
Plymouth-Canton Community Schools

**Financial Report
with Supplemental Information
June 30, 2021**

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Independent Auditor's Report

To the Board of Education
Plymouth-Canton Community 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 Plymouth-Canton Community Schools (the "School District") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Plymouth-Canton Community Schools' 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 Plymouth-Canton Community Schools as of June 30, 2021 and the respective changes in its financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, as of July 1, 2020, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

To the Board of Education
Plymouth-Canton Community Schools

Required Supplemental Information

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

Other Information

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

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021 on our consideration of Plymouth-Canton Community 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 the effectiveness of the School District's internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Plymouth-Canton Community Schools' internal control over financial reporting and compliance.



October 19, 2021

This section of Plymouth-Canton Community Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2021. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Plymouth-Canton Community Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund, the Funded Projects Fund, and the 2020 Capital Projects Fund, with all other funds presented in one column as nonmajor funds. The remaining statements consist of the Internal Service Fund statements. The Internal Service Fund statements present financial information about medical benefits provided to school district employees. This report is composed of the following elements:

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Budgetary Information for Major Fund

Budgetary Comparison Schedule - Major Special Revenue Funds

Schedules of the School District's Proportionate Share of the Net Pension and OPEB Liabilities

Schedules of Pension and OPEB Contributions

Other Supplemental Information

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the School District's net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position, as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

Plymouth-Canton Community Schools

Management's Discussion and Analysis (Continued)

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Services Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

Governmental Funds

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

Proprietary Funds

Proprietary fund reporting focuses on the economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services it provides to other funds. The School District established a proprietary fund, specifically the Internal Service Fund, to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services represent health insurance benefits

Plymouth-Canton Community Schools

Management's Discussion and Analysis (Continued)

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2021 and 2020:

	Governmental Activities	
	2021	2020
	(in millions)	
Assets		
Current and other assets	\$ 203.1	\$ 203.9
Capital assets	206.9	204.6
Total assets	410.0	408.5
Deferred Outflows of Resources	117.9	129.0
Liabilities		
Current liabilities	34.6	31.1
Noncurrent liabilities	276.4	293.8
Net pension liability	373.0	351.6
Net OPEB liability	58.8	76.5
Total liabilities	742.8	753.0
Deferred Inflows of Resources	60.8	57.3
Net Position (Deficit)		
Net investment in capital assets	38.6	32.2
Restricted	7.1	6.5
Unrestricted	(321.4)	(311.5)
Total net position (deficit)	<u>\$ (275.7)</u>	<u>\$ (272.8)</u>

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(275.7) million at June 30, 2021. Net investment in capital assets totaling \$38.6 million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position, \$(321.4) million, was unrestricted and represents the accumulated results of all past years' operations.

The \$(321.4) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from adoption of Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 75 (recording the School District's share of the net pension and OPEB liabilities from the state-managed retirement system). Unrestricted net position, when available, would enable the School District to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund and the change in net pension/OPEB liabilities will have significant impacts on the change in unrestricted net position from year to year.

Plymouth-Canton Community Schools

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2021 and 2020:

	Governmental Activities	
	2021	2020
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 1.5	\$ 6.9
Operating grants	62.1	49.1
General revenue:		
Taxes	55.9	54.1
State aid not restricted to specific purposes	112.4	109.3
Other	4.0	3.7
Total revenue	<u>235.9</u>	<u>223.1</u>
Expenses		
Instruction	130.4	127.6
Support services	79.0	72.6
Athletics	2.4	2.5
Food services	5.0	5.6
Community services	3.8	5.4
Debt service	7.7	7.1
Depreciation expense (unallocated)	12.6	12.4
Total expenses	<u>240.9</u>	<u>233.2</u>
Change in Net Position	(5.0)	(10.1)
Net Position (Deficit) - Beginning of year, as restated	<u>(270.7)</u>	<u>(262.7)</u>
Net Position (Deficit) - End of year	<u><u>\$ (275.7)</u></u>	<u><u>\$ (272.8)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$240.9 million. Certain activities were partially funded from those who benefited from the programs (\$1.5 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$62.1 million). We paid for the remaining public benefit portion of our governmental activities with \$55.9 million in taxes, \$112.4 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

The School District experienced a decrease in net position of \$5.0 million. Key reasons for the change in net position were increases in the cost of instruction and support services due to negotiated staff contracts for salaries and benefits.

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

As required by the Governmental Accounting Standards Board, the School District adopted GASB Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard provides guidance on the identification and reporting of fiduciary activities and required the district to evaluate activities to determine if they were fiduciary in nature. The standard also changed the reporting and presentation requirements of fiduciary activities. The effect of the adoption on the governmental activities was to increase July 1, 2020 beginning net position by approximately \$2.0 million, which represents the activities that used to be reported as fiduciary but are now reported as governmental under GASB 84. The governmental statement of net position at June 30, 2021 and statement of activities for the year ended June 30, 2021 include all the balances and transactions for those activities that used to be reported as fiduciary but are now reported as governmental.

Plymouth-Canton Community Schools

Management's Discussion and Analysis (Continued)

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$163.1 million, which is an increase of \$9.7 million from last year. The primary reasons for the increase are as follows:

In the General Fund, our principal operating fund, the fund balance increased by \$6.4 million to \$45.9 million. The change is mainly due to the reinstatement of \$175 per membership student by the state Legislature, which reduced revenue in the School Aid Fund in the prior year after year end due to a state revenue shortfall. In addition, reductions in operating costs during the pandemic due to lack of staffing through our third-party contracts for substitute teaching, paraprofessionals, custodial services, and transportation services created savings year over year.

The fund balances of our special revenue funds remained consistent but were impacted by student tuition-based programming within the School District and the universal feeding program instituted during the COVID-19 pandemic by the USDA.

The combined fund balance of our debt service funds increased by \$0.6 million. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are reserved since they can only be used to pay debt service obligations.

The combined fund balance of our capital projects funds decreased by \$17.1 million. This decrease is primarily due to the continued spending on bond projects.

Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2021. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

There were significant revisions made to the 2020-2021 original budget. Budgeted revenue was increased by \$12.2 million due to an unanticipated increase in foundation allowance payments due to actual student enrollment being greater than original estimates. In addition the foundation allowance formula amounts, certain categorical revenue from the State and more revenue from federal funds than originally budgeted also contributed to the increase.

Budgeted expenditures were decreased by \$3.8 million to account for actual staff salaries and benefits versus projections.

There were no significant variances between the General Fund final budget and actual amounts, except reductions in operating costs during the pandemic due to lack of staffing through our third-party contracts for substitute teaching, paraprofessionals, custodial services, and transportation services created savings year over year.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021 and 2020, the School District had \$206.9 million and \$204.6 million, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment.

Plymouth-Canton Community Schools

Management's Discussion and Analysis (Continued)

	Governmental Activities	
	2021	2020
Land	\$ 3,936,199	\$ 3,936,199
Construction in progress	6,693,181	1,595,138
Buildings and improvements	184,964,888	188,151,171
Furniture and equipment	4,798,183	6,203,606
Buses and other vehicles	6,527,581	4,760,501
Total capital assets - Net of accumulated depreciation	\$ 206,920,032	\$ 204,646,615

This year's additions of \$14.9 million included vehicles, cafeteria equipment, technology, building renovations, new school construction, and buses. Several major capital projects are planned for the 2021-2022 fiscal year. We anticipate capital additions will be comparable to this year. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$252.4 million in bonds outstanding versus \$269.9 million in the previous year, a change of 6.5 percent. The School District also had an installment purchase agreement with an outstanding balance of approximately \$176,000 and \$278,000 as of June 30, 2021 and 2020, respectively, related to the purchase of maintenance vehicles and printers.

The School District's general obligation bond rating is currently Aa2. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues qualified debt (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt of \$252.4 million is significantly below the statutorily imposed limit.

Other obligations include workers' compensation and health benefit obligations, accrued vacation pay, and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2021-2022 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2021-2022 budget was adopted in June 2021 based on an estimate of students who will enroll in September 2021.

Approximately 80 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2021-2022 school year, we anticipate that the fall student count will exceed the estimates used in creating the initial 2021-2022 General Fund budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The State periodically holds a Revenue Estimating Conference to estimate revenue. Based on the results of the most recent conference in May 2021, the State estimates funds are sufficient to fund the appropriation. Subsequent to the close of the School District's fiscal year, the State approved an increase in base foundation from \$8,111 to \$8,700 per pupil. This alone will significantly reduce, if not eliminate the current projected shortfall for the 2021-2022 General Fund budget.

The School District has also received several federal grants to support the additional staff, cleaning protocols and cleaning services, and the numerous personal protection equipment (PPE) costs related to COVID-19. The federal CARES Act has allocated \$797,150 to be shared between the P-CCS K-12 program and the local private schools. The federal ESSER funds have tentatively allocated \$3,679,572 and \$8,263,796, respectively, to the School District, with final allocations anticipated to be higher to cover the additional costs incurred to provide virtual or in-person instruction during the 2021-2022 school year. We will utilize these funds to cover all allowable costs.

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact us at 454 South Harvey Street, Plymouth, MI 48170.

Plymouth-Canton Community Schools

Statement of Net Position

June 30, 2021

Governmental
Activities

Assets

Cash and investments (Notes 4 and 5)	\$ 53,039,931
Receivables:	
Property taxes receivable	547,921
Other receivables	56,411
Due from other governments	30,531,208
Inventory	241,653
Prepaid expenses and other assets	44,776
Restricted assets (Notes 4 and 7)	118,667,930
Capital assets - Net (Note 8)	206,920,032
Total assets	410,049,862

Deferred Outflows of Resources

Deferred charges on bond refunding (Note 10)	802,926
Deferred pension costs (Note 12)	86,726,196
Deferred OPEB costs (Note 12)	30,405,144
Total deferred outflows of resources	117,934,266

Liabilities

Accounts payable	6,757,713
Checks issued in excess of available cash	283,356
Accrued liabilities and other	23,907,323
Unearned revenue (Note 6)	3,683,096
Noncurrent liabilities:	
Due within one year (Note 10)	23,404,719
Due in more than one year (Note 10)	253,006,196
Net pension liability	373,017,411
Net OPEB liability	58,755,900
Total liabilities	742,815,714

Deferred Inflows of Resources

Deferred benefit on bond refunding (Note 10)	1,365,901
Revenue in support of pension contributions made subsequent to the measurement date (Note 12)	14,237,525
Deferred pension cost reductions (Note 12)	1,258,145
Deferred OPEB cost reductions (Note 12)	43,987,693
Total deferred inflows of resources	60,849,264

Net Position (Deficit)

Net investment in capital assets	38,627,919
Restricted:	
Debt service	5,862,719
Capital projects	1,190,986
Unrestricted	(321,362,474)
Total net position (deficit)	<u>\$ (275,680,850)</u>

Plymouth-Canton Community Schools

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 130,395,234	\$ -	\$ 43,122,607	\$ (87,272,627)
Support services	78,989,694	-	18,486,755	(60,502,939)
Athletics	2,372,754	698,514	-	(1,674,240)
Food services	5,040,116	64,627	443,397	(4,532,092)
Community services	3,822,660	757,438	-	(3,065,222)
Interest	7,678,303	-	-	(7,678,303)
Other debt costs	5,700	-	-	(5,700)
Depreciation expense (unallocated)	12,634,489	-	-	(12,634,489)
Total primary government	\$ 240,938,950	\$ 1,520,579	\$ 62,052,759	(177,365,612)
General revenue:				
Taxes:				
Property taxes levied for general purposes				29,522,910
Property taxes levied for debt service				26,351,715
State aid not restricted to specific purposes				112,359,513
Federal grants and contributions not restricted to specific purposes				177,206
Interest and investment earnings				205,228
Penalties, interest, and other taxes				65,693
Gain on sale of capital assets				42,485
Other				3,683,228
Total general revenue				<u>172,407,978</u>
Change in Net Position				(4,957,634)
Net Position (Deficit) - Beginning of year, as restated (Note 2)				<u>(270,723,216)</u>
Net Position (Deficit) - End of year				<u>\$(275,680,850)</u>

Plymouth-Canton Community Schools

Governmental Funds Balance Sheet

June 30, 2021

	General Fund	Funded Projects Fund	2020 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Notes 4 and 5)	\$ 41,697,438	\$ -	\$ -	\$ 5,684,631	\$ 47,382,069
Receivables:					
Property taxes receivable	547,380	-	-	541	547,921
Other receivables	50,813	-	-	5,598	56,411
Due from other governments	26,453,287	3,056,219	-	1,021,702	30,531,208
Due from other funds (Note 9)	3,729,821	1,528,868	-	1,252,611	6,511,300
Inventory	146,528	-	-	95,125	241,653
Prepaid expenses	44,776	-	-	-	44,776
Restricted assets (Notes 4 and 7)	-	-	106,767,316	11,900,614	118,667,930
Total assets	\$ 72,670,043	\$ 4,585,087	\$ 106,767,316	\$ 19,960,822	\$ 203,983,268
Liabilities					
Accounts payable	\$ 1,996,826	\$ 51,489	\$ 3,180,364	\$ 1,529,034	\$ 6,757,713
Checks issued in excess of available cash	-	283,356	-	-	283,356
Due to other funds (Note 9)	4,037,436	-	2,598,768	1,349,034	7,985,238
Accrued liabilities and other	20,714,987	1,017,447	-	482,177	22,214,611
Unearned revenue (Note 6)	-	3,294,436	-	388,660	3,683,096
Total liabilities	26,749,249	4,646,728	5,779,132	3,748,905	40,924,014
Fund Balances (Deficit)					
Nonspendable:					
Inventory	146,528	-	-	95,125	241,653
Prepays	44,776	-	-	-	44,776
Restricted:					
Debt service	-	-	-	7,555,431	7,555,431
Capital projects	-	-	100,988,184	3,829,787	104,817,971
Food service	-	-	-	1,204,865	1,204,865
Committed:					
Capital projects	-	-	-	574,563	574,563
Committed for community service	-	-	-	825,167	825,167
Committed for student activities	-	-	-	2,126,979	2,126,979
Assigned - Subsequent year budget shortfall	7,302,624	-	-	-	7,302,624
Unassigned	38,426,866	(61,641)	-	-	38,365,225
Total fund balances (deficit)	45,920,794	(61,641)	100,988,184	16,211,917	163,059,254
Total liabilities and fund balances (deficit)	\$ 72,670,043	\$ 4,585,087	\$ 106,767,316	\$ 19,960,822	\$ 203,983,268

Plymouth-Canton Community Schools

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 163,059,254
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 are not reported in the funds	206,920,032
Deferred inflows and outflows related to bond refundings are not reported in the funds	(562,975)
Bonds payable, installment purchase agreements, and bond premiums are not due and payable in the current period and are not reported in the funds	(272,755,082)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,692,712)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences and other employee-related obligations	(993,166)
Net pension liability and related deferred inflows and outflows	(287,549,360)
Net OPEB liability and related deferred inflows and outflows	(72,338,449)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(14,237,525)
Internal service funds are included as part of governmental activities	<u>4,469,133</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (275,680,850)</u></u>

Plymouth-Canton Community Schools

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	General Fund	Funded Projects Fund	2020 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	\$ 32,343,413	\$ 49,064	\$ 163,635	\$ 28,793,241	\$ 61,349,353
State sources	135,176,710	6,762,643	-	2,799,813	144,739,166
Federal sources	204,806	13,121,784	-	4,676,806	18,003,396
Interdistrict sources	10,736,438	27,707	-	3,588,239	14,352,384
Total revenue	178,461,367	19,961,198	163,635	39,858,099	238,444,299
Expenditures					
Current:					
Instruction	104,297,993	13,029,140	-	3,486,837	120,813,970
Support services	62,792,962	4,980,801	286,896	3,355,977	71,416,636
Athletics	2,248,636	-	-	-	2,248,636
Food services	-	-	-	4,817,632	4,817,632
Community services	767,467	1,787,314	-	970,722	3,525,503
Debt service:					
Principal	102,223	-	-	17,460,000	17,562,223
Interest	415,336	-	-	9,502,008	9,917,344
Other debt costs	2,100	-	-	3,600	5,700
Capital outlay	301,675	128,170	7,919,986	9,552,445	17,902,276
Total expenditures	170,928,392	19,925,425	8,206,882	49,149,221	248,209,920
Excess of Revenue Over (Under) Expenditures	7,532,975	35,773	(8,043,247)	(9,291,122)	(9,765,621)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	1,317	-	-	41,168	42,485
Transfers in (Note 9)	23,168	-	-	1,180,959	1,204,127
Transfers out (Note 9)	(1,148,130)	(35,773)	-	(20,224)	(1,204,127)
Total other financing (uses) sources	(1,123,645)	(35,773)	-	1,201,903	42,485
Net Change in Fund Balances	6,409,330	-	(8,043,247)	(8,089,219)	(9,723,136)
Fund Balances (Deficit) - Beginning of year, as restated (Note 2)	39,511,464	(61,641)	109,031,431	24,301,136	172,782,390
Fund Balances (Deficit) - End of year	\$ 45,920,794	\$ (61,641)	\$ 100,988,184	\$ 16,211,917	\$ 163,059,254

Plymouth-Canton Community Schools

Governmental Funds

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Year Ended June 30, 2021

Net Change in Fund Balance Reported in Governmental Funds	\$ (9,723,136)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	14,907,906
Depreciation expense	(12,634,489)
Revenue in support of pension contributions made subsequent to the measurement date	(2,505,468)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	19,848,990
Interest expense is recognized in the government-wide statements as it accrues	(47,726)
Some employee costs (pension, OPEB, compensated absences, and self-insurance) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(15,947,612)
Internal service funds are included as part of governmental activities:	<u>1,143,901</u>
Change in Net Position of Governmental Activities	<u><u>\$ (4,957,634)</u></u>

Plymouth-Canton Community Schools

Proprietary Fund Statement of Net Position

June 30, 2021

Internal Service
Fund

Assets

Current assets:

Cash and investments (Note 4)

\$ 5,657,862

Due from other funds (Note 9)

1,473,938

Total assets

7,131,800

Liabilities - Provision for claims (Notes 10 and 11)

2,662,667

Net Position - Unrestricted

\$ 4,469,133

Plymouth-Canton Community Schools

Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2021

	<u>Internal Service Fund</u>
Operating Revenue - Charges for service	\$ 21,439,463
Operating Expenses - Medical benefits expense	<u>20,295,562</u>
Change in Net Position - Operating income	1,143,901
Net Position - Beginning of year	<u>3,325,232</u>
Net Position - End of year	<u><u>\$ 4,469,133</u></u>

Plymouth-Canton Community Schools

Proprietary Fund Statement of Cash Flows

Year Ended June 30, 2021

	<u>Internal Service Fund</u>
Cash Flows from Operating Activities	
Medical benefit expenses paid	\$ (17,958,790)
Collections from other funds	<u>17,924,845</u>
Net Decrease in Cash and Cash Equivalents - Net cash and cash equivalents used in operating activities	(33,945)
Cash and Cash Equivalents - Beginning of year	<u>5,691,807</u>
Cash and Cash Equivalents - End of year	<u>\$ 5,657,862</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 1,143,901
Adjustments to reconcile operating income to net cash from operating activities - Changes in assets and liabilities:	
Due to and from other funds	(3,514,619)
Medical benefits liabilities	<u>2,336,773</u>
Net cash and cash equivalents used in operating activities	<u>\$ (33,945)</u>

Note 1 - Nature of Business

Plymouth-Canton Community Schools (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

Plymouth-Canton Community Schools follow accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Reporting Entity

The School District is governed by an elected seven-member Board of Education. In accordance with government accounting principles, no component units are required to be reported within these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives, the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue 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 provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Taxes, intergovernmental payments, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Accounting

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.

June 30, 2021

Note 2 - Significant Accounting Policies (Continued)

- The 2020 Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of funds specifically designated for remodeling, furnishing, and equipping school buildings and sites and purchasing school buses, student computing devices, classroom technology, and computer labs. The fund operates until the purposes for which it was created are accomplished.
- The Funded Projects Fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Additionally, the School District reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Capital projects funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the School District). The School District does not have any enterprise funds.

The School District’s Internal Service Fund is used to finance services provided to other funds on a cost-reimbursement basis. The Internal Service Fund maintained by the School District is for medical benefits liabilities. It is funded through charges to the other funds in amounts equal to the normal estimated medical benefits expense expected to be incurred subsequent to year end and contributions from employees for their share of medical benefits.

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

June 30, 2021

Note 2 - Significant Accounting Policies (Continued)

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Investments

Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments with an original maturity of greater than one year are stated at fair value, net acquisition value, or amortized cost depending on the nature of the investment.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements.

Restricted Assets

The unspent property taxes levied and mandatory deposits held in the debt service funds are required to be set aside for future bond principal and interest payments. Unspent bond proceeds and related interest of the bonded capital projects funds are required to be set aside for construction or other allowable bond purchases. These amounts have been classified as restricted assets.

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Depreciable Life - Years</u>
Buildings and improvements	10 to 50
Furniture and equipment	5 to 10
Buses and other vehicles	5 to 10

Note 2 - Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term obligations.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has deferred outflows of resources related to deferred charges on refundings and deferred pension plan and OPEB costs.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The School District has deferred inflows of resources related to deferred benefit on debt refunding, revenue in support of pension payments made subsequent to the measurement date, and deferred pension and OPEB plan cost reductions.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 2 - Significant Accounting Policies (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can commit fund balance by passing a resolution. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the Board of Education to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential either to remove or revise a commitment.

Amounts that do not fall into any other category above are considered to be unassigned fund balance. This represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes.

The fund balance policy prescribes the minimum fund balance as 10 percent of expenditures in the General Fund. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year.

Property Tax Revenue

Property taxes are assessed as of December 31, and the related property taxes are levied and become a lien on July 1 for 100 percent of the taxes that are due September 14. The fund collection date is February 28, after which they are added to county delinquent tax rolls.

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

Grants and Contributions

The School District receives federal and state grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

June 30, 2021

Note 2 - Significant Accounting Policies (Continued)

Pension and Other Postemployment Benefit (OPEB) Plans

For the purpose of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the School District will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Internal Service Fund includes charges to other funds for services. Operating expenses of the Internal Service Fund include the cost of medical benefit claims and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Adoption of New Accounting Pronouncement

During the current year, the School District adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the Agency Fund activities that were previously reported as fiduciary activities no longer meet the definition of such; therefore, these activities are now reported within a nonmajor governmental special revenue fund.

The effect of this new standard on fund balance/net position was as follows:

	Primary Government	
	Governmental Activities	Nonmajor Funds
Net position (deficit)/fund balance - June 30, 2020 - As previously reported	\$ (272,751,610)	\$ 22,272,742
Adjustment for GASB Statement No. 84 - To change fund type	2,028,394	2,028,394
Net position (deficit)/fund balance - June 30, 2020 - As restated	\$ (270,723,216)	\$ 24,301,136

June 30, 2021

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2022.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 19, 2021, which is the date the financial statements were available to be issued.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and major special revenue funds, except that capital outlay expenditures are reported in other expenditure categories, and proceeds from the sale of capital assets are reported in local revenue. All annual appropriations lapse at fiscal year end.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the School District incurred expenditures in the Funded Projects Fund, the major special revenue fund, that were in excess of the amounts budgeted. The final budget estimated expenditures of \$14,823,061, while the actual expenditures incurred totaled \$19,925,425.

Fund Deficits

The School District had a deficit in fund balance in the Funded Projects Fund of \$61,641. Subsequent to year end, the General Fund transferred funds to the Funded Revenue Fund.

Capital Projects Fund Compliance

The 2019 Capital Projects and 2020 Capital Projects funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

June 30, 2021

Note 3 - Stewardship, Compliance, and Accountability (Continued)

Beginning with the year of bond issuance, the School District has reported the annual construction activity in the 2015 Capital Projects Fund. The project for which the 2015 Capital Project bonds were issued was considered complete on June 30, 2021. As of the date of closing, the bond had incurred \$39,825,366 of expenditures.

The 2013 Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the projects for which the bonds were issued were considered complete during a prior period, and the School District has completed the required reporting to the Michigan Department of Treasury.

Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated two banks for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except the MILAF MAX Class funds, which may not be redeemed for at least 14 calendar days, with the exception of direct investment of funds distributed by the State of Michigan. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount redeemed.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District's deposit balance of \$34,419,632 included bank deposits of \$33,919,632 (certificates of deposit, money market funds, and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment policy states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the School District will do business. At June 30, 2021, the School District does not have investments with custodial credit risk.

June 30, 2021

Note 4 - Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy minimizes interest rate risk by requiring the School District to structure 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; investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools; and limiting the average maturity in accordance with the School District's cash requirements.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices.

Investment	Fair Value	Average Maturity (Years)	Rating (S&P's) Unless Otherwise Noted
Primary Government			
U.S. Treasury securities	\$ 4,725,307	N/A	AA+
Money market mutual funds*	408,705	N/A	AAAm
Commercial money market*	273,103	N/A	AAAm
Michigan Liquid Asset Fund - MAX Class*	26,052,428	N/A	AAAm
Michigan Liquid Asset Fund - Cash Management Class*	13,398,151	N/A	AAAm
Michigan Liquid Asset Fund - TERM**	72,975,000	N/A	Kroll - AAAkf
Freddie Mac Notes	2,105,831	1.81	AA+
Fannie Mae Notes	2,741,006	1.89	AA+
National Bank of Canada*	3,279,167	0.24	A1
Ridgefield Funding Co.*	3,123,459	0.34	A1
Societe Generate*	3,247,816	0.46	A1
Aust & NZ Banking Group*	3,197,427	0.48	A1+
Natixis NY Branch*	3,248,310	0.48	A1
Total	<u>\$ 138,775,710</u>		

*Securities are valued at amortized cost rather than fair value.

**Security is valued at NAV rather than fair value.

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. More than 5 percent of the School District's investments are invested in the following at June 30, 2021:

Investments	Percentage of Investments
Michigan Liquid Asset Fund - MAX Class*	18.14 %
Michigan Liquid Asset Fund - Cash Management Class*	9.33
Michigan Liquid Asset Fund - TERM	50.81

Note 4 - Deposits and Investments (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's investment policy prohibit investments in foreign currency.

Note 5 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (NAV) (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The School District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The School District has the following recurring fair value measurements as of June 30, 2021:

- U.S. Treasury securities of \$4,725,307 are valued using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals (Level 2 inputs).
- Mortgage-backed securities (Freddie Mac and Fannie Mae Notes) of \$4,846,837 are valued using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals (Level 2 inputs).

Investments in Entities that Calculate Net Asset Value per Share

The School District holds shares or interests in the Michigan Liquid Asset Fund Term Series where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

At June 30, 2021, net asset value of the School District's investment in the MILAF Term Series was \$72,975,000. The investment pool had no unfunded commitments. The MILAF Term Series allows for the School District to set a specific redemption date set upon initiation of investment. Early redemptions are permitted; however, an early redemption fee would apply.

Note 6 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2021, the School District did not have any unavailable revenue and had approximately \$3,683,000 of unearned revenue primarily related to community service programs and grant and categorical aid payments received prior to meeting all eligibility requirements.

June 30, 2021

Note 7 - Restricted Assets

At June 30, 2021, restricted assets are composed of the following:

Description	Governmental Activities
Unspent bond proceeds and related interest	\$ 111,261,136
Unspent property taxes levied for debt service, including amounts due from other funds	2,681,487
Funds set aside for future principal payments	<u>4,725,307</u>
Total	<u>\$ 118,667,930</u>

Note 8 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 3,936,199	\$ -	\$ -	\$ -	\$ 3,936,199
Construction in progress	1,595,138	(1,595,138)	6,693,181	-	6,693,181
Subtotal	5,531,337	(1,595,138)	6,693,181	-	10,629,380
Capital assets being depreciated:					
Buildings and improvements	322,787,948	1,364,755	4,297,665	-	328,450,368
Furniture and equipment	21,609,577	230,383	493,066	-	22,333,026
Buses and other vehicles	21,148,587	-	3,423,994	(773,885)	23,798,696
Subtotal	365,546,112	1,595,138	8,214,725	(773,885)	374,582,090
Accumulated depreciation:					
Buildings and improvements	134,636,777	-	8,848,703	-	143,485,480
Furniture and equipment	15,405,971	-	2,128,872	-	17,534,843
Buses and other vehicles	16,388,086	-	1,656,914	(773,885)	17,271,115
Subtotal	166,430,834	-	12,634,489	(773,885)	178,291,438
Net capital assets being depreciated	199,115,278	1,595,138	(4,419,764)	-	196,290,652
Net governmental activities capital assets	<u>\$ 204,646,615</u>	<u>\$ -</u>	<u>\$ 2,273,417</u>	<u>\$ -</u>	<u>\$ 206,920,032</u>

Depreciation expense was not charged to activities, as the School District's assets benefit multiple activities, and allocation is not practical.

Capital Commitments

The School District has active capital improvement projects at year end. At June 30, 2021, the School District's commitments related to ongoing projects are as follows:

	Spent to Date	Remaining Commitment
2020 Capital Projects Fund	\$ 8,206,882	\$ 25,244,308
2019 Capital Projects Fund	3,296,651	1,548,960

June 30, 2021

Note 9 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From			Total
	General Fund	2020 Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 2,598,768	\$ 1,131,053	\$ 3,729,821
Funded Projects Fund	1,528,868	-	-	1,528,868
Nonmajor governmental funds	1,034,630	-	217,981	1,252,611
Internal Service Fund	1,473,938	-	-	1,473,938
Total	\$ 4,037,436	\$ 2,598,768	\$ 1,349,034	\$ 7,985,238

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 1,148,130
Funded Projects Fund	General Fund	2,944
	Nonmajor governmental funds	32,829
Nonmajor governmental funds	General Fund	20,224
	Total	\$ 1,204,127

Transfers from the General Fund provided funding for debt service payments and to subsidize the net loss for the extended day program. Funds from the Community Services Fund and Funded Projects Fund were transferred to the General Fund to cover excess costs related to operations of the funds for the purposes for which they were created. Funds from the Funded Projects Fund were transferred to the Community Services Fund to cover costs related to the At-Risk breakfast program.

June 30, 2021

Note 10 - Long-term Debt

Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:					
Direct borrowings and direct placements - Installment purchase agreements	\$ 277,533	\$ -	\$ (102,223)	\$ 175,310	\$ 104,805
Other debt - General obligation bonds payable	269,895,000	-	(17,460,000)	252,435,000	18,580,000
Unamortized bond premiums	22,102,703	-	(1,957,931)	20,144,772	1,957,930
Total bonds and notes payable	292,275,236	-	(19,520,154)	272,755,082	20,642,735
Employee-related obligations	1,164,444	112,576	(283,854)	993,166	99,317
Employee medical benefits - Recorded in the Internal Service Fund (Note 11)	325,894	20,295,563	(17,958,790)	2,662,667	2,662,667
Total governmental activities long-term debt	\$ 293,765,574	\$ 20,408,139	\$ (37,762,798)	\$ 276,410,915	\$ 23,404,719

The School District had deferred outflows of \$802,926 related to deferred charges on bond refundings and deferred inflows of \$1,365,901 related to deferred benefit on bond refundings at June 30, 2021.

June 30, 2021

Note 10 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligations have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's qualified bonds are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2021 are as follows:

	Remaining Annual Installments	Interest Rates (Percent)	Maturing on May 1	Outstanding
Governmental Activities				
\$7,560,000 qualified general obligation serial and term bonds (2010)	\$7,560,000	5.400	2027	\$ 7,560,000
\$54,775,000 qualified general obligation serial bonds (2012A)	\$4,305,000 - \$4,890,000	3.000 - 5.000	2029	36,900,000
\$65,000,000 nonqualified general obligation serial bonds (2013A)	\$2,925,000 - \$6,225,000	4.000 - 5.000	2033	54,425,000
\$38,720,000 nonqualified general obligation serial bonds (2015)	\$1,050,000 - \$2,725,000	3.000 - 4.000	2035	28,575,000
\$26,655,000 qualified general obligation serial bonds (2017)	\$1,605,000 - \$6,045,000	5.000	2031	24,050,000
\$18,890,000 qualified general obligation serial bonds (2018)	\$3,000,000	5.000	2022	3,000,000
\$6,035,000 qualified general obligation serial bonds (2019)	\$300,000	4.000	2025	1,200,000
\$100,000,000 nonqualified general obligation serial bonds (2020)	\$3,275,000 - \$6,350,000	3.000	2040	96,725,000
Total governmental activities				<u>\$ 252,435,000</u>

*Interest is partially subsidized, up to 4.80 percent

Installment Purchase Agreements

Installment purchase agreements outstanding at June 30, 2021 are as follows:

	Remaining Annual Installment	Interest Rates (Percent)	Maturing	Outstanding
Governmental Activities				
Plow trucks, dump truck, and transit vans	36,105	2.290	2022	\$ 36,089
Multipurpose printers/copiers	68,700 - 70,520	2.649	2023	139,221
Total governmental activities				<u>\$ 175,310</u>

Other Long-term Liabilities

Other long-term obligations outstanding at June 30, 2021 are as follows:

Severance benefits at retirement	\$ 618,900
Workers' compensation claims	35,763
Compensated absences obligation	338,503
Total governmental activities	<u>\$ 993,166</u>

Note 10 - Long-term Debt (Continued)

The compensated absences obligation as of June 30, 2021 is attributable to the governmental activities and will be liquidated primarily by the General Fund.

Severance benefits at retirement included in long-term obligations as of June 30, 2021 consist of two components and will be liquidated primarily by the General Fund. Employees who qualify for a retirement allowance receive a retirement payment of \$100 per year of service to the School District. This sum is paid upon retirement, provided the employee has been employed by the School District for at least 10 years and has made application for Michigan Public School Employees' Retirement System benefits for which they must be eligible. The second component is voluntary retirement compensation. If an employee qualifies, an amount of \$7,500 is paid to the employee.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				Total - Net
	Other Debt			Maximum Interest Subsidy	
	Principal	Interest			
2022	\$ 18,580,000	\$ 9,517,415	\$ (374,976)	\$ 27,722,439	
2023	19,730,000	8,698,415	(374,976)	28,053,439	
2024	16,350,000	7,923,115	(374,976)	23,898,139	
2025	16,845,000	7,275,115	(374,976)	23,745,139	
2026	17,930,000	6,605,365	(374,976)	24,160,389	
2027-2031	88,150,000	21,615,590	(374,976)	109,390,614	
2032-2036	50,300,000	7,983,750	-	58,283,750	
2037-2040	24,550,000	1,863,000	-	26,413,000	
Total	<u>\$ 252,435,000</u>	<u>\$ 71,481,765</u>	<u>\$ (2,249,856)</u>	<u>\$ 321,666,909</u>	

Note 11 - Risk Management

The School 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 School District is partially insured for employee medical benefits and for workers' compensation claims. The School District participates in the SET-SEG shared-risk pool program for claims relating to property loss, torts, and errors and omissions. The School District does not purchase any commercial insurance.

The SET-SEG shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 11 - Risk Management (Continued)

The School District estimates the liability for employee medical benefit and workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	Employee Medical Benefits		Workers' Compensation	
	2021	2020	2021	2020
Estimated liability - Beginning of year	\$ 325,894	\$ 2,787,585	\$ 68,305	\$ 48,573
Estimated claims incurred, including changes in estimates	20,295,563	19,135,620	(145,118)	74,175
Claim payments	(17,958,790)	(21,597,311)	112,576	(54,443)
Estimated liability - End of year	<u>\$ 2,662,667</u>	<u>\$ 325,894</u>	<u>\$ 35,763</u>	<u>\$ 68,305</u>

Note 12 - Michigan Public School Employees' Retirement System

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

June 30, 2021

Note 12 - Michigan Public School Employees' Retirement System (Continued)

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care and keeping the premium subsidy benefit described above or choosing not to pay the 3 percent 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 health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 accounts as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stopped paying the 3 percent contribution to retiree health care as of the day before their transition date, and their prior contributions were deposited into their 401(k) accounts.

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2019 - September 30, 2020	13.39% - 19.59%	7.57% - 8.09%
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

June 30, 2021

Note 12 - Michigan Public School Employees' Retirement System (Continued)

The School District's required and actual pension contributions to the plan for the year ended June 30, 2021 were \$33,376,128, which include the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of \$14,237,525 in revenue received from the State of Michigan and remitted to the System to fund the MPERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2021.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2021 were \$8,589,697, which include the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2021, the School District reported a liability of \$373,017,411 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 as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2020 and 2019, the School District's proportion was 1.09 and 1.06 percent, respectively, representing a change of 2.29 percent.

Net OPEB Liability

At June 30, 2021, the School District reported a liability of \$58,755,900 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2021 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 as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2020 and 2019, the School District's proportion was 1.10 and 1.07 percent, respectively, representing a change of 2.85 percent.

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

For 2021, the School District recognized pension expense of \$57,706,158, inclusive of payments to fund the MPERS UAAL stabilization rate. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,699,400	\$ (796,151)
Changes in assumptions	41,333,926	-
Net difference between projected and actual earnings on pension plan investments	1,567,252	-
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	9,994,285	(461,994)
The School District's contributions to the plan subsequent to the measurement date	28,131,333	-
Total	<u>\$ 86,726,196</u>	<u>\$ (1,258,145)</u>

June 30, 2021

Note 12 - Michigan Public School Employees' Retirement System (Continued)

The \$14,237,525 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2022	\$ 25,563,918
2023	18,409,025
2024	10,120,541
2025	3,243,234
Total	<u>\$ 57,336,718</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

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

For the year ended June 30, 2021, the School District recognized OPEB recovery of \$495,553.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (43,778,637)
Changes in assumptions	19,372,987	-
Net difference between projected and actual earnings on OPEB plan investments	490,384	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	4,370,261	(209,056)
Employer contributions to the plan subsequent to the measurement date	6,171,512	-
Total	<u>\$ 30,405,144</u>	<u>\$ (43,987,693)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2022	\$ (5,365,356)
2023	(4,681,861)
2024	(3,833,101)
2025	(3,243,343)
2026	(2,630,400)
Total	<u>\$ (19,754,061)</u>

June 30, 2021

Note 12 - Michigan Public School Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2020 are based on the results of an actuarial valuation as of September 30, 2019 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00% - 6.80%	6.00% - 7.05%
Investment rate of return - OPEB	6.95%	7.15%
Salary increases	2.75%-11.55%	2.75% - 11.55%
Health care cost trend rate - OPEB	7.0%	Year 1 graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation.

Significant assumption changes since the prior measurement date, September 30, 2019, for the OPEB plan include a reduction in the health care cost trend rate of 0.50 percentage points and the actual per person health benefit costs were lower than projected. There were no significant changes in assumptions for the pension actuarial valuation. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2019.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 6.80 percent as of September 30, 2020 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

June 30, 2021

Note 12 - Michigan Public School Employees' Retirement System (Continued)

The long-term expected rate of return on pension plan and 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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.60 %
Private equity pools	16.00	9.30
International equity pools	15.00	7.40
Fixed-income pools	10.50	0.50
Real estate and infrastructure pools	10.00	4.90
Absolute return pools	9.00	3.20
Real return/opportunistic pools	12.50	6.60
Short-term investment pools	2.00	0.10
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.1 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00 - 5.80%)	Current Discount Rate (6.00 - 6.80%)	1 Percentage Point Increase (7.00 - 7.80%)
Net pension liability of the School District	\$ 482,807,762	\$ 373,017,411	\$ 282,025,682

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.95%)	Current Discount Rate (6.95%)	1 Percentage Point Increase (7.95%)
Net OPEB liability of the School District	\$ 75,478,631	\$ 58,755,900	\$ 44,676,762

June 30, 2021

Note 12 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the School District	\$ 44,137,697	\$ 58,755,900	\$ 75,382,301

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2021, the School District reported a payable of \$7,394,418 and \$1,559,299 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2021.

Note 13 - Tax Abatements

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974) and brownfield redevelopment agreements granted by cities, villages, and townships within the boundaries of the School District. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities; brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

For the fiscal year ended June 30, 2021, the School District's property tax revenue was reduced by approximately \$1,890,000 under these programs.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the School Aid formula. The School District received approximately \$608,000 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from debt service millages. There are no abatements made by the School District.

Note 14 - Subsequent Events

On September 8, 2021, the School District issued the 2021 Refunding Bonds for \$85,583,865. The amount represents the par amount of the bonds, \$85,850,000, less the underwriters' discount of \$266,135.

Required Supplemental Information

Plymouth-Canton Community Schools

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 33,670,300	\$ 32,249,433	\$ 32,343,413	\$ 93,980
State sources	121,010,682	134,967,867	135,176,710	208,843
Federal sources	368,677	204,808	204,806	(2)
Other sources	10,961,910	10,794,510	10,736,438	(58,072)
Total revenue	166,011,569	178,216,618	178,461,367	244,749
Expenditures				
Current:				
Instruction:				
Basic programs	92,713,187	89,366,028	89,094,275	(271,753)
Added needs	16,759,136	16,138,657	15,224,119	(914,538)
Adult/Continuing education	-	-	290	290
Support services:				
Pupil	13,623,257	13,143,281	13,205,042	61,761
Instructional staff	11,035,170	11,199,607	10,886,300	(313,307)
General administration	968,372	978,529	948,523	(30,006)
School administration	11,262,215	11,203,510	10,952,406	(251,104)
Business	1,886,048	1,913,185	1,703,213	(209,972)
Operations and maintenance	15,510,013	15,673,746	14,281,499	(1,392,247)
Pupil transportation services	8,135,480	8,080,951	7,457,973	(622,978)
Central	3,388,675	3,653,784	3,602,241	(51,543)
Other	65,000	-	6,703	6,703
Athletics	2,672,658	2,649,782	2,278,682	(371,100)
Community services	698,091	749,594	767,467	17,873
Debt service	1,010,216	1,177,519	1,176,837	(682)
Total expenditures	179,727,518	175,928,173	171,585,570	(4,342,603)
Excess of Revenue (Under) Over Expenditures	(13,715,949)	2,288,445	6,875,797	4,587,352
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	69,000	-	1,317	1,317
Transfers in	536,501	131,442	23,168	(108,274)
Transfers out	-	-	(490,952)	(490,952)
Total other financing sources (uses)	605,501	131,442	(466,467)	(597,909)
Net Change in Fund Balance	(13,110,448)	2,419,887	6,409,330	3,989,443
Fund Balance - Beginning of year	39,511,464	39,511,464	39,511,464	-
Fund Balance - End of year	<u>\$ 26,401,016</u>	<u>\$ 41,931,351</u>	<u>\$ 45,920,794</u>	<u>\$ 3,989,443</u>

Plymouth-Canton Community Schools

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Funded Projects Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 157,230	\$ 105,682	\$ 49,064	\$ (56,618)
State sources	4,049,564	3,943,413	6,762,643	2,819,230
Federal sources	6,432,529	10,730,266	13,121,784	2,391,518
Interdistrict sources	41,465	43,700	27,707	(15,993)
Total revenue	10,680,788	14,823,061	19,961,198	5,138,137
Expenditures	10,680,788	14,823,061	19,925,425	5,102,364
Excess of Revenue Over Expenditures	-	-	35,773	35,773
Other Financing Uses - Transfers out	-	-	(35,773)	(35,773)
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) - Beginning of year	(61,641)	(61,641)	(61,641)	-
Fund Balance (Deficit) - End of year	<u>\$ (61,641)</u>	<u>\$ (61,641)</u>	<u>\$ (61,641)</u>	<u>\$ -</u>

Plymouth-Canton Community Schools

Required Supplemental Information Schedule of the School District's Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Seven Plan Years						
	Plan Years Ended September 30						
	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	1.08590 %	1.06158 %	1.04147 %	1.02015 %	1.01284 %	1.03480 %	1.07377 %
School District's proportionate share of the net pension liability	\$ 373,017,411	\$ 351,560,054	\$ 313,086,036	\$ 264,365,285	\$ 252,694,704	\$ 252,749,097	\$ 236,512,593
School District's covered payroll	\$ 97,023,828	\$ 93,055,398	\$ 89,792,682	\$ 86,072,934	\$ 84,658,411	\$ 86,306,925	\$ 92,104,586
School District's proportionate share of the net pension liability as a percentage of its covered payroll	384.46 %	377.80 %	348.68 %	307.14 %	298.49 %	292.85 %	256.79 %
Plan fiduciary net position as a percentage of total pension liability	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

Plymouth-Canton Community Schools

Required Supplemental Information
Schedule of Pension Contributions
Michigan Public School Employees' Retirement System

	Last Seven Fiscal Years						
	Years Ended June 30						
	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 32,717,110	\$ 29,229,021	\$ 27,573,689	\$ 26,208,885	\$ 23,952,714	\$ 23,809,029	\$ 17,195,497
Contributions in relation to the statutorily required contribution	<u>32,717,110</u>	<u>29,229,021</u>	<u>27,573,689</u>	<u>26,208,885</u>	<u>23,952,714</u>	<u>23,809,029</u>	<u>17,195,497</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 99,437,876	\$ 96,600,216	\$ 91,876,986	\$ 89,202,051	\$ 85,357,679	\$ 84,661,542	\$ 88,080,405
Contributions as a Percentage of Covered Payroll	32.90 %	30.26 %	30.01 %	29.38 %	28.06 %	28.12 %	19.52 %

Plymouth-Canton Community Schools

Required Supplemental Information Schedule of the School District's Proportionate Share of the Net OPEB Liability Michigan Public School Employees' Retirement System

	Last Four Plan Years			
	Plan Years Ended September 30			
	2020	2019	2018	2017
School District's proportion of the net OPEB liability	1.09675 %	1.06635 %	1.05578 %	1.01971 %
School District's proportionate share of the net OPEB liability	\$ 58,755,900	\$ 76,540,207	\$ 83,923,058	\$ 90,300,113
School District's covered payroll	\$ 97,023,828	\$ 93,055,398	\$ 89,792,682	\$ 86,072,934
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	60.56 %	82.25 %	93.46 %	104.91 %
Plan fiduciary net position as a percentage of total OPEB liability	59.76 %	48.67 %	43.10 %	36.53 %

Plymouth-Canton Community Schools

Required Supplemental Information Schedule of OPEB Contributions Michigan Public School Employees' Retirement System

	Last Four Fiscal Years Years Ended June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 8,161,960	\$ 7,694,530	\$ 7,172,244	\$ 6,415,190
Contributions in relation to the statutorily required contribution	<u>8,161,960</u>	<u>7,694,530</u>	<u>7,172,244</u>	<u>6,415,190</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 99,437,876	\$ 96,600,216	\$ 91,876,986	\$ 89,202,051
Contributions as a Percentage of Covered Payroll	8.21 %	7.97 %	7.81 %	7.19 %

June 30, 2021

Budgetary Comparison Schedule - General Fund

1 - Capital outlay expenditures are included in the functional categories to which they relate in accordance with the adopted budget of the School District. Capital outlay is presented separately on the statement of revenue, expenditures, and changes in fund balances.

2 - Proceeds from the sale of capital assets are included in local revenue in accordance with the adopted budget of the School District. Proceeds are presented separately on the statement of revenue, expenditures, and changes in fund balances.

3 - Transfers to debt funds to fund principal payments are included in debt service in accordance with the adopted budget of the School District. These transfers are presented as transfers out within other financing uses on the statement of revenue, expenditures, and changes in fund balances.

Pension Information

Ultimately, 10 years of data will be presented in both of the pension-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

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

Changes in Assumptions

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

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

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

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

Changes in Assumptions

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

- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.

2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

Plymouth-Canton Community Schools

Notes to Required Supplemental Information (Continued)

June 30, 2021

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Other Supplemental Information

Plymouth-Canton Community Schools

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2021

	Special Revenue Funds				Debt Service Funds								Total Debt Service Funds
	Food Services	Community Services	Act 18	Student Activities	2010 QSCB	2012 Series A	2013 Series A	2015 Series B	2017 Refunding	2018 Refunding	2019 Refunding	2020 School Building & Site Fund	
Assets													
Cash and investments	\$ 420,698	\$ 612,906	\$ 1,816,243	\$ 2,212,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:													
Property taxes receivable	-	-	-	-	-	111	89	28	71	90	7	145	541
Other receivables	2,071	3,527	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	1,021,702	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	39,855	423,886	-	-	-	30,353	24,448	7,715	19,356	24,639	1,969	39,616	148,096
Inventory	95,125	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	4,725,307	549,580	442,671	139,687	350,466	446,129	35,647	717,307	7,406,794
Total assets	\$ 1,579,451	\$ 1,040,319	\$ 1,816,243	\$ 2,212,817	\$ 4,725,307	\$ 580,044	\$ 467,208	\$ 147,430	\$ 369,893	\$ 470,858	\$ 37,623	\$ 757,068	\$ 7,555,431
Liabilities													
Accounts payable	\$ 9,784	\$ 6,100	\$ 1,405,024	\$ 84,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	19,111	1,263	-	-	-	-	-	-	-	-	-
Accrued liabilities and other	25,560	64,509	392,108	-	-	-	-	-	-	-	-	-	-
Unearned revenue	244,117	144,543	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	279,461	215,152	1,816,243	85,838	-	-	-	-	-	-	-	-	-
Fund Balances													
Nonspendable - Inventory	95,125	-	-	-	-	-	-	-	-	-	-	-	-
Restricted:													
Debt service	-	-	-	-	4,725,307	580,044	467,208	147,430	369,893	470,858	37,623	757,068	7,555,431
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Food service	1,204,865	-	-	-	-	-	-	-	-	-	-	-	-
Committed:													
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed for community service	-	825,167	-	-	-	-	-	-	-	-	-	-	-
Committed for student activities	-	-	-	2,126,979	-	-	-	-	-	-	-	-	-
Total fund balances	1,299,990	825,167	-	2,126,979	4,725,307	580,044	467,208	147,430	369,893	470,858	37,623	757,068	7,555,431
Total liabilities and fund balances	\$ 1,579,451	\$ 1,040,319	\$ 1,816,243	\$ 2,212,817	\$ 4,725,307	\$ 580,044	\$ 467,208	\$ 147,430	\$ 369,893	\$ 470,858	\$ 37,623	\$ 757,068	\$ 7,555,431

June 30, 2021

	Capital Project Funds							Total
	Capital Improvements	Athletic Capital Improvement	Nichols Trust	Technology Device Replacement	2013 Capital Projects	2015 Capital Projects	2019 Capital Projects	
Assets								
Cash and investments	\$ 273,103	\$ 23,814	\$ 20,221	\$ 304,829	\$ -	\$ -	\$ -	\$ 5,684,631
Receivables:								
Property taxes receivable	-	-	-	-	-	-	-	541
Other receivables	-	-	-	-	-	-	-	5,598
Due from other governments	-	-	-	-	-	-	-	1,021,702
Due from other funds	-	-	-	-	-	640,774	-	1,252,611
Inventory	-	-	-	-	-	-	-	95,125
Restricted assets	-	-	-	-	266,990	141,723	4,085,107	11,900,614
	<u>\$ 273,103</u>	<u>\$ 23,814</u>	<u>\$ 20,221</u>	<u>\$ 304,829</u>	<u>\$ 266,990</u>	<u>\$ 782,497</u>	<u>\$ 4,085,107</u>	<u>\$ 19,960,822</u>
Total assets								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 21,351	\$ 2,200	\$ -	\$ 1,529,034
Due to other funds	47,404	-	-	-	216,718	-	1,064,538	1,349,034
Accrued liabilities and other	-	-	-	-	-	-	-	482,177
Unearned revenue	-	-	-	-	-	-	-	388,660
	<u>47,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,069</u>	<u>2,200</u>	<u>1,064,538</u>	<u>3,748,905</u>
Fund Balances								
Nonspendable - Inventory	-	-	-	-	-	-	-	95,125
Restricted:								
Debt service	-	-	-	-	-	-	-	7,555,431
Capital projects	-	-	-	-	28,921	780,297	3,020,569	3,829,787
Food service	-	-	-	-	-	-	-	1,204,865
Committed:								
Capital projects	225,699	23,814	20,221	304,829	-	-	-	574,563
Committed for community service	-	-	-	-	-	-	-	825,167
Committed for student activities	-	-	-	-	-	-	-	2,126,979
	<u>225,699</u>	<u>23,814</u>	<u>20,221</u>	<u>304,829</u>	<u>28,921</u>	<u>780,297</u>	<u>3,020,569</u>	<u>16,211,917</u>
Total fund balances								
	<u>\$ 273,103</u>	<u>\$ 23,814</u>	<u>\$ 20,221</u>	<u>\$ 304,829</u>	<u>\$ 266,990</u>	<u>\$ 782,497</u>	<u>\$ 4,085,107</u>	<u>\$ 19,960,822</u>
Total liabilities and fund balances								

Plymouth-Canton Community Schools

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2021

	Special Revenue Funds				Debt Service Funds				
	Food Services	Community Services	Act 18	Student Activities	2010 QSCB	2012 Series A	2013 Series A	2015 Series B	2017 Refunding
Revenue									
Local sources	\$ 65,095	\$ 757,848	\$ -	\$ 1,175,188	\$ 737	\$ 5,768,115	\$ 4,850,334	\$ 1,573,727	\$ 2,097,134
State sources	241,681	-	2,034,333	-	-	114,660	96,431	31,271	41,694
Federal sources	4,676,806	-	-	-	-	-	-	-	-
Interdistrict sources	-	-	3,588,239	-	-	-	-	-	-
Total revenue	4,983,582	757,848	5,622,572	1,175,188	737	5,882,775	4,946,765	1,604,998	2,138,828
Expenditures									
Current:									
Instruction	-	127,005	3,359,832	-	-	-	-	-	-
Support services	-	2,955	2,262,740	1,076,603	-	-	-	-	-
Food services	4,817,632	-	-	-	-	-	-	-	-
Community services	-	970,722	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	4,205,000	2,700,000	1,000,000	1,345,000
Interest	-	-	-	-	-	1,727,300	2,455,250	999,625	1,269,750
Other debt costs	-	-	-	-	-	451	393	664	607
Capital outlay	64,667	6,640	-	-	-	-	-	-	-
Total expenditures	4,882,299	1,107,322	5,622,572	1,076,603	-	5,932,751	5,155,643	2,000,289	2,615,357
Excess of Revenue Over (Under) Expenditures	101,283	(349,474)	-	98,585	737	(49,976)	(208,878)	(395,291)	(476,529)
Other Financing Sources (Uses)									
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	32,829	490,952	-	-	657,178	-	-	-	-
Transfers out	-	(20,224)	-	-	-	-	-	-	-
Total other financing sources	32,829	470,728	-	-	657,178	-	-	-	-
Net Change in Fund Balances	134,112	121,254	-	98,585	657,915	(49,976)	(208,878)	(395,291)	(476,529)
Fund Balances - Beginning of year, as restated	1,165,878	703,913	-	2,028,394	4,067,392	630,020	676,086	542,721	846,422
Fund Balances - End of year	\$ 1,299,990	\$ 825,167	\$ -	\$ 2,126,979	\$ 4,725,307	\$ 580,044	\$ 467,208	\$ 147,430	\$ 369,893

Plymouth-Canton Community Schools

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds

Year Ended June 30, 2021

	Debt Service Funds				Capital Project Funds				
	2018 Refunding	2019 Refunding	2020 School Building & Site Fund	Total Debt Service Funds	Capital Improvements	Athletic Capital Improvement	Nichols Trust	Technology Device Replacement	2013 Capital Projects
Revenue									
Local sources	\$ 5,178,480	\$ 395,316	\$ 6,511,389	\$ 26,375,232	\$ 133	\$ 28,277	\$ -	\$ -	\$ 192
State sources	102,926	7,805	129,012	523,799	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interdistrict sources	-	-	-	-	-	-	-	-	-
Total revenue	5,281,406	403,121	6,640,401	26,899,031	133	28,277	-	-	192
Expenditures									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	2,241
Food services	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	4,635,000	300,000	3,275,000	17,460,000	-	-	-	-	-
Interest	381,750	60,000	2,608,333	9,502,008	-	-	-	-	-
Other debt costs	784	701	-	3,600	-	-	-	-	-
Capital outlay	-	-	-	-	-	25,651	-	-	21,351
Total expenditures	5,017,534	360,701	5,883,333	26,965,608	-	25,651	-	-	23,592
Excess of Revenue Over (Under) Expenditures	263,872	42,420	757,068	(66,577)	133	2,626	-	-	(23,400)
Other Financing Sources (Uses)									
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	41,168
Transfers in	-	-	-	657,178	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	657,178	-	-	-	-	41,168
Net Change in Fund Balances	263,872	42,420	757,068	590,601	133	2,626	-	-	17,768
Fund Balances - Beginning of year, as restated	206,986	(4,797)	-	6,964,830	225,566	21,188	20,221	304,829	11,153
Fund Balances - End of year	\$ 470,858	\$ 37,623	\$ 757,068	\$ 7,555,431	\$ 225,699	\$ 23,814	\$ 20,221	\$ 304,829	\$ 28,921

Plymouth-Canton Community Schools

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds

Year Ended June 30, 2021

	Capital Project Funds		Total
	2015 Capital Projects	2019 Capital Projects	
Revenue			
Local sources	\$ 385,934	\$ 5,342	\$ 28,793,241
State sources	-	-	2,799,813
Federal sources	-	-	4,676,806
Interdistrict sources	-	-	3,588,239
Total revenue	385,934	5,342	39,858,099
Expenditures			
Current:			
Instruction	-	-	3,486,837
Support services	11,438	-	3,355,977
Food services	-	-	4,817,632
Community services	-	-	970,722
Debt service:			
Principal	-	-	17,460,000
Interest	-	-	9,502,008
Other debt costs	-	-	3,600
Capital outlay	6,137,485	3,296,651	9,552,445
Total expenditures	6,148,923	3,296,651	49,149,221
Excess of Revenue Over (Under) Expenditures	(5,762,989)	(3,291,309)	(9,291,122)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	41,168
Transfers in	-	-	1,180,959
Transfers out	-	-	(20,224)
Total other financing sources	-	-	1,201,903
Net Change in Fund Balances	(5,762,989)	(3,291,309)	(8,089,219)
Fund Balances - Beginning of year, as restated	6,543,286	6,311,878	24,301,136
Fund Balances - End of year	\$ 780,297	\$ 3,020,569	\$ 16,211,917

Plymouth-Canton Community Schools

Other Supplemental Information Schedule of Bonded Indebtedness

June 30, 2021

Years Ending June 30	2010 Bond	2012A Bond	2013A Bond	2015 Bond	2017 Bond	2018 Bond	2019 Bond	2020 Bond	Total
	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	
2022	\$ -	\$ 4,305,000	\$ 2,925,000	\$ 1,050,000	\$ 2,700,000	\$ 3,000,000	\$ 300,000	\$ 4,300,000	\$ 18,580,000
2023	-	4,410,000	2,975,000	1,100,000	6,045,000	-	300,000	4,900,000	19,730,000
2024	-	4,420,000	3,400,000	1,150,000	1,605,000	-	300,000	5,475,000	16,350,000
2025	-	4,570,000	3,600,000	1,200,000	1,700,000	-	300,000	5,475,000	16,845,000
2026	-	4,690,000	3,850,000	1,250,000	1,790,000	-	-	6,350,000	17,930,000
2027	7,560,000	4,890,000	4,000,000	2,300,000	1,880,000	-	-	3,275,000	23,905,000
2028	-	4,835,000	4,425,000	2,375,000	1,965,000	-	-	3,400,000	17,000,000
2029	-	4,780,000	4,825,000	2,425,000	2,055,000	-	-	3,600,000	17,685,000
2030	-	-	5,950,000	2,500,000	2,145,000	-	-	3,950,000	14,545,000
2031	-	-	6,100,000	2,550,000	2,165,000	-	-	4,200,000	15,015,000
2032	-	-	6,150,000	2,600,000	-	-	-	5,150,000	13,900,000
2033	-	-	6,225,000	2,650,000	-	-	-	5,300,000	14,175,000
2034	-	-	-	2,700,000	-	-	-	5,450,000	8,150,000
2035	-	-	-	2,725,000	-	-	-	5,600,000	8,325,000
2036	-	-	-	-	-	-	-	5,750,000	5,750,000
2037	-	-	-	-	-	-	-	5,900,000	5,900,000
2038	-	-	-	-	-	-	-	6,075,000	6,075,000
2039	-	-	-	-	-	-	-	6,250,000	6,250,000
2040	-	-	-	-	-	-	-	6,325,000	6,325,000
Total remaining payments	<u>\$ 7,560,000</u>	<u>\$ 36,900,000</u>	<u>\$ 54,425,000</u>	<u>\$ 28,575,000</u>	<u>\$ 24,050,000</u>	<u>\$ 3,000,000</u>	<u>\$ 1,200,000</u>	<u>\$ 96,725,000</u>	<u>\$ 252,435,000</u>
Interest rate	5.40%	3.00% to 5.00%	4.00% to 5.00%	3.00% to 4.00%	5.00%	5.00%	4.00%	3.00%	
Original issue	<u>\$ 7,560,000</u>	<u>\$ 54,775,000</u>	<u>\$ 65,000,000</u>	<u>\$ 38,720,000</u>	<u>\$ 26,655,000</u>	<u>\$ 18,890,000</u>	<u>\$ 6,035,000</u>	<u>\$ 100,000,000</u>	<u>\$ 317,635,000</u>

Principal payments for the bond issues are due on May 1 of each year.

Interest payments for the bond issues are due on May 1 and November 1 of each year.