

Van Buren Public Schools
Audited Financial Statements

June 30, 2021

Prepared by Taylor & Morgan, P.C.

2302 Stonebridge Drive, Bldg. D | Flint, MI 48532 | 810.230.8200

3150 Livernois Road, Suite 175 | Troy, MI 48083 | 248.688.9399

1213 Morehead St., 5th Floor | Charlotte, NC 28208 | 704.926.7570

www.tmcpa.com

VAN BUREN PUBLIC SCHOOLS
TABLE OF CONTENTS

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet-Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to the Basic Financial Statements	15-37
Required Supplemental Information:	
Budgetary Comparison Schedule-General Fund	38
Pension Plan Information	39
OPEB Plan Information	40
Other Supplemental Information:	
Combining Balance Sheet-Non-major Governmental Funds	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Non-major Governmental Funds	42
Schedule of Revenues and Other Financing Sources-General Fund	43
Schedule of Expenditures and Other Financing Uses-General Fund	44-45

(continued)

VAN BUREN PUBLIC SCHOOLS
TABLE OF CONTENTS

	<u>Page</u>
Detail of 2019 Refunding Bond Issue	46
Detail of 2020 Building & Site Bond Issue	47
 <u>Uniform Guidance Information</u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48-49
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance	50-51
Schedule of Expenditures of Federal Awards	52-53
Notes/Reconciliation to Schedule of Expenditures of Federal Awards	54
Reconciliation of Grant Auditor Report to the Schedule of Expenditures of Federal Awards	55
Schedule of Findings and Questioned Costs	56-57

INDEPENDENT AUDITORS' REPORT

October 6, 2021

Board of Education
Van Buren Public Schools

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

FLINT, MI OFFICE

G-2302 STONEBRIDGE DR., BUILDING D,
FLINT, MICHIGAN 48532
OFFICE # (810) 230-8200 FAX # (810) 230-8203

CHARLOTTE, NC OFFICE

1213 W. MOREHEAD ST. 5th FLOOR
CHARLOTTE, NC 28208
OFFICE # (704) 926-7570 FAX # (704) 247-6433

TROY, MI OFFICE

3150 LIVERNOIS RD., SUITE 175
TROY, MI 48063
OFFICE # (248) 688-9399 FAX # (248) 688-9397

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Van Buren Public Schools as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Van Buren Public Schools' basic financial statements. The introductory, combining individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021 on our consideration of the Van Buren Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Van Buren Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Van Buren Public Schools' internal control over financial reporting and compliance.

Sincerely,

Taylor & Morgan, P.C.

Taylor & Morgan, P.C.
Certified Public Accountants

MANAGEMENT'S DISCUSSION & ANALYSIS

VAN BUREN PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The Van Buren Public Schools has implemented *Governmental Accounting Standards Board Statement 34 (GASB 34)* with the enclosed financial statements. Our discussion and analysis of the Van Buren Public Schools' financial performance, a GASB 34 requirement, provides an overview of the Districts' financial activities for the fiscal year ended June 30, 2021.

This reporting model was adopted by the *Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's net position – the difference between assets and liabilities, as reported in the Statement of Net Position, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position, as reported in the Statement of Activities, is one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to its students, not generate profits as commercial entities do. Many other non-financial factors, such as the quality of education provided and the safety of the schools, must also be considered when assessing the overall health of the District.

The School District's net position totaled \$(67,092,699) and \$(65,956,313) at June 30, 2021 and 2020, respectively. Of these amounts \$8,354,445 and \$14,398,684 were restricted. Restricted net position is reported separately to show legal constraints from debt covenants and legislation that limits the District's ability to use that net position for day-to-day operations. The following is a summary of the District's net position at June 30, 2021 and 2020:

	2021	2020
Assets	\$ 115,216,961	\$ 111,660,691
Deferred outflows of resources	31,034,399	37,792,294
Liabilities	195,998,035	198,585,922
Deferred inflows of resources	17,346,024	16,823,376
Net Position:		
Net investment in capital assets	18,395,776	11,519,954
Restricted	8,354,445	14,398,684
Unrestricted	<u>(93,842,920)</u>	<u>(91,874,951)</u>
Total net position	\$ <u>(67,092,699)</u>	\$ <u>(65,956,313)</u>

The \$(93,842,920) in unrestricted net position of governmental activities represents District funds that have not been committed contractually or for debt obligations and are available for future use. Total net position decreased \$1,136,386 in 2020-21.

Net position decreased approximately \$1.14 million in 2020-21. The major components of the change in net position are as follows:

➤ Depreciation expense

The provisions of GASB 34 require districts to maintain a record of annual depreciation expense and accumulated depreciation. The net increase in accumulated depreciation is a reduction in net assets. Depreciation expense is recorded using a straight-line method over the estimated useful lives of the assets. In accordance with generally accepted accounting principles, depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. For the year ended June 30, 2021, the net increase in accumulated depreciation was \$1,420,451.

VAN BUREN PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

➤ Capital acquisitions

Capital outlay (net) for the year ended June 30, 2021 totaled \$5,196,273. Combined with current year depreciation and the effect of disposals, net capital assets increased by \$3,775,822.

➤ Debt Repayment

The District levies property taxes for the specific purpose of retiring debt. The collection of these taxes and the resultant repayment of debt decreases the District's long-term principal obligations and, as a result, the net position of the District increases. The District repaid \$3,100,000 of long-term bonded debt in the current year.

➤ GASB 68 adjustment

Adjustments to the government-wide statements include an increase in pension expense totaling \$7,176,286.

➤ GASB 75 adjustment

Adjustments to the government-wide statements include a decrease in OPEB expense totaling \$2,323,066.

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The summaries of the District-wide results of operations for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
<i>General revenue</i>		
Property taxes	\$ 18,055,023	\$ 17,333,829
State foundation allowance	23,838,438	23,456,426
Other	4,972,792	4,529,762
<i>Total general revenue</i>	46,866,253	45,320,017
<i>Program revenue</i>		
Charges for services – local	922,720	1,386,866
Operating grants – federal and state	17,722,483	15,860,993
<i>Total revenues</i>	65,511,456	62,567,876
<i>Expenses</i>		
Instruction	35,301,044	35,135,718
Support services	26,145,344	25,653,505
Community services	7,384	59,047
Food services	1,223,254	1,636,109
Student Activities	253,460	667,660
Interest on long-term debt	2,296,915	1,466,826
Depreciation (unallocated)	1,420,451	3,273,055
<i>Total expenses</i>	66,647,842	67,891,920
<i>Increase/(decrease) in net position</i>	(1,136,386)	(5,324,044)
<i>Net position – July 1</i>	(65,956,313)	(60,632,269)
<i>Net position –June 30</i>	\$ (67,092,699)	\$ (65,956,313)

VAN BUREN PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

GASB Statement No. 68 required the District to include its share of the Michigan Public School Retirees (MPERS) Net Pension Liability on the government-wide statements. The District's share of this liability equaled \$103,393,992 as of September 30, 2020 and \$100,484,867 as of September 30, 2019.

GASB Statement No. 75 required the District to include its share of the Michigan Public School Retirees (MPERS) Net OPEB Liability on the government-wide statements. The District's share of this liability equaled \$16,133,974 as of September 30, 2020 and \$21,702,332 as of September 30, 2019.

GOVERNMENTAL FUNDS FINANCIAL HIGHLIGHTS

Our financial statements provide the following insights about the results of this year's operations:

The financial condition of the governmental funds has declined overall from the prior year.

In the General Fund, the fund balance increased by \$3,703,837 to \$12,868,601. Wayne RESA passed an Enhancement Millage with Wayne County taxpayers November 2016 for 2.000 mills. The Enhancement Millage was distributed to school districts based on pupil count. The District received \$1,847,075 additional revenue as direct result of the Wayne RESA Enhancement millage and \$3,069,164 in Covid funding as a result of the Covid 19 pandemic. Without the Enhancement Millage and the Covid funding, the General Fund would have decreased by \$1,212,402 to \$7,952,362. The fund balance for the Debt Service Funds decreased by \$118,483 to \$1,614,646. The total fund balance for the non-major governmental funds decreased by \$466,852 to \$2,455,018.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, before student enrollment counts are known. Therefore, it is expected that there will be changes between the initial budget and subsequent budgets, as actual enrollments and resultant staffing requirements are known. Currently, the most significant budgeted funds are the General Fund and the 2020 Construction Fund. The District amended the budgets of these major governmental funds two times during the year ended June 30, 2021.

General Fund

In the General Fund, the actual revenue and other financing sources totaled approximately \$56.0 million. This is above the original budget estimate of \$49.6 million and below the final amended budgeted amount of \$57.4 million, a variance of 2.4%. The actual expenditures and other financing uses were approximately \$52.3 million. This is below the original budget estimate of \$53.1 million and below the final amended budgeted amount of \$54.7 million, a variance of 4.2%.

The fund balance of the general fund was \$12,868,601 on June 30, 2021 as compared to \$9,164,764 on June 30, 2020. A schedule is provided in the required supplemental information of these financial statements showing the District's original and final budget amounts compared with amounts actually paid and received.

GOVERNMENTAL FUND EXPENDITURES

The following chart illustrates that the General Fund comprises approximately 57.22% of all the equity within the governmental funds of the District. The ending fund balance for all funds was equal to \$22.49 million and is detailed below.

	<u>Fund Balance as of June 30, 2021</u>	<u>Percentage of Total Fund Balance</u>
General Fund	\$ 12,868,601	57.22%
Capital Project Funds	7,164,632	31.86%
Non-major Funds	2,455,018	10.92%
Total	<u>\$ 22,488,251</u>	<u>100.00%</u>

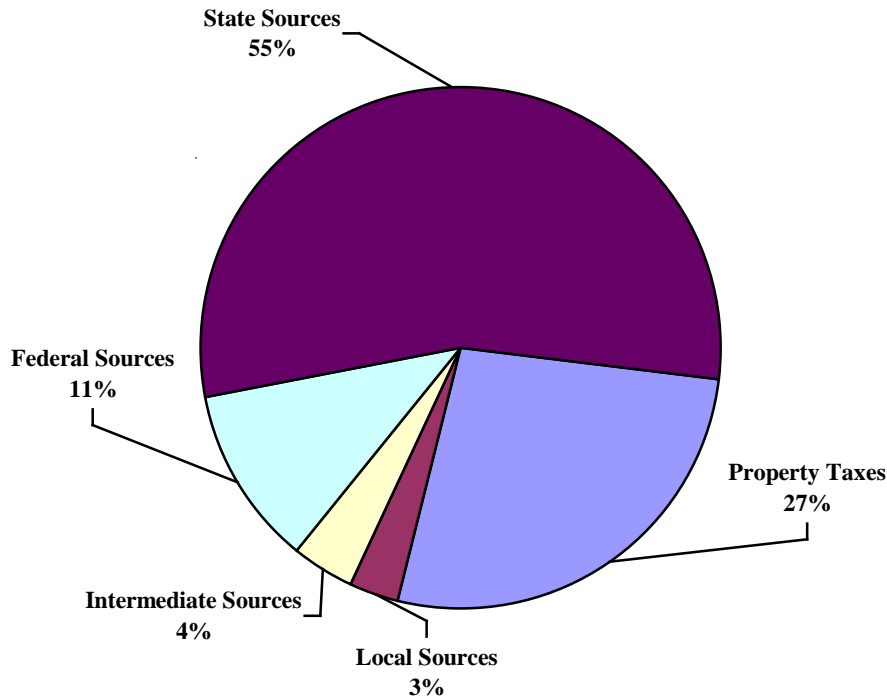
As of June 30, 2021, the District's program expenditures for all programs totaled \$68,131,836 compared to \$62,305,072 in 2020.

VAN BUREN PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

TOTAL REVENUES

Revenues for all governmental funds totaled \$64,913,351 for the year ended June 30, 2021 compared with \$62,187,434 in 2020. The following graph illustrates the District revenues by source as a percentage of total revenue:

Total Revenue by Source for All Funds



Unrestricted State Aid

The District is primarily funded by State Aid. The per-pupil allowance was \$8,228 for 2020-21. State Aid membership was computed in the 2020-21 school year with a "super blended" count of 75% of the 2019-20 blend (90% of fall 2019 and 10% of spring 2019 counts) plus 25% of what would have been the "normal" blend for 2020-21 (90% of fall 2020 plus 10% of spring 2020 counts).

Van Buren Public Schools' pupil membership for the 2020-21 school year was 4,510, a decrease of 47 students from the prior year.

Property Taxes

The District levied 18.0000 mills of property taxes on all non-homestead property located within the district for General Fund operations. The levy is assessed on the taxable value of the property. The increase in taxable value is limited to the lesser of the inflation rate of the prior year or 5%. When a property is sold, the taxable valuation of the sold property is readjusted to the State Equalized Value, which is approximately 50% of market value. The 2020-21 non-homestead property tax levy including delinquent taxes totaled approximately \$11.62 million. The district would not have been able to levy the full 18 mills permitted due to property values increasing faster than the rate of inflation resulting in a Headlee Rollback; however in

VAN BUREN PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

November 2016, taxpayers approved extra mills permitting the district to levy the full 18 mills regardless of a possible Headlee Rollback.

In the 2020-21 school year, the District levied .4870 mills for the District's sinking funds and 2.98 mills for the District's debt funds. The revenue collected for the debt and sinking funds approximated \$5.6 million and \$.88 million, respectively. Taxpayers approved .5000 mills to be levied for the sinking fund. The sinking fund was also affected by a Headlee Rollback for the 2020-21 tax year.

OUTSTANDING DEBT AT YEAR-END

Bonded debt consists of \$52.54 million of 2019 Refunding Bonds and \$11.21 million of 2020 Building and Site Bonds.

For more detailed information regarding capital assets and debt administration, please review the Notes to the Basic Financial Statements located in the financial section of this report.

CAPITAL ASSETS

At the end of fiscal year 2021, the District had \$124.9 million invested in land, buildings, furniture, equipment, buses, and vehicles. Of this total investment, \$42.8 million has been depreciated, resulting in a net book value of \$82.1 million. Total additions (net of disposals) for the year were approximately \$5.2 million and were comprised of site improvements, new equipment and bus purchases, and \$6.37 million in construction in progress related to the new Early Childhood building. Included in the disposals were buses, other vehicles and the demolition of the Vocational Education building. The District is committed to the timely repairs and maintenance of its facilities. Computer purchases under the District's capitalization threshold of \$5,000 are expensed accordingly.

**CAPITAL ASSETS AT YEAR END
(NET OF DEPRECIATION)
(IN MILLIONS)**

	Governmental <u>Activities</u>
Land and improvements	\$ 8.1
Buildings and improvements	70.8
Furniture and equipment	1.8
Vehicles and buses	<u>1.4</u>
Total	\$ <u>82.1</u>

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to give an overview of the financial conditions of Van Buren Public Schools. If you should desire additional detailed financial program audits, they can be obtained by contacting the following person:

Mr. Peter Kudlak
Superintendent, Van Buren Public Schools
555 West Columbia Avenue
Belleville, Michigan 48111
(734) 697-9123

BASIC FINANCIAL STATEMENTS

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets	
Cash, cash equivalents and investments	\$ 22,445,570
Accounts receivable	857,925
Due from other governmental units	9,701,655
Inventory	7,672
Prepaid costs and other assets	53,363
Capital assets	
Land, buildings and improvements	115,079,784
Equipment and furniture	5,348,244
Vehicles	4,521,489
Less: accumulated depreciation	<u>(42,798,741)</u>
Net capital assets	<u>82,150,776</u>
Total Assets	115,216,961
Deferred Outflows of Resources	
Deferred OPEB amounts	7,990,955
Deferred pension amounts	<u>23,043,444</u>
Total Deferred Outflows of Resources	31,034,399
Liabilities	
Accounts payable	3,284,264
Accrued expenses	713,454
Salaries payable	4,570,547
Due to other governmental units	543,888
Accrued interest on long-term debt	424,803
Advance from grantors	1,465,781
Medical claims payable	1,002,352
Long-term liabilities	
Due within 1 year	3,311,497
Due in more than 1 year:	
Net OPEB liability	16,133,974
Net pension liability	103,393,992
Other	<u>61,153,483</u>
Total Liabilities	195,998,035
Deferred Inflows of Resources	
Deferred premium on bond refunding	4,174,374
Deferred OPEB amounts	12,371,632
Deferred pension amounts	<u>800,018</u>
Total Deferred Inflows of Resources	17,346,024
Net Position	
Net investment in capital assets	18,395,776
Restricted for:	
Capital projects	7,164,632
Debt service	1,189,813
Unrestricted	<u>(93,842,920)</u>
Total Net Position (Deficit)	<u>\$ (67,092,699)</u>

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 35,301,044	\$ 598,105	\$ 15,136,816	\$ (19,566,123)
Support services	26,145,334	75,048	1,600,133	(24,470,153)
Food services	1,223,254	6,216	985,534	(231,504)
Community services	7,384	-	-	(7,384)
Student Activities	253,460	243,351	-	(10,109)
Interest on long-term debt net of amortization of debt issue discounts and other costs	2,296,915	-	-	(2,296,915)
Unallocated depreciation	<u>1,420,451</u>	<u>-</u>	<u>-</u>	<u>(1,420,451)</u>
Total governmental activities	<u>\$ 66,647,842</u>	<u>\$ 922,720</u>	<u>\$ 17,722,483</u>	(48,002,639)
General Purpose Revenues				
Taxes:				
Property taxes, levied for general purposes				11,618,690
Property taxes, levied for debt service				5,559,583
Property taxes, levied for capital projects				876,750
State school aid - unrestricted				23,838,438
Retirement Reimbursement				4,814,815
Investment earnings				12,067
Other				<u>145,910</u>
Total general revenue				<u>46,866,253</u>
Change in net position				(1,136,386)
Net position (deficit) - July 1				<u>(65,956,313)</u>
Net position (deficit)- June 30				<u>\$ (67,092,699)</u>

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Capital Project Funds	Non-major Governmental Funds	Total Governmental Funds
Assets				
Cash, cash equivalents and investments	\$ 11,094,655	\$ 8,885,650	\$ 2,465,265	\$ 22,445,570
Accounts receivable	857,925	-	-	857,925
Due from other governmental units	9,701,655	-	-	9,701,655
Due from other funds	-	17,870	658,860	676,730
Inventory	-	-	7,672	7,672
Prepaid costs	53,363	-	-	53,363
Total Assets	\$ 21,707,598	\$ 8,903,520	\$ 3,131,797	\$ 33,742,915
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 1,510,840	\$ 1,737,456	\$ 35,968	\$ 3,284,264
Accrued expenses	713,454	-	-	713,454
Salaries payable	4,570,547	-	-	4,570,547
Due to other governmental units	-	-	543,888	543,888
Due to other funds	578,375	1,432	96,923	676,730
Advances from grantors	1,465,781	-	-	1,465,781
Total Liabilities	8,838,997	1,738,888	676,779	11,254,664
Fund Balance				
Non-spendable	53,363	-	7,672	61,035
Restricted for:				
Capital projects	-	7,164,632	-	7,164,632
Debt retirement	-	-	1,614,616	1,614,616
Food service	-	-	304,257	304,257
Student activity	-	-	528,473	528,473
Committed	2,774,600	-	-	2,774,600
Assigned	2,773,704	-	-	2,773,704
Unassigned	7,266,934	-	-	7,266,934
Total Fund Balance	12,868,601	7,164,632	2,455,018	22,488,251
Total Liabilities and Fund Balance	\$ 21,707,598	\$ 8,903,520	\$ 3,131,797	\$ 33,742,915

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Total Governmental Fund Balances	\$ 22,488,251
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	\$ 124,949,517
Accumulated depreciation	<u>(42,798,741)</u>
Net capital assets	82,150,776
Deferred inflow and outflows related to the implementation of GASB Statement No. 68 are not included as assets and liabilities in the governmental funds:	
Deferred inflows	(800,018)
Deferred outflows	23,043,444
Deferred inflow and outflows related to the implementation of GASB Statement No. 75 are not included as assets and liabilities in the governmental funds:	
Deferred inflows	(12,371,632)
Deferred outflows	7,990,955
Deferred inflows of resources relating to debt refunding	(4,174,374)
Medical claims payable	(1,002,352)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Bonds payable	\$ (63,755,000)
Compensated absences payable	(709,980)
Net OPEB liability	(16,133,974)
Net pension liability	<u>(103,393,992)</u>
Total long-term liabilities	(183,992,946)
Accrued interest payable is not included as a liability in governmental funds	<u>(424,803)</u>
Total net position (deficit) - governmental activities	\$ <u><u>(67,092,699)</u></u>

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Capital Project Funds	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 11,618,690	\$ 876,750	\$ 5,559,583	\$ 18,055,023
Other local sources	224,813	8,074	1,428,819	1,661,706
Intermediate sources	2,539,234	-	-	2,539,234
State sources	34,580,650	-	1,046,288	35,626,938
Federal sources	6,021,527	-	1,008,923	7,030,450
Total revenues	54,984,914	884,824	9,043,613	64,913,351
Expenditures				
Instruction				
Basic programs	23,173,193	-	-	23,173,193
Added needs	6,574,899	-	-	6,574,899
Total instruction	29,748,092	-	-	29,748,092
Support services				
Pupil services	3,801,372	-	-	3,801,372
Instructional staff services	3,160,225	-	-	3,160,225
General administration	529,116	-	-	529,116
School administration	2,988,966	-	-	2,988,966
Business services	613,421	-	-	613,421
Operation and maintenance	5,978,134	-	-	5,978,134
Pupil transportation	3,629,346	-	-	3,629,346
Central services	1,140,104	-	-	1,140,104
Athletics	576,039	-	-	576,039
Community services	7,384	-	-	7,384
Capital outlay	-	6,123,609	95,662	6,219,271
Principal	-	-	3,100,000	3,100,000
Interest and fiscal charges	-	-	2,578,066	2,578,066
Other supporting services	-	736,212	3,326,088	4,062,300
Total support services	22,424,107	6,859,821	9,099,816	38,383,744
Total expenditures	52,172,199	6,859,821	9,099,816	68,131,836
Excess/(deficiency) of revenues over/ (under) expenditures	2,812,715	(5,974,997)	(56,203)	(3,218,485)
Other financing sources/(uses)				
Intra-district transfers	598,105	-	-	598,105
Operating transfers out	(53,992)	-	(410,649)	(464,641)
Operating transfers in	464,641	-	-	464,641
Subrecipient payments	(117,632)	-	-	(117,632)
Total other financing sources/(uses)	891,122	-	(410,649)	480,473
Excess/(deficiency) of revenues over/(under) expenditures and other financing sources/(uses)	3,703,837	(5,974,997)	(466,852)	(2,738,012)
Fund balance - July 1	9,164,764	13,139,629	2,921,870	25,226,263
Fund balance - June 30	\$ 12,868,601	\$ 7,164,632	\$ 2,455,018	\$ 22,488,251

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds		\$ (2,738,012)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	\$ 5,196,273	
Depreciation Expense	<u>(1,420,451)</u>	3,775,822
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments reported as expenditures in the governmental funds.		3,100,000
Accumulated unpaid benefits are recorded as liabilities in the statement of net position, but are not recorded in the governmental funds statement. This is the (increase)/decrease in accumulated unpaid benefits.		(72,061)
Net (increase)/decrease in medical claims payable		(630,066)
Pension expense in the government-wide statements has been adjusted to reflect the requirements of GASB 68. This is the amount of the adjustment to pension expense in the government-wide statements.		(7,176,286)
OPEB expense in the government-wide statements has been adjusted to reflect the requirements of GASB 75. This is the amount of the adjustment to OPEB expense in the government-wide statements.		2,323,066
Amortization of the deferred premium on the 2019 refunding bonds is recorded in the statement of activities over the life of the bonds. This is the amount of amortization of deferred premium for the current year.		231,910
Interest on long-term debt in the statement of activities includes accrued interest while the governmental funds statement does not. This is the (increase)/decrease in accrued interest.		<u>49,241</u>
Change in net position of governmental activities		<u>\$ (1,136,386)</u>

See accompanying notes to basic financial statements.

NOTES TO FINANCIAL STATEMENTS

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Van Buren Public Schools conform to generally accepted accounting principles as applicable to school districts. The following is a summary of the significant accounting policies:

Reporting Entity

The accompanying basic financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing arrangements. Based on application of the criteria, the entity does not contain component units.

The District receives funding from local, state, federal and interdistrict government sources and must comply with the accompanying requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" body that has separate legal standing and is fiscally independent of the governmental entities. As such, the Board of Education has decision-making authority, the authority to levy taxes, and determine its budget, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

Basic Financial Statements – Government-wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities. Fiduciary funds are not included in the government-wide financial statements.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. General government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.) also support the functions. The Statement of Activities reduces gross expenses by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs by function are normally covered by general revenue (property taxes, state and federal sources, interest income, etc.).

The District allocates indirect costs to certain federal programs and the School Lunch Fund. Interfund transactions have been eliminated in the government-wide financial statements.

Basic Financial Statements - Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the combined financial statements in this report, into four generic fund types in one broad fund category as follows:

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Funds

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

General Fund

The General Fund is used to record the general operations of the District pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Special Revenue Funds - Special Revenue Funds are used to segregate the transactions of particular activities from regular revenue and expenditure accounts. The District maintains full control of these funds. The District maintains three special revenue funds: School Lunch Fund, Special Education Fund and Student Activities Fund.

Debt Service Funds - Debt Service Funds are used to record tax and interest revenue and the payment of general long-term debt principal, interest and related cost. The District has one debt service fund.

Capital Projects Funds - The Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement of monies specifically designed for acquiring new school sites, buildings, and equipment and for major remodeling and repairs. The fund is retained until the purpose for which the fund was created has been accomplished. The District has two capital projects funds: the Sinking Fund and the 2020 Bond Construction Fund.

Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Accrual

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt are recognized when due.

Those revenues susceptible to accrual are property taxes, state aid, interest revenue, grants and charges for services. Other revenue is recorded when received.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting/Measurement Focus (continued)

Cash and Investments

Cash and cash equivalents include amounts in demand deposits, sweep accounts, and certificate of deposits with original maturities less than 90 days. The District reports its investments in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and No. 40 Deposits and Investment Risk Disclosures. Under these standards, certain investments are valued at fair values when quoted market prices are not available.

The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the District intends to hold the investment until maturity. Accordingly, investments in banker acceptances and commercial paper are recorded at amortized cost.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA), respectively; in commercial paper rated at the time of purchase within the three highest classifications established by no less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptance of U.S. banks, and mutual funds composed of investments outlined above.

Property Taxes

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the District's boundaries. The District's tax base is in Wayne and Washtenaw counties.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 15. Collections are forwarded to the District as collected by the assessing municipality. Real property taxes uncollected as of March 1 are purchased by the county and remitted to the District by June 30.

Property taxes are recognized in the accounting period when they become measurable and available to finance operations. Available means when due or past due and receivable within the current period and collected no longer than 60 days after the current period.

Inventories

Items purchased for future use are recorded as inventory and charged to expenditure accounts when requisitioned for use. Food Services Fund inventory consists of food and paper goods recorded at cost and commodity inventory recorded at fair market value as determined by the USDA.

Restricted Fund Balance

The unspent tax levy of the 2009 Sinking Fund requires amounts to be set aside for activities as defined by the Sinking Fund millage. These amounts have been classified as restricted fund balance (See Note 9).

Capital Assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. The District has adopted a \$5,000 capitalization threshold for recording capital assets. Donated fixed assets are valued at their estimated fair market value on the date received

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. The District has adopted a \$5,000 capitalization threshold for recording capital assets. Donated fixed assets are valued at their estimated fair market value on the date received.

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

Depreciation on all assets is computed on the straight-line basis over the estimated useful lives as follows:

Buildings and additions	20 – 50 years
Buses and other vehicles	5 – 10 years
Furniture and equipment	5 – 10 years

Compensated Absences (Vacation and Sick Leave)

The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated vacation and sick leave benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

Benefits are accrued based on various contract stipulations and lengths of service for the various bargaining units.

Vacation/sick time earned but not used at June 30, 2021 and 2020 amounted to \$709,980 and \$637,919 respectively.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Postemployment Benefits Other Than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Economic Dependency

The District receives approximately 63% of its operating revenue through the foundation allowance from the State of Michigan. This figure includes property taxes collected for operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

Substantially all employees of the District are covered under collective bargaining agreements. The following table details the terms of the District's employment contracts:

	<u>Expiration Date</u>
Administrators' Contract	December 31, 2021
Teachers' Contract	December 31, 2021
Paraprofessionals' Contract	June 30, 2024
Custodian/Maintenance Contract	June 30, 2024
Transportation Employees' Contract	June 30, 2024
Cafeteria Employees' Contract	June 30, 2022
Secretaries Association Contract	June 30, 2023

Note 2 - Budget and Budgetary Accounting

The State of Michigan adopted a Uniform Budgeting and Accounting Act (The Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for the General and Special Revenue Funds and an informational study of Capital Project Funds of school districts prior to the expenditure of monies in a fiscal year.

The Board of Education adopts appropriations utilizing the modified accrual basis of accounting for all governmental funds. The appropriation level adopted by the Board is the level of control authorized by the act. The Act requires expenditures to be budgeted on a functional basis. A district is not considered to be in violation of the Act if reasonable procedures are in use by the District to detect violations.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District's superintendent submits to the Board of Education a proposed budget by July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Budget and Budgetary Accounting (continued)

3. The superintendent is authorized to transfer budgeted amounts within functions; however, any revisions that alter the function amounts or the total expenditures of any fund must be approved by the Board of Education.
4. Budgets for the General, Capital Projects, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.
5. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations, which were amended.
6. Appropriations lapse at year-end and, therefore, cancel all encumbrances. These appropriations are reestablished at the beginning of the following year.
7. A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board of Education) for the General Fund is presented as required supplementary information.

Budgetary information

Public Act 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. In the body of the financial statements, the District's actual and budgeted expenditures for the period have been shown as adopted by function on a modified accrual basis.

Excess of expenditures over appropriations in budgeted funds

During the year, the District incurred expenditures in the General Fund which were in excess of the amounts appropriated, as follows:

<u>Budget item</u>	<u>Budget Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Athletics	\$566,495	\$576,039	\$(9,544)

The final amended budget anticipated revenues exceeding expenditures by \$2,769,637. Actual revenues exceeded expenditures by \$3,703,837, a positive variance of \$934,200.

Note 3 - Deposits and Investments

State statutes and the District's investment policy authorize the District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The District's deposits are in accordance with statutory authority.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities and are invested primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 3 - Deposits and Investments (continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Cumulatively, portfolios of the District may not be invested in any given financial institution in excess of 5% of such institution's total assets. Additionally, no more than 5% of the total District portfolio may be placed with any single financial institution with the exception of repurchase agreements. U.S. government securities and 2a7-like investment pools are excluded from these restrictions.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits this exposure by mandating that the District's investments in commercial paper and corporate bonds be limited to those with a prime rating or better issued by nationally recognized statistical rating organizations (NRSROs). At June 30, 2021, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Fair Value</u> <u>Level</u>	<u>Percent of</u> <u>Total</u>
Government Obligations Fund	General	\$433,419	AAAm	1	6.68%
Government Obligations Fund	Debt	22,833	AAAm	1	0.35%
Commercial Paper	Capital Projects	1,535,000	A1+	2	23.65%
Michigan CLASS Fund	Capital Projects	1,700,048	AAAm	2	26.19%
Public Funds CD's	Capital Projects	<u>2,800,000</u>	A+	2	<u>43.13%</u>
		<u>\$6,491,300</u>			<u>100.00%</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities, if any, in the possession of an outside party.

At June 30, 2021, the District had \$1,000,000 of its deposit balances insured and \$21,513,498 of its deposit balances uninsured and uncollateralized with securities held by the pledging financial institution's trust department or agent.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This risk is minimized by the District through limiting investments to those of a prime or better rating and pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The District is not authorized to invest in investments that would be subject to this type of risk.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the value 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; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby 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.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 3 - Deposits and Investments (continued)

The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The District had fair value investments categorized as Level 1 of \$456,252, level 2 of \$6,035,048 and level 3 of \$0 at June 30, 2021.

Note 4 - Changes in Capital Assets

Summary of capital asset transactions:

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 255,032	\$ -	\$ -	\$ 255,032
Construction in progress	-	6,371,495	-	6,371,495
Subtotal	255,032	6,371,495	-	6,626,527
Capital Assets Being Depreciated:				
Land improvements	4,808,695	-	(17,100)	4,791,595
Buildings and improvements	104,154,042	-	(492,380)	103,661,662
Furniture and equipment	5,051,529	423,017	(126,302)	5,348,244
Buses and other vehicles	5,483,946	474,493	(1,436,950)	4,521,489
Subtotal	119,498,212	897,510	(2,072,732)	118,322,990
Total capital assets	119,753,244	7,269,005	(2,072,732)	124,949,517
Accumulated Depreciation:				
Land improvements	2,985,417	327,745	(17,100)	3,296,062
Buildings and improvements	31,132,134	2,160,494	(463,712)	32,828,916
Furniture and equipment	3,449,160	267,605	(126,302)	3,590,463
Buses and other vehicles	3,811,579	436,920	(1,165,199)	3,083,300
Subtotal	41,378,290	3,192,764	(1,772,313)	42,798,741
Net Capital Assets	\$ 78,374,954	\$ 4,076,241	\$ (300,419)	\$ 82,150,776

Depreciation expense was not charged to activities as the District considers its assets to impact multiple activities and allocation is not practical. The District does not have any impaired assets.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5 - Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2021:

	Compensated Absences	Bonded Debt	Total
Balance July 1, 2020	\$ 637,919	\$ 66,855,000	\$ 67,492,919
Additions	72,061	-	72,061
Less: Retirements and Payments	<u>-</u>	<u>(3,100,000)</u>	<u>(3,100,000)</u>
Balance June 30, 2021	709,980	63,755,000	64,464,980
Less: Current Portion	<u>(106,497)</u>	<u>(3,205,000)</u>	<u>(3,311,497)</u>
Total Due after One Year	\$ <u>603,483</u>	\$ <u>60,550,000</u>	\$ <u>61,153,483</u>

2019 Refunding Bonds

On February 19, 2019, \$56,890,000 in building and site bonds with an average interest rate of 3.98% were issued to advance refund the remaining \$61,360,000 of outstanding bonds of the 2009 bond issue with an average interest rate of 6.54%. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. The outstanding balance of the refunding bonds was \$52,540,000 at June 30, 2021.

2020 School Building and Site Bonds

The District issued \$12,360,000 of building and site bonds in March of 2020. The District deposited net proceeds of \$12,988,197 into a capital projects account for the purpose of erecting, furnishing and equipping a new early childhood center, as well as various building and site improvements and technology improvements. The bonds pay interest semi-annually at rates ranging from 1.75% to 5.00%. The bonds pay principal in annual installments ranging from \$300,000 to \$1,170,000 from building and site fund tax levies. The outstanding balance of the bonds was \$11,215,000 at June 30, 2021.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 5 - Long-Term Debt (continued)

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

Year Ended June 30,	Principal	Interest	Total
2022	\$ 3,205,000	\$ 2,389,431	\$ 5,594,431
2023	2,420,000	2,269,581	4,689,581
2024	2,505,000	2,168,082	4,673,082
2025	2,595,000	2,063,080	4,658,080
2026	2,690,000	1,954,381	4,644,381
2027-2031	14,985,000	8,005,105	22,990,105
2032-2036	17,960,000	4,727,786	22,687,786
2037-2041	13,350,000	1,291,120	14,641,120
2042-2046	2,250,000	335,782	2,585,782
2047-2050	1,795,000	84,804	1,879,804
Total	\$ <u>63,755,000</u>	\$ <u>25,289,152</u>	\$ <u>89,044,152</u>

Compensated Absences

The payment dates of compensated absences are indeterminable.

Note 6 – Leases

The District leased various office equipment under a five year operating lease which expired in 2021.

Lease expenditures for the year ended June 30, 2021 amounted to \$43,344 and for June 30, 2020 amounted to \$43,344.

Note 7 – Inter-fund Transactions

The District made the following inter-fund transfers during the year:

	General Fund	Special Revenue Funds	Total
To:	\$ 464,641	\$ -	\$ 464,641
From:	\$ 53,992	\$ 410,649	\$ 464,641

The transfers were for the purpose of indirect cost transfers.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Inter-fund Receivables and Payables

Inter-fund receivable and payable balances as of June 30, 2021 are as follows:

	Due to Other Funds	Due from Other Funds
Major funds	\$ 579,807	\$ 17,870
Non-major funds	96,923	658,860
Total	\$ <u>676,730</u>	\$ <u>676,730</u>

Note 9 - Fund Balance

Non-spendable, Restricted, Committed, Assigned and Unassigned

The Board of Education adopts a budget each year that includes the appropriation of fund balance. Non-spendable fund balance represents assets that are not available in spendable form and are not expected to be converted to cash.

Non-spendable:

Inventory	\$ 7,672
Prepaid expenses	<u>53,363</u>
Total non-spendable	\$ <u>61,035</u>

Restricted fund balances are reported separately to show legal constraints from debt covenants and legislation that limits the School District's ability to use those assets for day-to-day operations.

Restricted:

Capital projects	\$ 7,164,632
Debt retirement	1,614,616
Student activity	528,473
Food service	<u>304,257</u>
Total restricted	\$ <u>9,611,978</u>

Committed fund balance represents constrained amounts imposed by school board resolution. The District committed \$2,774,600 for declining enrollment, future athletic field replacement costs, and WCRESA Enhancement Millage plan.

Assigned fund balance represents amounts intended to be used for specific purposes expressed by the Board of Education, Finance Committee, or the official authorized by the governing body. Residual amounts in governmental funds other than the General Fund are also assigned. The Board of Education adopted the 2021-22 General Fund budget whereby expenditures exceeded revenues by \$2,773,704.

Assigned:

2021-22 budget appropriation	\$ <u>2,773,704</u>
Total assigned	\$ <u>2,773,704</u>

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 9 - Fund Balance (continued)

Unassigned fund balance is reported only in the General Fund and represents the remaining fund balance after non-spendable, restrictions, and assignments have been made.

The District applies restricted resources first for applicable expenditures. Assigned fund equity is applied when expenditures are incurred for the assigned purpose, followed by unassigned fund equity for budgeted expenditures.

Note 10- Contingencies and Commitments

The District has received federal and state grants for specific purposes. These grants are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

Note 11 – Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees. The District has purchased commercial insurance for general liability, property/casualty and health claims and participates in the MASB/SET-SEG (shared risk pool) for claims relating to employee injuries (workers' compensation). Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The 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.

The District is self-insured for medical claims, beginning with the 2019-20 fiscal year and for dental beginning with the 2020-21 fiscal year. For risk retention situations, the District estimates the liability for medical claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in long-term debt until considered due, when the obligations then become governmental fund liabilities. Change in the estimated liability are as follows:

Note 12 – School Code Sinking Fund Requirements

The District's Capital Project/Building and Site Fund is required to expend monies in accordance with the Michigan Revised School Code Section 1212(1). Based on our testing of the fund's expenditures, the District is in compliance with Section 1212(1).

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 13 – Defined Benefit Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2019 valuation will be amortized over a 19 year period beginning October 1, 2019 and ending September 30, 2038.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 13 – Defined Benefit Pension Plan (continued)

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

Pension Contribution Rates

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

Required contributions to the pension plan from the District were \$8,271,649 for the year ended September 30, 2020.

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

At June 30, 2021, The District reported a liability of \$103,393,992 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2019. The District's proportionate share of the net pension liability was determined by dividing each district's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable districts during the measurement period. At September 30, 2020, the District's proportion was .30099 percent, which was a decrease of .00244 percent from its proportion measured as of September 30, 2019.

For the year ended June 30, 2021, the District recognized total pension expense of \$ 15,977,850. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,579,775	\$ 220,679
Changes of assumptions	11,457,051	-
Net difference between projected and actual earnings on pension plan investments	434,415	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,881,376	579,339
District contributions subsequent to the measurement date	<u>7,690,827</u>	<u>-</u>
Total	\$ <u>23,043,444</u>	\$ <u>800,018</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

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

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 13 – Defined Benefit Pension Plan (continued)

Deferred (Inflows) and Deferred Outflows of Resources by Year (to Be Recognized in Future Pension Expenses)

Year Ending June 30,	Amount:
2021	\$6,901,154
2022	\$4,762,046
2023	\$2,266,647
2024	\$622,752

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Actuarial Assumptions

Valuation Date	September 30, 2019
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return	
- MIP and Basic Plans:	6.80% net of investment expenses
- Pension Plus Plan:	6.80% net of investment expenses
- Pension Plus 2 Plan:	6.00% net of investment expenses
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members

Mortality:	Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projected scale MP-2017 from 2006.
	Active members:	P-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projected scale MP-2017 from 2006.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 13 – Defined Benefit Pension Plan (continued)

Notes:

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

Long-Term Expected Return on Plan Assets

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

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

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

Rate of Return

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

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for the

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 13 – Defined Benefit Pension Plan (continued)

Pension Plus 2 plan). This discount rate was based on the long term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability, calculated using a discount rate of 6.80% (6.80% for the Pension Plus Plan, 6.0% for the Pension Plus 2 Plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.80% / 5.80% / 5.0%	6.80% / 6.80% / 6.0%	7.80% / 7.80% / 7.0%
\$133,825,983	\$103,393,992	\$78,172,654

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

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

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

Note 14 – Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

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

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 14 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by the State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by the statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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

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

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2019 valuation will be amortized over a 19-year period beginning October 1, 2019 and ending September 30, 2038.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 14 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

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

Benefit Structure	Member	Employer
Premium Subsidy	3.00 %	8.09 %
Personal Healthcare Fund (PHF)	0.00 %	7.57 %

Required contributions to the OPEB plan from the District were \$2,127,774 for the year ended September 30, 2020.

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

At June 30, 2021, The District reported a liability of \$16,133,974 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2019. The District's proportion share of the net OPEB liability was determined by dividing each district's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable districts during the measurement period. At September 30, 2020, the District's proportion was .30116 percent, which was a decrease of .00119 percent from its proportion measured as of October 1, 2019.

For the year ended June 30, 2021, the District recognized total OPEB expense of \$198,557. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,021,318
Changes of assumptions	5,319,692	-
Net difference between projected and actual earnings on OPEB plan investments	134,656	-
Changes in proportion and differences between District contributions and proportionate share of contributions	888,457	350,314
District contributions subsequent to the measurement date*	<u>1,648,150</u>	-
Total	\$ <u>7,990,955</u>	\$ <u>12,371,632</u>

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

Deferred (Inflows) and Deferred Outflows of Resources by Year (To Be Recognized in Future OPEB Expenses)

Year Ending June 30,	Amount:
2021	\$(1,535,772)
2022	\$(1,348,164)
2023	\$(1,187,788)
2024	\$(1,103,217)
2025	\$(853,886)

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 14 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Actuarial Assumptions

Valuation Date	September 30, 2019
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return	6.95%
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Healthcare Cost Trend Rate:	7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 120

Mortality:	Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projected scale MP-2017 from 2006.
	Active members:	P-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projected scale MP-2017 from 2006.

Other Assumptions:

Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 14 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Notes:

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

Long-Term Expected Return on Plan Assets

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

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

**Long-term rate of returns are net of administrative expenses and 2.1% inflation.*

Rate of Return

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

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 14 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Discount Rate

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

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
5.95%	6.95%	7.95%
\$20,725,923	\$16,133,974	\$12,267,937

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$12,119,914	\$16,133,974	\$20,699,471

OPEB Plan Fiduciary Net Position

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

Note 15 – Tax Abatements

The District is required to disclose significant tax abatements as required by GASB statement 77.

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by cities and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities.

As part of section 22 of the State School Aid Act, any taxes abated for the General Fund operating millage are paid to the District by the State of Michigan. The District was not significantly impacted by tax abatements for the year ended June 30, 2021.

VAN BUREN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 16 – Subsequent Events

Management has reviewed subsequent events through October 6, 2021, the date of the auditor's report, which is the date the financial statements were available to be issued.

The Covid-19 pandemic continues to affect the day-to-day operations of the District. While Van Buren Public Schools will continue to feel the effects of the pandemic, it is impossible to estimate the financial impact, if any, the pandemic will have upon the District.

REQUIRED SUPPLEMENTAL INFORMATION

VAN BUREN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local sources	\$ 12,570,865	\$ 12,115,659	\$ 11,843,503	\$ (272,156)
State sources	30,740,626	35,605,174	34,580,650	(1,024,524)
Federal sources	3,599,925	6,461,939	6,021,527	(440,412)
Interdistrict sources	<u>2,729,600</u>	<u>3,254,914</u>	<u>3,601,980</u>	<u>347,066</u>
Total revenues	49,641,016	57,437,686	56,047,660	(1,390,026)
Expenditures				
Education				
Instruction				
Basic programs	21,420,724	23,255,068	23,173,193	81,875
Added needs	7,802,201	7,572,845	6,574,899	997,946
Supporting services				
Pupil services	4,075,734	3,914,470	3,801,372	113,098
Instructional staff	2,822,735	3,546,151	3,160,225	385,926
General administration	564,696	548,315	529,116	19,199
School administration	3,231,581	3,017,615	2,988,966	28,649
Business services	619,413	620,832	613,421	7,411
Operation and maintenance	5,349,524	6,275,773	5,978,134	297,639
Transportation	4,943,455	3,808,271	3,629,346	178,925
Central services	1,387,572	1,197,594	1,140,104	57,490
Athletics	601,801	566,495	576,039	(9,544)
Community services	<u>68,560</u>	<u>28,213</u>	<u>7,384</u>	<u>20,829</u>
Total expenditures	<u>52,887,996</u>	<u>54,351,642</u>	<u>52,172,199</u>	<u>2,179,443</u>
Excess/(deficiency) of revenues over/(under) expenditures	(3,246,980)	3,086,044	3,875,461	789,417
Other financing sources/(uses)				
Other financing uses	<u>(240,105)</u>	<u>(316,407)</u>	<u>(171,624)</u>	<u>144,783</u>
Total other financing sources/(uses)	<u>(240,105)</u>	<u>(316,407)</u>	<u>(171,624)</u>	<u>144,783</u>
Excess/(deficiency) of revenues over/(under) expenditures and other financing sources/(uses)	(3,487,085)	2,769,637	3,703,837	934,200
Fund balance - July 1	<u>9,164,764</u>	<u>9,164,764</u>	<u>9,164,764</u>	<u>-</u>
Fund balance - June 30	<u>\$ 5,677,679</u>	<u>\$ 11,934,401</u>	<u>\$ 12,868,601</u>	<u>\$ 934,200</u>

VAN BUREN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
PENSION PLAN INFORMATION
JUNE 30, 2021

**Schedule of District's Proportionate Share of the Net Pension Liability
Determined As of 9/30 of Each Fiscal Year**

	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability (%)	0.30099%	0.30343%	0.29696%	0.28576%	0.28360%	0.28460%	0.28232%
District's proportionate share of net pension liability	\$ 103,393,992	\$ 100,484,867	\$ 89,272,857	\$ 74,052,660	\$ 70,756,261	\$ 69,513,233	\$ 62,185,620
District's covered-employee payroll	\$ 26,737,229	\$ 26,462,018	\$ 26,156,231	\$ 24,127,475	\$ 24,075,822	\$ 23,896,555	\$ 24,103,797
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	386.70%	379.73%	341.31%	306.92%	293.89%	290.89%	257.99%
Plan fiduciary net position as a percentage of total pension liability	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

**Schedule of the District's Contributions
Determined as of 6/30 of Each Fiscal Year**

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 8,271,649	\$ 8,060,660	\$ 8,086,404	\$ 6,702,598	\$ 6,368,419	\$ 5,490,272	\$ 6,925,302
Contributions in relation to statutorily required contributions	<u>\$ 8,271,649</u>	<u>\$ 8,060,660</u>	<u>\$ 8,086,404</u>	<u>\$ 6,702,598</u>	<u>\$ 6,368,419</u>	<u>\$ 5,490,272</u>	<u>\$ 6,925,302</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 26,084,780	\$ 26,985,926	\$ 26,286,771	\$ 25,249,428	\$ 24,475,544	\$ 24,043,816	\$ 24,176,622
Contributions as a percentage of covered-employee payroll	31.71%	29.87%	30.76%	26.55%	26.02%	22.83%	28.64%

Notes

See Note 13 to the financial statements for discussion of benefit terms and assumptions.

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

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

VAN BUREN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
OPEB PLAN INFORMATION
JUNE 30, 2021

**Schedule of District's Proportionate Share of the Net OPEB Liability
Determined As of 9/30 of Each Fiscal Year**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of net OPEB liability (%)	0.30116%	0.30236%	0.30663%	0.28643%
District's proportionate share of net OPEB liability	\$ 16,133,974	\$ 21,702,332	\$ 24,373,508	\$ 25,365,002
District's covered-employee payroll	\$ 26,737,229	\$ 26,462,018	\$ 26,156,231	\$ 24,127,475
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	60.34%	82.01%	93.18%	105.13%
Plan fiduciary net position as a percentage of total OPEB liability	59.44%	48.46%	42.95%	36.39%

**Schedule of the District's Contributions
Determined as of 6/30 of Each Fiscal Year**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required OPEB contributions	\$ 2,127,774	\$ 2,075,998	\$ 1,990,295	\$ 2,230,002
OPEB Contributions in relation to statutorily required contributions	<u>\$ 2,127,774</u>	<u>\$ 2,075,998</u>	<u>\$ 1,990,295</u>	<u>\$ 2,230,002</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 26,084,780	\$ 26,985,926	\$ 26,286,771	\$ 25,249,428
OPEB Contributions as a percentage of covered-employee payroll	8.16%	7.69%	7.57%	8.83%

Notes

See Note 14 to the financial statements for discussion of benefit terms and assumptions.

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

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

OTHER SUPPLEMENTAL INFORMATION

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			Debt Service Funds	Non-major Governmental Funds Total
	School Lunch Fund	Special Education Fund	Student Activity Fund		
Assets					
Cash, cash equivalents and investments	\$ 401,587	\$ -	\$ 564,034	\$ 1,499,644	\$ 2,465,265
Due from other governmental units	-	-	-	-	-
Due from other funds	-	543,888	-	114,972	658,860
Inventory	7,672	-	-	-	7,672
Total assets	\$ 409,259	\$ 543,888	\$ 564,034	\$ 1,614,616	\$ 3,131,797
Liabilities					
Accounts payable	\$ 20,429	\$ -	\$ 15,539	\$ -	\$ 35,968
Due to other funds	76,901	-	20,022	-	96,923
Due to other governmental units	-	543,888	-	-	543,888
Total liabilities	97,330	543,888	35,561	-	676,779
Fund Balances					
Non-spendable	7,672	-	-	-	7,672
Restricted for:					
Debt service	-	-	-	1,614,616	1,614,616
Student activity	-	-	528,473	-	528,473
Food service	304,257	-	-	-	304,257
Total fund balance	311,929	-	528,473	1,614,616	2,455,018
Total liabilities and fund balance	\$ 409,259	\$ 543,888	\$ 564,034	\$ 1,614,616	\$ 3,131,797

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			Debt Service Funds	Non-major Governmental Funds Total
	School Lunch Fund	Special Education Fund	Student Activity Fund		
Revenues					
Revenues from local sources					
Food sales	\$ 6,216	\$ -	\$ -	\$ -	\$ 6,216
Property taxes	-	-	-	5,559,583	5,559,583
Other local sources	138	1,179,114	243,351	-	1,422,603
State aid	90,605	955,683	-	-	1,046,288
Federal aid	894,929	113,994	-	-	1,008,923
Total revenues	991,888	2,248,791	243,351	5,559,583	9,043,613
Expenditures					
Salaries	434,464	1,003,585	-	-	1,438,049
Employee benefits	334,832	771,188	-	-	1,106,020
Purchased services	12,347	106,460	-	-	118,807
Supplies and materials	395,218	9,069	-	-	404,287
Capital outlay	40,928	54,734	-	-	95,662
Principal	-	-	-	3,100,000	3,100,000
Interest and fiscal charges	-	-	-	2,578,066	2,578,066
Other	5,465	-	253,460	-	258,925
Total expenditures	1,223,254	1,945,036	253,460	5,678,066	9,099,816
Excess/(deficiency) of revenues over/(under) expenditures	(231,366)	303,755	(10,109)	(118,483)	(56,203)
Other financing sources/(uses)					
Operating transfers	(106,894)	(303,755)	-	-	(410,649)
Total other financing sources	(106,894)	(303,755)	-	-	(410,649)
Excess/(deficiency) of revenues and other financing sources/(uses) over/(under) expenditures	(338,260)	-	(10,109)	(118,483)	(466,852)
Fund balance - July 1	650,189	-	538,582	1,733,099	2,921,870
Fund balance - June 30	<u>\$ 311,929</u>	<u>\$ -</u>	<u>\$ 528,473</u>	<u>\$ 1,614,616</u>	<u>\$ 2,455,018</u>

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2021	June 30, 2020
Local sources		
Property taxes	\$ 11,618,690	\$ 11,168,935
Athletics	75,048	107,475
Earnings on investments	3,855	102,841
Other	145,910	191,234
Total revenues from local sources	11,843,503	11,570,485
State sources		
Grants - unrestricted		
State school aid	23,838,438	23,456,426
Grants - restricted		
Special Education	2,943,743	3,164,148
At Risk	1,501,327	1,954,658
MI School Readiness	660,243	566,320
Retirement Reimbursement	4,814,815	4,205,811
Other	822,084	907,924
Total revenues from state sources	34,580,650	34,255,287
Federal sources		
Grants - restricted		
Special Education - I.D.E.A.	1,470,087	1,356,417
Title I	1,153,488	1,197,718
Title IIA Improving Teacher Quality	258,574	281,140
Voc. Ed. Perkins	45,147	60,672
Medicaid Outreach	10,723	9,638
Covid Funding	3,069,164	-
Other	14,344	85,406
Total revenues from federal sources	6,021,527	2,990,991
Other financing sources		
County millages	2,539,234	2,798,397
Operating transfers	464,641	407,123
Other local transfers and miscellaneous	598,105	380,442
Total revenues from interdistrict sources	3,601,980	3,585,962
Total revenues and other financing sources	\$ 56,047,660	\$ 52,402,725

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	Salaries & Benefits	Purchased Services	Supplies & Materials	Capital Outlay & Other Expenses	June 30, 2021	June 30, 2020
Instruction						
Basic programs						
Elementary	\$ 6,341,085	\$ 865,971	\$ 233,100	\$ 152,602	\$ 7,592,758	\$ 7,273,316
Middle school	1,554,574	189,564	33,613	32,335	1,810,086	2,247,682
High school	4,110,126	925,445	64,331	55,005	5,154,907	4,457,992
Preschool	231,017	38,351	8,925	-	278,293	253,095
Employee benefits	8,337,149	-	-	-	8,337,149	7,335,926
Added needs						
Special education	2,155,789	60,550	11,799	-	2,228,138	2,368,993
Compensatory education	1,477,772	3,942	42,643	-	1,524,357	1,840,782
Vocational education	-	458,061	19,184	-	477,245	360,444
Employee benefits	2,345,159	-	-	-	2,345,159	2,703,704
Total instruction	26,552,671	2,541,884	413,595	239,942	29,748,092	28,841,934
Supporting services						
Pupil services						
Guidance services	494,504	21,081	-	-	515,585	511,971
Health services	73,561	97,808	31,488	-	202,857	191,621
Psychological services	-	140,280	4,033	-	144,313	244,041
Speech pathology	160,819	696,145	1,468	-	858,432	841,037
Social work services	657,258	3,977	4	-	661,239	616,238
Other pupil services	345,878	41,456	5,785	-	393,119	482,189
Employee benefits	1,025,827	-	-	-	1,025,827	1,012,941
Instructional staff						
Improvement of instruction	421,596	270,219	13,339	13,881	719,035	628,646
Educational media	430,939	65	799	-	431,803	542,260
Instruction related technology	158,284	94,628	396,236	21,522	670,670	208,331
Supervision instructional staff	371,652	27,040	4,762	160	403,614	403,560
Other instructional staff	8,138	10,871	-	-	19,009	49,466
Employee benefits	916,094	-	-	-	916,094	759,167
General administration						
Board of education	5,640	109,031	1,370	9,185	125,226	124,488
Executive administration	214,000	24,119	3,933	6,808	248,860	277,966
Employee benefits	155,030	-	-	-	155,030	133,759
School administration						
Office of the principal	1,711,301	10,041	22,093	7,077	1,750,512	1,987,687
Other school administration	-	-	-	2,354	2,354	-
Employee benefits	1,236,100	-	-	-	1,236,100	1,169,878
Business services						
Fiscal services	229,260	72,933	3,822	41,887	347,902	350,586
Other business services	-	8,198	3,649	73,887	85,734	56,829
Employee benefits	179,785	-	-	-	179,785	154,836
Operations & maintenance						
Operation & maintenance	1,700,289	1,224,011	1,631,401	55,157	4,610,858	3,963,665
Employee benefits	1,367,276	-	-	-	1,367,276	1,129,494
Pupil transportation						
Pupil transportation services	1,483,951	78,661	197,290	433,673	2,193,575	3,480,654
Employee benefits	1,435,771	-	-	-	1,435,771	1,649,936

(continued)

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	Salaries & Benefits	Purchased Services	Supplies & Materials	Capital Outlay & Other Expenses	June 30, 2021	June 30, 2020
Supporting services (continued)						
Central services						
Communication services	\$ 512,811	\$ 223,018	\$ 15,023	\$ 5,543	\$ 756,395	\$ 953,996
Employee benefits	383,709	-	-	-	383,709	383,592
Athletics						
Athletic programs	213,956	169,893	51,973	5,400	441,222	454,158
Employee benefits	134,817	-	-	-	134,817	130,365
Total support services	16,028,246	3,323,475	2,388,468	676,534	22,416,723	22,893,357
Community services						
Civic activities	4,277	-	1,763	-	6,040	38,826
Employee benefits	1,344	-	-	-	1,344	20,221
Total community services	5,621	-	1,763	-	7,384	59,047
Total expenditures	42,586,538	5,865,359	2,803,826	916,476	52,172,199	51,794,338
Other financing uses						
Subrecipient payments	-	-	-	117,632	117,632	186,967
Operating transfers	-	-	-	53,992	53,992	23,512
Total other financing uses	-	-	-	171,624	171,624	210,479
Total expenditures and other financing uses	\$ 42,586,538	\$ 5,865,359	\$ 2,803,826	\$ 1,088,100	\$ 52,343,823	\$ 52,004,817

(concluded)

VAN BUREN PUBLIC SCHOOLS
DETAIL OF BONDED DEBT
2019 REFUNDING BONDS
JUNE 30, 2021

Amount: \$56,890,000

Date Issued: February 19, 2019

Purpose: To advance refund the 2009 building and site bonds

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
11/01/21	4.00%	\$ 2,035,000	\$ 1,049,843	\$ 3,084,843
05/01/22	4.00%	-	1,009,144	1,009,144
11/01/22	4.00%	2,120,000	1,009,143	3,129,143
05/01/23	4.00%	-	966,744	966,744
11/01/23	4.00%	2,205,000	966,744	3,171,744
05/01/24	4.00%	-	922,644	922,644
11/01/24	4.00%	2,295,000	922,643	3,217,643
05/01/25	4.00%	-	876,744	876,744
11/01/25	4.00%	2,390,000	876,743	3,266,743
05/01/26	4.00%	-	828,944	828,944
11/01/26	4.00%	2,485,000	828,944	3,313,944
05/01/27	4.00%	-	779,244	779,244
11/01/27	4.00%	2,585,000	779,243	3,364,243
05/01/28	4.00%	-	727,544	727,544
11/01/28	4.00%	2,695,000	727,543	3,422,543
05/01/29	4.00%	-	673,644	673,644
11/01/29	5.00%	2,305,000	673,644	2,978,644
05/01/30	3.00%	500,000	616,019	1,116,019
11/01/30	3.00%	2,415,000	608,518	3,023,518
05/01/31	5.00%	500,000	572,294	1,072,294
11/01/31	5.00%	2,540,000	559,794	3,099,794
05/01/32	3.00%	500,000	496,294	996,294
11/01/32	3.00%	2,655,000	488,793	3,143,793
05/01/33	5.00%	500,000	448,969	948,969
11/01/33	5.00%	2,790,000	436,468	3,226,468
05/01/34	3.25%	500,000	366,719	866,719
11/01/34	3.25%	2,925,000	358,593	3,283,593
05/01/35	4.00%	500,000	311,063	811,063
11/01/35	4.00%	3,050,000	301,063	3,351,063
05/01/36	4.00%	500,000	240,063	740,063
11/01/36	4.00%	3,195,000	230,062	3,425,062
05/01/37	4.00%	500,000	166,163	666,163
11/01/37	4.00%	3,350,000	156,163	3,506,163
05/01/38	4.00%	500,000	89,163	589,163
11/01/38	4.00%	3,505,000	79,162	3,584,162
05/01/39	3.63%	500,000	9,063	509,063
Total		\$ <u>52,540,000</u>	\$ <u>21,153,568</u>	\$ <u>73,693,568</u>

VAN BUREN PUBLIC SCHOOLS
DETAIL OF BONDED DEBT
2020 BOND ISSUE
JUNE 30, 2021

Amount: \$12,360,000

Date Issued: March 17, 2020

Purpose: School building and site bonds to construct new preschool building

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
11/01/21	5.000%	\$ 1,170,000	\$ 179,847	\$ 1,349,847
05/01/22	5.000%		150,597	150,597
11/01/22	5.000%	300,000	150,597	450,597
05/01/23	5.000%		143,097	143,097
11/01/23	5.000%	300,000	143,097	443,097
05/01/24	5.000%		135,597	135,597
11/01/24	5.000%	300,000	135,596	435,596
05/01/25	5.000%		128,097	128,097
11/01/25	5.000%	300,000	128,097	428,097
05/01/26	5.000%		120,597	120,597
11/01/26	5.000%	300,000	120,596	420,596
05/01/27	5.000%		113,097	113,097
11/01/27	5.000%	300,000	113,097	413,097
05/01/28	5.000%		105,597	105,597
11/01/28	5.000%	300,000	105,597	405,597
05/01/29	5.000%		98,097	98,097
11/01/29	5.000%	300,000	98,097	398,097
05/01/30	5.000%		90,597	90,597
11/01/30	5.000%	300,000	90,596	390,596
05/01/31	5.000%		83,097	83,097
11/01/31	5.000%	300,000	83,097	383,097
05/01/32	1.750%		75,597	75,597
11/01/32	1.750%	300,000	75,596	375,596
05/01/33	1.750%		72,972	72,972
11/01/33	1.750%	300,000	72,971	372,971
05/01/34	2.000%		70,347	70,347
11/01/34	2.000%	300,000	70,347	370,347
05/01/35	2.000%		67,347	67,347
11/01/35	2.000%	300,000	67,346	367,346
05/01/36	2.000%		64,347	64,347
11/01/36	2.000%	300,000	64,347	364,347
05/01/37	2.000%		61,347	61,347
11/01/37	2.000%	300,000	61,346	361,346
05/01/38	2.000%		58,347	58,347
11/01/38	2.000%	300,000	58,346	358,346
05/01/39	2.150%		55,347	55,347
11/01/39	2.150%	450,000	55,347	505,347
05/01/40	2.150%		50,566	50,566
11/01/40	2.150%	450,000	50,566	500,566
05/01/41	2.150%		45,785	45,785
11/01/41	2.150%	450,000	45,784	495,784
05/01/42	2.150%		41,004	41,004
11/01/42	2.150%	450,000	41,003	491,003
05/01/43	2.250%		36,222	36,222
11/01/43	2.250%	450,000	36,222	486,222
05/01/44	2.250%		31,160	31,160
11/01/44	2.250%	450,000	31,159	481,159
05/01/45	2.250%		26,097	26,097
11/01/45	2.250%	450,000	26,096	476,096
05/01/46	2.250%		21,035	21,035
11/01/46	2.250%	450,000	21,034	471,034
05/01/47	2.375%		15,972	15,972
11/01/47	2.375%	450,000	15,972	465,972
05/01/48	2.375%		10,629	10,629
11/01/48	2.375%	450,000	10,628	460,628
05/01/49	2.375%		5,285	5,285
11/01/49	2.375%	445,000	5,284	450,284
Total		\$ 11,215,000	\$ 4,135,584	\$ 15,350,584

UNIFORM GUIDANCE INFORMATION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

October 6, 2021

Board of Education
Van Buren Public Schools

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Van Buren Public Schools as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Van Buren Public Schools' basic financial statements, and have issued our report thereon dated October 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Van Buren Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Van Buren Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Van Buren Public Schools' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Van Buren Public Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Taylor & Morgan, P.C.

TAYLOR & MORGAN, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PORGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

October 6, 2021

Board of Education
Van Buren Public Schools

Report on Compliance for Each Major Federal Program

We have audited Van Buren Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Van Buren Public Schools' major federal programs for the year ended June 30, 2021. Van Buren Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Van Buren Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Van Buren Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Van Buren Public Schools' compliance.

FLINT, MI OFFICE

G-2302 STONEBRIDGE DR., BUILDING D,
FLINT, MICHIGAN 48532
OFFICE # (810) 230-8200 FAX # (810) 230-8203

CHARLOTTE, NC OFFICE

1213 W. MOREHEAD ST., 5th FLOOR
CHARLOTTE, NC 28208
OFFICE # (704) 926-7570 FAX # (704) 247-6433

TROY, MI OFFICE

3150 LIVERNOIS RD., SUITE 175
TROY, MI 48063
OFFICE # (248) 688-9399 FAX # (248) 688-9397

Opinion on Each Major Federal Program

In our opinion, Van Buren Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Van Buren Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Van Buren Public Schools' internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Van Buren Public Schools' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Taylor & Morgan, P.C.

TAYLOR & MORGAN, P.C.
Certified Public Accountants

VAN BUREN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued/ (Deferred) Revenue at July 1, 2020	Adjustments and Transfers	Current Year Receipts	Current Year Expenditures	Accrued/ (Deferred) Revenue at June 30, 2021
U.S. Department of Agriculture - Passed through the Michigan Department of Education								
Child Nutrition Cluster:								
National School Lunch Program - 200902 19-20	10.555	\$ 1,006,130	\$ 1,006,130	\$ 99,120	\$ -	\$ 99,120	\$ -	\$ -
Entitlement commodities - 20-21	10.555	52,121	-	-	-	52,121	52,121	-
Child and Adult Care Food Program - 211920 20-21	10.558	15,890	-	-	-	15,890	15,890	-
Summer Food Service Program Operating 210904 20-21	10.559	826,918	-	-	-	826,918	826,918	-
Total Child Nutrition Cluster		<u>1,901,059</u>	<u>1,006,130</u>	<u>99,120</u>	<u>-</u>	<u>994,049</u>	<u>894,929</u>	<u>-</u>
Total U.S. Department of Agriculture		1,901,059	1,006,130	99,120	-	994,049	894,929	-
U.S. Department of Health and Human Services - Passed through Wayne County RESA -	93.778							
Medicaid Outreach - Project number 20-21		<u>13,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,723</u>	<u>10,723</u>	<u>-</u>
Total Medicaid Outreach		<u>13,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,723</u>	<u>10,723</u>	<u>-</u>
Total U.S. Department of Health and Human Services		13,864	-	-	-	10,723	10,723	-
U.S. Department of Education Passed through the Wayne County RESA								
Special Education Cluster:	84.027							
Project number IDEA Flow 19-20		1,284,000	1,284,000	496,321	-	496,321	-	-
Project number IDEA CPE 19-20		100,000	100,000	21,287	-	21,287	-	-
Project number IDEA Flow 20-21		1,500,921	-	-	-	600,197	1,386,927	786,730
Project number IDEA CPE 20-21		113,994	-	-	-	49,653	113,994	64,341
Total IDEA		<u>2,998,915</u>	<u>1,384,000</u>	<u>517,608</u>	<u>-</u>	<u>1,167,458</u>	<u>1,500,921</u>	<u>851,071</u>
Preschool Incentive:	84.173							
Project number 200460 19-20		72,417	72,417	37,010	-	37,010	-	-
Project number 200460 20-21		83,160	-	-	-	34,853	83,160	48,307
Total Preschool		<u>155,577</u>	<u>72,417</u>	<u>37,010</u>	<u>-</u>	<u>71,863</u>	<u>83,160</u>	<u>48,307</u>
Perkins II:	84.048							
Project number 2019-20		62,241	60,672	21,934	-	23,503	1,569	-
Project number 2020-21		43,579	-	-	-	43,578	43,578	-
Total Perkins II		<u>105,820</u>	<u>60,672</u>	<u>21,934</u>	<u>-</u>	<u>67,081</u>	<u>45,147</u>	<u>-</u>
Total Passed through the Wayne County RESA		3,260,312	1,517,089	576,552	-	1,306,402	1,629,228	899,378

(continued)

VAN BUREN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Program Title/Project Number/Subrecipient Name	Federal CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued/ (Deferred) Revenue at July 1, 2020	Adjustments and Transfers	Current Year Receipts	Current Year Expenditures	Accrued/ (Deferred) Revenue at June 30, 2021
US Department of Education								
Passed through the Michigan Department of Education								
Title I Cluster:	84.010							
Project number 201530-1920		\$ 1,318,234	\$ 1,197,718	\$ 355,195	\$ -	\$ 355,195	\$ -	\$ -
Project number 211530-2021		<u>1,398,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607,959</u>	<u>1,153,488</u>	<u>545,529</u>
Total Title I		<u>2,716,919</u>	<u>1,197,718</u>	<u>355,195</u>	<u>-</u>	<u>963,154</u>	<u>1,153,488</u>	<u>545,529</u>
Improving Teacher Quality Title IIA:	84.367							
Project number 200520-19-20		417,587	281,140	152,699	-	152,699	-	-
Project number 210520-20-21		<u>374,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,097</u>	<u>258,574</u>	<u>112,477</u>
Total Improving Teacher Quality Title IIA		<u>792,226</u>	<u>281,140</u>	<u>152,699</u>	<u>-</u>	<u>298,796</u>	<u>258,574</u>	<u>112,477</u>
Student Support and Academic Enrichment Title IVA:	84.424							
Project number 200750-19-20		96,941	84,328	24,136	-	24,136	-	-
Project number 210750-20-21		<u>94,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,344</u>	<u>14,344</u>	<u>-</u>
Total Student Support and Acad. Enrich. Title IVA		<u>191,577</u>	<u>84,328</u>	<u>24,136</u>	<u>-</u>	<u>38,480</u>	<u>14,344</u>	<u>-</u>
Governor's Emergency Education Relief (GEER) Fund:	84.425C							
Project number 201200-2021		295,539	-	-	-	230,637	295,539	64,902
El. And Sec. School Emergency Relief (ESSER) Ed. Equity	84.425D							
Project number 203720-1920		187,109	-	-	-	187,109	187,109	-
El. And Sec. School Emergency Relief (ESSER) Formula	84.425D							
Project number 203710-2021		935,543	-	-	-	-	935,543	935,543
Coronavirus Relief Funds (CRF)	21.019							
Project number 2020-21		1,594,835	-	-	-	1,594,835	1,594,835	-
District Covid Costs	21.019							
Project number 2020-21		<u>56,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,138</u>	<u>56,138</u>	<u>-</u>
Total passed through the MDE		<u>6,769,886</u>	<u>1,563,186</u>	<u>532,030</u>	<u>-</u>	<u>3,369,149</u>	<u>4,495,570</u>	<u>1,658,451</u>
Total passed through US Department of Education		<u>10,030,198</u>	<u>3,080,275</u>	<u>1,108,582</u>	<u>-</u>	<u>4,675,551</u>	<u>6,124,798</u>	<u>2,557,829</u>
Total Federal Awards		<u>\$ 11,945,121</u>	<u>\$ 4,086,405</u>	<u>\$ 1,207,702</u>	<u>\$ -</u>	<u>\$ 5,680,323</u>	<u>\$ 7,030,450</u>	<u>\$ 2,557,829</u>

VAN BUREN PUBLIC SCHOOLS
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL REVENUE RECOGNIZED FOR SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	\$ <u>7,030,450</u>
FEDERAL REVENUE RECOGNIZED PER THE GENERAL PURPOSE FINANCIAL STATEMENTS PURPOSE	
General Fund	\$ 6,021,527
Special Revenue Funds	<u>1,008,923</u>
TOTAL	\$ <u>7,030,450</u>

- 1) The Schedule of Expenditures of Federal Awards had been prepared under the modified accrual basis of accounting.
- 2) Management has utilized the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Grant Auditor Report have been reconciled in the attached reconciliation.
- 3) The District has elected to not use the 10% de minimis indirect cost rate.

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF "GRANT AUDITOR REPORT"
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Current Payments Per the Grant Auditor Report	\$	2,660,104
<u>Add:</u>		
Grants passed through the Wayne County RESA		1,317,125
Coronavirus Relief Funds (CRF)		1,594,835
District Covid Costs		56,138
Entitlement Commodities		<u>52,121</u>
TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	\$	<u><u>5,680,323</u></u>

VAN BUREN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	<i>No</i>
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<i>No</i>
Noncompliance material to financial statements noted?	<i>No</i>

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<i>No</i>
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<i>No</i>

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? *No*

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program of Cluster</i>
10.555 10.558 10.559 84.425C 84.425D 21.019	National School Lunch ESSER/GEER Coronavirus Relief Funds/District Covid Costs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? *Yes*

VAN BUREN PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

Section II - Financial Statement Findings

None

There were no findings published for the audit of the year ended June 30, 2021.

Section III - Federal Award Findings and Questioned Costs

None

There were no findings published for the audit of the year ended June 30, 2021.