ -	\$ -
660,866	247,114	907,980	848,507
\$ 660,866	\$ 247,114	\$ 907,980	\$ 848,507

NORTHVIEW PUBLIC SCHOOLS
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2021

	2012	2012B	2018 Refunding
Revenues			
Local sources:			
Property taxes:			
Current property taxes	\$ -	\$ -	\$ 7,033
Payments in lieu of taxes	-	-	10
Delinquent and other property taxes	-	-	-
Interest on delinquent taxes	-	-	3
Other taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>7,046</u>
Interest earnings:			
Earnings on deposits and investments	18	14	360
Total local sources	<u>18</u>	<u>14</u>	<u>7,406</u>
State sources:			
Personal property tax debt loss reimbursement	-	-	48
	<u>-</u>	<u>-</u>	<u>48</u>
Total Revenues	<u>18</u>	<u>14</u>	<u>7,454</u>
Expenditures			
Debt service:			
Principal repayment	-	-	335,000
Interest and fiscal charges:			
Interest expense	-	-	2,980
Paying agent fees	-	-	-
Bond issuance costs	-	-	-
Underwriter's discount	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>337,980</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18</u>	<u>14</u>	<u>(330,526)</u>
Other Financing Sources (Uses)			
Proceeds from bond refunding	-	-	-
Bond premium	-	-	-
Transfers in	-	-	-
Transfers out	(143,542)	(110,368)	(264,103)
Payment to escrow agent	-	-	-
Other transactions	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(143,542)</u>	<u>(110,368)</u>	<u>(264,103)</u>
Net Change in Fund Balances	<u>(143,524)</u>	<u>(110,354)</u>	<u>(594,629)</u>
Fund Balances, Beginning of Year	<u>143,524</u>	<u>110,354</u>	<u>594,629</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2020	2020 Refunding	Totals	
		2021	2020
\$ 927,501	\$ 3,572,380	\$ 4,506,914	\$ 4,253,073
2,688	10,315	13,013	6,039
330	1,263	1,593	4,957
813	3,118	3,934	4,442
46	177	223	-
<u>931,378</u>	<u>3,587,253</u>	<u>4,525,677</u>	<u>4,268,511</u>
147	360	899	27,140
<u>931,525</u>	<u>3,587,613</u>	<u>4,526,576</u>	<u>4,295,651</u>
6,274	24,166	30,488	28,851
<u>937,799</u>	<u>3,611,779</u>	<u>4,557,064</u>	<u>4,324,502</u>
1,830,000	1,025,000	3,190,000	1,990,000
313,280	993,075	1,309,335	1,578,750
1,002	500	1,502	799
-	-	-	166,562
-	-	-	<u>628,734</u>
<u>2,144,282</u>	<u>2,018,575</u>	<u>4,500,837</u>	<u>4,364,845</u>
<u>(1,206,483)</u>	<u>1,593,204</u>	<u>56,227</u>	<u>(40,343)</u>
-	-	-	34,755,000
-	-	-	3,420,183
1,864,103	253,910	2,118,013	607,960
-	(1,600,000)	(2,118,013)	(607,960)
-	-	-	(38,162,969)
3,246	-	3,246	-
<u>1,867,349</u>	<u>(1,346,090)</u>	<u>3,246</u>	<u>12,214</u>
660,866	247,114	59,473	(28,129)
-	-	848,507	876,636
<u>\$ 660,866</u>	<u>\$ 247,114</u>	<u>\$ 907,980</u>	<u>\$ 848,507</u>

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CAPITAL PROJECTS FUNDS

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

2018 Building and Site Sinking — to account for property tax revenues and interest earnings used to finance building restoration projects.

2020 Construction Capital Projects — to account for bond proceeds used to finance building construction and improvement projects.

NORTHVIEW PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash equivalents and investments	<u>\$ 336,884</u>	<u>\$ 1,222,914</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 31,061</u>	<u>\$ 17,165</u>
Fund Balances		
Restricted	<u>305,823</u>	<u>1,205,749</u>
Total Liabilities and Fund Balances	<u>\$ 336,884</u>	<u>\$ 1,222,914</u>

NORTHVIEW PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Interest earnings:		
Earnings on deposits and investments	\$ 678	\$ 21,284
Expenditures		
Capital outlay:		
Professional and technical services	16,150	-
Building improvements	884,454	319,544
Total Expenditures	<u>900,604</u>	<u>319,544</u>
Net Change In Fund Balances	(899,926)	(298,260)
Fund Balances, Beginning of Year	<u>1,205,749</u>	<u>1,504,009</u>
Fund Balances, End of Year	<u><u>\$ 305,823</u></u>	<u><u>\$ 1,205,749</u></u>

NORTHVIEW PUBLIC SCHOOLS
2018 Building and Site Sinking Capital Projects Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash equivalents and investments	\$ 1,399,315	\$ 644,970
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Restricted	1,399,315	644,970
Total Liabilities and Fund Balance	\$ 1,399,315	\$ 644,970

NORTHVIEW PUBLIC SCHOOLS
2018 Building and Site Sinking Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Property taxes:		
Current property taxes	\$ 766,244	\$ 808,994
Payments in lieu of taxes	2,432	1,147
Delinquent and other property taxes	219	873
Interest on delinquent taxes	379	822
Other taxes	42	0
	<u>769,316</u>	<u>811,836</u>
Interest earnings:		
Earnings on deposits and investments	595	3,842
State sources:		
Personal property tax debt loss reimbursement	5,792	5,390
	<u>5,792</u>	<u>5,390</u>
Total Revenues	<u>775,703</u>	<u>821,068</u>
Expenditures		
Capital outlay:		
Equipment	14,290	161,623
Building improvements	7,068	14,475
	<u>21,358</u>	<u>176,098</u>
Total Expenditures	<u>21,358</u>	<u>176,098</u>
Net Change In Fund Balances	754,345	644,970
Fund Balances, Beginning of Year	<u>644,970</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,399,315</u>	<u>\$ 644,970</u>

NORTHVIEW PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash equivalents and investments	\$ 7,485,556	\$ 9,968,317
Due from other funds	14,509	-
Total Assets	\$ 7,500,065	\$ 9,968,317
 Liabilities and Fund Balances		
Liabilities	\$ 1,399,554	\$ -
Fund Balances		
Restricted	6,100,511	9,968,317
Total Liabilities and Fund Balances	\$ 7,500,065	\$ 9,968,317

NORTHVIEW PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Interest earnings:		
Earnings on deposits and investments	\$ 10,980	\$ 114
Expenditures		
Capital outlay:		
Professional and technical services	1,230,893	27,844
Building improvements	934,798	-
Furniture and equipment	1,006,446	-
School bus purchases	640,000	-
Bond issuance costs	66,649	29,300
Underwriter's discount	-	131,069
Total Expenditures	<u>3,878,786</u>	<u>188,213</u>
Deficiency of Revenues Over Expenditures	<u>(3,867,806)</u>	<u>(188,099)</u>
Other Financing Sources		
Proceeds from bonds	-	9,490,000
Bond premium	-	666,416
Total Other Financing Sources	<u>-</u>	<u>10,156,416</u>
Net Change In Fund Balances	(3,867,806)	9,968,317
Fund Balances, Beginning of Year	<u>9,968,317</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 6,100,511</u>	<u>\$ 9,968,317</u>

OTHER INFORMATION

NORTHVIEW PUBLIC SCHOOLS
Summary of 2020 Taxes Levied and Collected
For the year ended June 30, 2021

	Kent County			Total
	Ada	Townships of Grand Rapids	Plainfield	
Taxable Valuations				
Operating	\$ 936,408	\$ 15,139,921	\$163,210,637	\$179,286,966
Recreation/Debt Service/Building & Site	12,688,278	79,310,970	621,675,583	713,674,831
Rates (Mills)				
General Fund				18.0000
Recreation				0.7165
2018 Debt Service Fund				0.0100
2020 Debt Service Fund				1.2980
2020 Refunding				5.0000
Building and Site Fund				1.1786
				<u>26.2031</u>
Taxes Levied 2020 Rolls				
General Fund	\$ 16,054	\$ 278,600	\$ 3,008,763	\$ 3,303,417
Recreation	10,039	56,771	445,177	511,986
2018 Debt Service Fund	140	792	6,214	7,146
2020 Debt Service Fund	18,186	102,856	806,568	927,609
2020 Refunding	70,056	396,208	3,106,963	3,573,226
Building and Site Fund	16,513	93,394	732,326	842,233
	<u>130,989</u>	<u>928,620</u>	<u>8,106,010</u>	<u>9,165,619</u>
Taxes Uncollected 2020 Rolls				
General Fund	-	352	1,860	2,212
Recreation	-	42	222	264
2018 Debt Service Fund	-	1	3	4
2020 Debt Service Fund	-	76	402	478
2020 Refunding	-	293	1,549	1,843
Building and Site Fund	-	69	365	434
	<u>-</u>	<u>833</u>	<u>4,401</u>	<u>5,235</u>
Taxes Collected 2020 Rolls				
General Fund	16,054	278,248	3,006,904	3,301,206
Recreation	10,039	56,729	444,955	511,722
2018 Debt Service Fund	140	792	6,211	7,143
2020 Debt Service Fund	18,186	102,779	806,165	927,131
2020 Refunding	70,056	395,914	3,105,413	3,571,383
Building and Site Fund	16,513	93,325	731,961	841,799
	<u>130,989</u>	<u>927,787</u>	<u>8,101,609</u>	<u>9,160,384</u>
Delinquent Taxes Collected				
General Fund	-	352	1,232	1,584
Recreation	-	43	133	176
2018 Debt Service Fund	-	1	-	1
2020 Debt Service Fund	-	349	914	1,263
2020 Refunding	-	91	928	1,019
Building and Site Fund	-	-	219	219
	<u>-</u>	<u>836</u>	<u>3,426</u>	<u>4,262</u>
Total Taxes Collected				
General Fund	16,054	278,600	3,008,135	3,302,789
Recreation	10,039	56,772	445,088	511,898
2018 Debt Service Fund	140	793	6,211	7,144
2020 Debt Service Fund	18,186	103,128	807,079	928,394
2020 Refunding	70,056	396,005	3,106,341	3,572,402
Building and Site Fund	16,513	93,325	732,180	842,018
	<u>130,989</u>	<u>928,623</u>	<u>8,105,034</u>	<u>9,164,646</u>