
Chippewa Valley Schools

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

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Independent Auditor's Report

To the Board of Education
Chippewa Valley 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 Chippewa Valley Schools (the "School District") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Chippewa Valley Schools' basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Chippewa Valley Schools as of June 30, 2021 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Education
Chippewa Valley Schools

Required Supplemental Information

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

Other Supplemental Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2021 on our consideration of Chippewa Valley Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Chippewa Valley 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 Chippewa Valley Schools' internal control over financial reporting and compliance.



September 23, 2021

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

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Chippewa Valley Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund, the 2015 Refunding Series B Fund, and the 2018 Building and Site - Series 1 Fund - with all other funds presented in one column as nonmajor funds. This report is composed of the following elements:

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Budgetary Comparison Schedule - General Fund

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Proportionate Share of the Net OPEB Liability

Schedule of Pension Contributions

Schedule of OPEB Contributions

Other Supplemental Information

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

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

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

Chippewa Valley Schools

Management's Discussion and Analysis (Continued)

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

Reporting the School District's Fund Financial Statements

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

Governmental Funds

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

The School District as a Whole

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

	Governmental Activities	
	2021	2020
	(in millions)	
Assets		
Current and other assets	\$ 100.2	\$ 113.2
Capital assets	358.5	349.7
Total assets	458.7	462.9
Deferred Outflows of Resources	111.4	129.6
Liabilities		
Current liabilities	23.2	22.3
Noncurrent liabilities	498.8	516.1
Net pension liability	348.1	332.0
Net OPEB liability	54.2	72.8
Total liabilities	924.3	943.2
Deferred Inflows of Resources	55.8	53.6
Net Position (Deficit)		
Net investment in capital assets	(87.3)	(63.5)
Restricted	6.7	6.4
Unrestricted	(329.4)	(347.2)
Total net position (deficit)	\$ (410.0)	\$ (404.3)

Chippewa Valley Schools

Management's Discussion and Analysis (Continued)

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was a deficit of \$(410.0) million at June 30, 2021. Net investment in capital assets is a deficit totaling \$(87.3) million. It compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position, \$(329.4) million, was unrestricted.

The \$(329.4) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact of recording the School District's share of the net pension and OPEB liabilities from the state-managed retirement system. Unrestricted net position, when available, would enable the School District to meet working capital and cash flow requirements, as well as to provide for future uncertainties. The operating results of the General Fund and the change in the net pension/OPEB liabilities will have significant impacts on the change in unrestricted net position (deficit) from year to year.

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

	Governmental Activities	
	2021	2020
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 5.5	\$ 8.4
Operating grants	55.1	37.4
General revenue:		
Taxes	48.0	45.9
State aid not restricted to specific purposes	108.6	107.2
Other	3.2	7.6
Total revenue	220.4	206.5
Expenses		
Instruction	125.5	116.4
Support services	66.5	67.3
Building activities	0.4	1.4
Food services	3.0	4.0
Community services	0.6	0.8
International Academy	3.2	3.1
Debt service	14.7	17.4
Depreciation expense (unallocated)	12.2	11.6
Total expenses	226.1	222.0
Change in Net Position	(5.7)	(15.5)
Net Position (Deficit) - Beginning of year	(404.3)	(388.8)
Net Position (Deficit) - End of year	<u><u>\$ (410.0)</u></u>	<u><u>\$ (404.3)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$226.1 million. Certain activities were partially funded from those who benefited from the programs (\$5.5 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$55.1 million). We paid for the remaining public benefit portion of our governmental activities with \$48.0 million in taxes, \$108.6 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

The School District experienced a decrease in net position of \$5.7 million. This figure represents the net difference between revenue and function/program expenses.

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

The School District's Funds

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

As the School District completed this year, the governmental funds reported a combined fund balance of \$79.4 million, which is a decrease of \$14.1 million from last year. The primary reasons for the decrease are as follows:

General Fund - Fund balance increased by \$2.4 million to \$32.4 million.

Special revenue funds - Fund balance decreased from \$4.2 million last year to \$3.8 million this year.

2018 Building and Site - Series 1 Fund - Fund balance decreased from \$55.4 million last year to \$39.2 million this year.

Combined, the fund balance of our debt service funds increased nominally. Millage rates held consistent with the prior year in order to obligate toward debt service payments. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are reserved since they can only be used to pay debt service obligations.

Combined, the fund balance of our capital project funds, excluding the 2018 Building and Site - Series 1 Fund, which is discussed above, remained unchanged from the prior year.

General Fund Budgetary Highlights

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

There were significant revisions made to the 2020-2021 General Fund original budget. Budgeted revenue was increased by \$18.6 million due to increased state and federal revenue, which was mainly a result of a per pupil foundation restoration of \$650 per pupil for an increase of \$9.6 million, new CARES Act grant sources and carryover equal to \$6.6 million, coupled with State Aid Coronavirus Response and Relief Supplemental Appropriations for an additional \$2.3 million. Other minor net increases of revenue sources account for the remaining difference.

As part of the Return to Learn legislation, the State School Aid budget for the 2020-2021 fiscal year membership was determined using a super blend comprising the blends of the current and prior school year. The 2019-2020 count (obtained by weighting the February 2019 count at 10 percent and the October 2019 count at 90 percent) made up 75 percent of the super blend. The 2020-2021 count (obtained by weighting the number of full-time pupils engaged in pandemic learning for fall 2020 at 90 percent and the February 2020 count at 10 percent) made up 25 percent. The super blend formula allotted for 72.4 FTE higher than the figures projected in the original budget, equating to approximately \$587,000.

Budgeted expenditures were also increased by \$13.3 million to \$178.3 million due to net increased costs of negotiated labor agreement contracts for 2020-2021, unpaid leaves, staffing changes, along with the corresponding retirement and FICA costs resulted in \$4.6 million. Increased costs are largely associated with the \$6.6 million of CARES Act funding for the acquisition of one-to-one student laptops and personal protective equipment (PPE) expenditures. Increased expenditures related to the State Aid Coronavirus Response and Relief Supplemental Appropriations amounted to \$2.3 million. Other insignificant net decreases to expenditures after budgetary review account for the remaining adjustment.

There were no significant variances between the final budget and actual amounts.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the School District had \$358.5 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$8.8 million, or 2.5 percent, from last year.

	2021	2020
Land	\$ 16,948,724	\$ 16,948,724
Construction in progress	1,531,407	2,810,313
Buildings and improvements	491,983,350	481,381,908
Furniture and equipment	57,245,281	53,072,072
Buses and other vehicles	9,869,493	8,861,455
Total capital assets	577,578,255	563,074,472
Less accumulated depreciation	219,056,262	213,375,621
Total capital assets - Net of accumulated depreciation	\$ 358,521,993	\$ 349,698,851

This year's additions of \$21.4 million included necessary purchases of security and technology, while furniture and equipment needs were also met. The successful voter-approved bond proposal on November 6, 2018 will further support capital project enhancements, buses, student instructional technology and equipment, and other infrastructure needs as planned. A significant component of the furniture and equipment costs includes the investment of one-to-one laptop devices to support remote learning and enhance face-to-face instruction. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$468.7 million in bonds outstanding versus \$441.8 million in the previous year - a change of 6.1 percent. The outstanding bonds consisted of the following:

	2021	2020
General obligation bonds	\$ 468,685,000	\$ 441,835,000

The School District's general obligation bond rating was A+ by S&P Global Ratings and A2 by Moody's Investors Service as of June 30, 2021. The State limits the amount of general obligation debt that schools can issue to 15 percent of the state equalized value of all taxable property within the School District's boundaries. If the School District issues qualified debt (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District's outstanding debt meets the qualified status requirements and is not subject to the general obligation statutorily imposed limit.

In addition, the School District participates in the School Bond Loan Fund and School Loan Revolving Fund, which had less than \$10 thousand in debt outstanding versus \$34.7 million in the previous year. Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2021-2022 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2021-2022 budget was adopted in June 2021 based on an estimate of students who will enroll in September 2021. Approximately 69.9 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. At this time, it is difficult to know if the estimates used in creating the 2020-2021 budget will be close to the actual enrollment figures.

The super blend pupil membership count was unique to the 2020-2021 fiscal year. A return to the traditional count day blend (90 percent of the fall 2021 count and 10 percent of the spring supplemental 2021 count) will more readily recognize the financial impact of an expected decrease in enrollment for 2021-2022. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The School District's 2021-2022 budget was developed utilizing a \$164 per pupil increase to the foundation allowance, bringing the per pupil funding amount to \$8,275. After the School District's budget was finalized, the State School Aid budget approved to fully fund an \$8,700 per pupil foundation allowance for every school in the state, an additional \$425 more per pupil than the 2021-2022 budget reflects. Various federal funding supplements through Coronavirus Relief Funds of the CARES Act and Elementary and Secondary School Emergency Relief Fund of the American Rescue Plan (ARP) Act of 2021 will be recognized in 2021-2022 budget amendments.

As emphasized within the capital asset acquisitions, a significant level of importance has been placed on providing reliable technology equipment. As we continue to navigate through this pandemic, the School District has adapted classroom technologies to assist with supporting instruction for students unexpectedly unable to participate in face-to-face learning or because they have elected to participate in the virtual academy. The School District is committed to the shared focus of meeting the academic needs of all students. In meeting the needs of all students, the prioritization of four specific areas, a guaranteed and viable curriculum, reading, social-emotional learning/support, and leveraging technology to accelerate student learning, will guide resource allocation.

Labor agreements were recently settled for all groups as a three-year contract through June 30, 2024. The duration of the contractual agreements allows the School District to experience greater labor stability and maintain the focal point of student achievement. The School District continues to be challenged with an ever-changing climate associated with COVID-19 and the uncertainties it brings into the 2021-2022 school year. As changes become known, necessary budgetary adjustments will be made appropriately throughout the upcoming fiscal year.

Contacting the School District's Management

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

	June 30, 2021
	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 4)	\$ 26,486,492
Receivables:	
Other receivables	66,345
Due from other governments	26,999,772
Inventory	73,025
Prepaid expenses and other assets	1,821,814
Restricted assets (Note 4)	44,749,398
Capital assets - Net (Note 6)	<u>358,521,993</u>
Total assets	458,718,839
Deferred Outflows of Resources	
Deferred charges on bond refunding (Note 8)	9,454,242
Deferred pension costs (Note 10)	76,171,514
Deferred OPEB costs (Note 10)	<u>25,743,619</u>
Total deferred outflows of resources	111,369,375
Liabilities	
Accounts payable	2,622,935
Accrued liabilities and other	19,484,660
Unearned revenue (Note 5)	1,166,634
Noncurrent liabilities:	
Due within one year (Note 8)	56,873,953
Due in more than one year (Note 8)	441,867,620
Net pension liability (Note 10)	348,121,914
Net OPEB liability (Note 10)	<u>54,221,916</u>
Total liabilities	924,359,632
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	13,118,558
Deferred pension cost reductions (Note 10)	1,548,820
Deferred OPEB cost reductions (Note 10)	<u>41,087,105</u>
Total deferred inflows of resources	<u>55,754,483</u>
Net Position (Deficit)	
Net investment in capital assets	(87,307,168)
Restricted:	
Capital projects	5,812,820
Special revenue	896,686
Unrestricted	<u>(329,428,239)</u>
Total net position (deficit)	<u>\$ (410,025,901)</u>

Year Ended June 30, 2021

Functions/Programs	Program Revenue		Governmental	
	Expenses	Charges for Services	Operating Grants and Contributions	
			Net (Expense) Revenue and Changes in Net Position	
Primary government - Governmental activities:				
Instruction	\$ 125,470,298	\$ -	\$ 34,924,375	\$ (90,545,923)
Support services	66,487,112	611,282	17,752,784	(48,123,046)
Food services	2,973,558	162,128	2,287,203	(524,227)
Community services	561,342	1,150,158	158,507	747,323
Interdistrict payments	35,103	-	-	(35,103)
International Academy	3,207,854	3,378,374	-	170,520
District child care	449,767	199,464	-	(250,303)
Interest	11,052,277	-	-	(11,052,277)
Other debt costs	3,688,709	-	-	(3,688,709)
Depreciation expense (unallocated)	12,174,913	-	-	(12,174,913)
Total primary government	\$ 226,100,933	\$ 5,501,406	\$ 55,122,869	(165,476,658)
General revenue:				
Taxes:				
Property taxes levied for general purposes				16,920,335
Property taxes levied for debt service				31,072,328
State aid not restricted to specific purposes				108,615,631
Interest and investment earnings				301,656
Penalties, interest, and other taxes				17,191
Loss on sale of capital assets				(420,771)
Other				3,252,847
Total general revenue				159,759,217
Change in Net Position				(5,717,441)
Net Position (Deficit) - Beginning of year				(404,308,460)
Net Position (Deficit) - End of year				\$ (410,025,901)

Governmental Funds
Balance Sheet

June 30, 2021

	General Fund	2015 Refunding Series B Fund	2018 Building and Site - Series 1 Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 4)	\$ 22,618,034	\$ -	\$ -	\$ 3,868,458	\$ 26,486,492
Receivables:					
Other receivables	66,345	-	-	-	66,345
Due from other governments	26,999,772	-	-	-	26,999,772
Due from other funds (Note 7)	739,689	-	1,640	1,220,941	1,962,270
Inventory	22,463	-	-	50,562	73,025
Prepaid expenses	1,821,814	-	-	-	1,821,814
Restricted assets (Note 4)	-	213,831	41,182,280	3,353,287	44,749,398
Total assets	\$ 52,268,117	\$ 213,831	\$ 41,183,920	\$ 8,493,248	\$ 102,159,116
Liabilities					
Accounts payable	\$ 639,774	\$ -	\$ 1,983,161	\$ -	\$ 2,622,935
Due to other funds (Note 7)	1,222,581	-	-	739,689	1,962,270
Accrued liabilities and other	16,989,147	-	-	-	16,989,147
Unearned revenue (Note 5)	1,022,198	-	-	144,436	1,166,634
Total liabilities	19,873,700	-	1,983,161	884,125	22,740,986
Fund Balances					
Nonspendable:					
Inventory	22,463	-	-	50,562	73,025
Prepaid expenses	1,821,814	-	-	-	1,821,814
Restricted:					
Debt service	-	213,831	-	245,102	458,933
Capital projects	-	-	39,200,759	3,534,025	42,734,784
Food service	-	-	-	885,679	885,679
International Academy	-	-	-	896,686	896,686
Committed:					
Accumulated employment obligation	1,663,374	-	-	-	1,663,374
Student/School activities	-	-	-	1,997,069	1,997,069
Unassigned	28,886,766	-	-	-	28,886,766
Total fund balances	32,394,417	213,831	39,200,759	7,609,123	79,418,130
Total liabilities and fund balances	\$ 52,268,117	\$ 213,831	\$ 41,183,920	\$ 8,493,248	\$ 102,159,116

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 79,418,130
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	577,578,255
Accumulated depreciation	<u>(219,056,262)</u>
Net capital assets used in governmental activities	358,521,993
Deferred inflows and outflows related to bond refundings are not reported in the funds	9,454,242
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(491,826,534)
Accrued interest is not due and payable in the current period and is not reported in the funds	(2,495,513)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,663,374)
Early termination incentive obligations	(5,221,765)
Provision for health and/or workers' compensation claims not accounted for within the internal service fund	(29,900)
Net pension liability and related deferred inflows and outflows	(273,499,220)
Retiree health care benefits	(69,565,402)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	<u>(13,118,558)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (410,025,901)</u></u>

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	General Fund	2015 Refunding Series B Fund	2018 Building and Site - Series 1 Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	\$ 25,877,450	\$ 15,990,219	\$ 1,091,514	\$ 20,334,541	\$ 63,293,724
State sources	140,261,671	107,092	216,878	243,324	140,828,965
Federal sources	13,110,784	-	-	2,164,109	15,274,893
Interdistrict	-	-	-	3,378,374	3,378,374
Total revenue	179,249,905	16,097,311	1,308,392	26,120,348	222,775,956
Expenditures					
Current:					
Instruction	110,274,057	-	-	-	110,274,057
Support services	58,205,277	4,332	-	3,107,832	61,317,441
Food services	-	-	-	2,823,604	2,823,604
Community services	535,741	-	-	-	535,741
International Academy	15,000	-	-	3,192,854	3,207,854
District child care	-	-	-	449,767	449,767
Debt service:					
Principal	-	30,175,000	-	20,190,000	50,365,000
Interest	-	2,022,707	-	13,734,228	15,756,935
Other debt costs	-	26,335	-	28,240	54,575
Capital outlay	7,238,379	-	17,504,919	138,385	24,881,683
Interdistrict payments	10	-	-	35,093	35,103
Total expenditures	176,268,464	32,228,374	17,504,919	43,700,003	269,701,760
Excess of Revenue Over (Under)	2,981,441	(16,131,063)	(16,196,527)	(17,579,655)	(46,925,804)
Expenditures					
Other Financing Sources (Uses)					
Face value of debt issued (Note 8)	-	-	-	147,895,000	147,895,000
School Bond Loan Revolving Fund proceeds (Note 8)	-	16,136,834	-	15,921,055	32,057,889
Transfers in (Note 7)	920,172	-	-	1,489,483	2,409,655
Payment to bond refunding escrow agent (Note 8)	-	-	-	(80,400,692)	(80,400,692)
Transfers out (Note 7)	(1,489,483)	-	-	(920,172)	(2,409,655)
Repayment of School Bond Loan Revolving Fund (Note 8)	-	-	-	(66,757,000)	(66,757,000)
Total other financing (uses) sources	(569,311)	16,136,834	-	17,227,674	32,795,197
Net Change in Fund Balances	2,412,130	5,771	(16,196,527)	(351,981)	(14,130,607)
Fund Balances - Beginning of year	29,982,287	208,060	55,397,286	7,961,104	93,548,737
Fund Balances - End of year	\$ 32,394,417	\$ 213,831	\$ 39,200,759	\$ 7,609,123	\$ 79,418,130

Governmental Funds

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

Year Ended June 30, 2021

Net Change in Fund Balance Reported in Governmental Funds	\$ (14,130,607)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	21,418,826
Depreciation expense	(12,174,913)
Net book value of assets disposed of	(420,771)
Revenue in support of pension contributions made subsequent to the measurement date	(1,971,693)
Issuing debt, net of premiums and discounts, provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(173,866,330)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	192,359,647
Interest expense is recognized in the government-wide statements as it accrues	147,010
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(17,078,610)
Change in Net Position of Governmental Activities	\$ (5,717,441)

June 30, 2021

Note 1 - Nature of Business

Chippewa Valley Schools (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Report Presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

Separate financial statements are provided for governmental funds and fiduciary funds (if applicable), even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

Note 2 - Significant Accounting Policies (Continued)

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into the following broad fund type:

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The 2015 Refunding Series B Fund is a debt service fund that is used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on the related bond issue.
- The 2018 Building and Site - Series 1 Fund is a capital projects fund that is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs, in accordance with the related bond issue.

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

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School District's special revenue funds are the Cafeteria, International Academy, District Child Care, and Student/School Activities funds. Revenue sources for the Cafeteria Fund include sales to customers and dedicated grants from federal sources. Revenue sources for the Student/School Activities Fund include fundraising revenue and donations earned and received by student groups. Any operating deficit generated by these activities is the responsibility of the General Fund.
- Capital project funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

The School District does not have any internal service funds.

Interfund Activity

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

Note 2 - Significant Accounting Policies (Continued)

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

Basis of Accounting

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

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

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

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

Specific Balances and Transactions

Cash and Investments

Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value except for investments in external investment pools, which are valued at amortized cost.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories are recorded as expenditures when purchased. Inventories accounted for using the purchase method are recorded as expenditures when purchased and include all inventories of governmental funds other than commodities within the Cafeteria Fund. Inventories accounted for using the consumption method are recorded as expenditures when consumed rather than when purchased and include commodities within the Cafeteria Fund. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both the government-wide and fund financial statements, when applicable.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest of the bonded capital projects funds required to be set aside for construction or other allowable bond purchases
- Unspent property taxes levied held in the debt service funds required to be set aside for future bond principal and interest payments

Note 2 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year, except for computer purchases, which are deemed capital assets at a minimum purchase price of \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

	<u>Depreciable Life - Years</u>
Buildings and improvements	20 to 50
Furniture and equipment	5 to 20
Buses and other vehicles	7

Long-term Obligations

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District reports deferred outflows related to deferred pension and OPEB costs and deferred refunding charges related to bonds.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The School District reports deferred inflows related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions.

Net Position

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

Note 2 - Significant Accounting Policies (Continued)

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

Property Tax Revenue

Property taxes are assessed as of December 31, and the related property taxes become a lien on December 1 of the following year. These taxes are billed on July 1 for approximately 50 percent of the taxes and on December 1 for the remainder of the property taxes. Taxes are considered delinquent on March 1 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

June 30, 2021

Note 2 - Significant Accounting Policies (Continued)

Grants and Contributions

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

Pension and Other Postemployment Benefit (OPEB) Plans

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

Compensated Absences (Vacation and Sick Leave)

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

Use of Estimates

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

Upcoming Accounting Pronouncement

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

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 23, 2021, which is the date the financial statements were available to be issued.

June 30, 2021

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. The required supplemental information - budgetary comparison schedule is presented on the same basis of accounting used to prepare the budget, which includes certain items having classifications that differ from the statement of revenue, expenditures, and changes in fund balances. During the year, the budget was amended in a legally permissible manner. The School District increased budgeted amounts during the year in response to additional funding.

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

Excess of Expenditures Over Appropriations in Budgeted Funds

The School District did not have significant expenditure budget variances.

Capital Project Fund Compliance

The 2018 Building and Site - Series 1 Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

The capital project funds for the 2005 Building and Site Fund include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the projects for which the bonds were issued were considered complete during a prior period, and the School District has completed the required reporting to the Michigan Department of Treasury.

Note 4 - Deposits and Investments

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

The School District has designated 15 banks for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost, except for a one-day minimum investment period on MILAF cash management funds and a 14-day redemption limitation on MILAF MAX Class funds.

June 30, 2021

Note 4 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy states that financial institutions be evaluated and only those with acceptable risk levels be used for the School District's deposits. At year end, the School District had \$33,132,508 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

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

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; investing operating funds, primarily in the shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools; and limiting the average maturity in accordance with the School District's cash requirements. The School District's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

At year end, the School District had the following investments:

Investment	Carrying Value	Maturity Date
Primary Government		
U.S. Treasury bonds and notes	\$ 1,582,716	7/31/2021
U.S. Treasury bonds and notes	3,548,850	8/15/2021
U.S. Treasury bonds and notes	3,128,287	9/30/2021
U.S. Treasury bonds and notes	1,146,705	12/31/2021
U.S. Treasury bonds and notes	4,647,375	3/31/3022
U.S. Treasury bonds and notes	2,105,801	4/30/2022
MILAF Term Series	9,000,000	10/4/2021
Total	<u>\$ 25,159,734</u>	

June 30, 2021

Note 4 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. As of June 30, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
MILAF Term Series	\$ 9,000,000	AA+	S&P
MILAF bank investment pool	15,005,690	AAAm	S&P
Total	<u>\$ 24,005,690</u>		

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. At June 30, 2021, the School District does not have any investments subject to concentration of credit risk.

Foreign Currency Risk

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

Fair Value Measurements

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

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

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

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
Available-for-sale debt securities - U.S. Treasury securities	\$ -	\$ 16,159,734	\$ -	\$ 16,159,734

June 30, 2021

Note 4 - Deposits and Investments (Continued)

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

Investments in Entities That Calculate Net Asset Value per Share

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

As of June 30, 2021, the net asset value of the School District's investment in the MILAF Term Series was \$9,000,000. The investment pool had no unfunded commitments. The MILAF Term Series allows for the School District to set a specific redemption date set upon initiation of investment. Early redemptions are permitted; however, an early redemption fee would apply.

The MILAF Term Series includes investments that the School District does not control. The investment pool invests primarily in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

Note 5 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

At June 30, 2021, the School District had \$1,166,634 of unearned revenue, of which \$1,022,198 related to grants received and tuition payments received but not yet earned, and \$144,436 related to deposits received for the subsequent year's food service program.

June 30, 2021

Note 6 - Capital Assets

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

Governmental Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 16,948,724	\$ -	\$ -	\$ -	\$ 16,948,724
Construction in progress	2,810,313	(1,278,906)	-	-	1,531,407
Subtotal	19,759,037	(1,278,906)	-	-	18,480,131
Capital assets being depreciated:					
Buildings and improvements	481,381,908	1,278,906	9,322,536	-	491,983,350
Furniture and equipment	53,072,072	-	10,054,714	(5,881,505)	57,245,281
Buses and other vehicles	8,861,455	-	2,041,576	(1,033,538)	9,869,493
Subtotal	543,315,435	1,278,906	21,418,826	(6,915,043)	559,098,124
Accumulated depreciation:					
Buildings and improvements	168,993,038	-	9,432,924	-	178,425,962
Furniture and equipment	38,154,638	-	2,344,141	(5,564,088)	34,934,691
Buses and other vehicles	6,227,945	-	397,848	(930,184)	5,695,609
Subtotal	213,375,621	-	12,174,913	(6,494,272)	219,056,262
Net capital assets being depreciated	329,939,814	1,278,906	9,243,913	(420,771)	340,041,862
Net governmental activities capital assets	<u>\$ 349,698,851</u>	<u>\$ -</u>	<u>\$ 9,243,913</u>	<u>\$ (420,771)</u>	<u>\$ 358,521,993</u>

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

Construction Commitments

The School District has active construction projects at year end related to the 2018 Building and Site - Series 1 bond issue. At year end, the School District's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Security cameras	\$ 1,966,975	\$ 104,699
Computer equipment	1,503,317	2,526,244
Wireless and network infrastructure	5,172,408	1,432,063
Building renovations	13,976,364	11,530,749
Total	<u>\$ 22,619,064</u>	<u>\$ 15,593,755</u>

June 30, 2021

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From		
	General Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 739,689	\$ 739,689
2018 Building and Site - Series 1 Fund	1,640	-	1,640
Nonmajor funds	1,220,941	-	1,220,941
Total	\$ 1,222,581	\$ 739,689	\$ 1,962,270

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

Transfers of \$1,030,200 from the General Fund to the International Academy Fund covered the School District's tuition owed to the International Academy. The International Academy transferred \$920,172 to the General Fund to reimburse the School District for staff working at the International Academy and other expenditures. Transfers of \$250,303 were made from the General Fund to the District Child Care Fund to prevent the District Child Care Fund from operating at a deficit for the year. Transfers of \$170,000 were made from the General Fund to the Cafeteria Fund to maintain fund equity. Finally, a transfer of \$38,980 was made from the General Fund to the Manthey Capital Projects Fund for final distribution of funds received in the General Fund.

Note 8 - Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Direct borrowings and direct placements - School Bond Loan Fund and School Loan Revolving Fund	\$ 34,703,948	\$ 32,057,889	\$ (66,757,000)	\$ 4,837	\$ -
Other debt - General obligation	441,835,000	147,895,000	(121,045,000)	468,685,000	51,875,000
Unamortized bond premiums	37,345,869	-	(14,209,172)	23,136,697	3,424,690
Total bonds payable	513,884,817	179,952,889	(202,011,172)	491,826,534	55,299,690
Compensated absences	1,570,757	418,865	(326,248)	1,663,374	209,358
Claims and judgments	113,226	32,998	(116,324)	29,900	29,900
Early termination obligation	528,295	4,864,655	(171,185)	5,221,765	1,335,005
Total governmental activities long-term debt	\$ 516,097,095	\$ 185,269,407	\$ (202,624,929)	\$ 498,741,573	\$ 56,873,953

The School District had deferred outflows of \$9,454,242 related to deferred charges on bond refundings at June 30, 2021.

June 30, 2021

Note 8 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

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

Purpose	Remaining Annual Installments	Interest Rates - Percent	Maturing May 1	Outstanding
2013 Refunding	\$5,775,000 - \$5,860,000	5.00	2023	\$ 11,635,000
2015 Refunding Series A	\$3,975,000 - \$9,730,000	3.13 to 5.00	2027	38,170,000
2015 Refunding Series B	\$34,375,000	2.98	2022	34,375,000
2016 Refunding Series A	\$3,450,000 - \$3,675,000	2.75 to 5.00	2035	49,900,000
2016 Refunding Series B	\$1,660,000 - \$8,310,000	5.00	2027	29,810,000
2018 Building and Site - Series 1	\$1,200,000 - \$4,425,000	4.00 to 5.00	2043	59,475,000
2019 Refunding	\$1,000,000 - \$22,450,000	1.92 to 2.59	2032	97,425,000
2020 Refunding	\$1,445,000 - \$19,655,000	0.48 to 2.08	2034	115,880,000
2021 Refunding	\$10,500,000 - \$10,855,000	2.06 - 2.26	2033	32,015,000
Total governmental activities				<u>\$ 468,685,000</u>

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The claims and judgments liability will generally be liquidated through the School District's General Fund. That fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The net pension liability and the net OPEB liability will be liquidated from the funds from which the individual employee salaries are paid, generally the General Fund and the Cafeteria Fund.

The School District has two long-term voluntary retirement incentive programs. The first calls for a total payout of \$421,675 through June 2025, to be paid in monthly installments of \$335 per person. The second calls for a total payout of \$4,800,000 through June 2025, to be paid at a rate of \$1,200,000 per year.

Note 8 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities		
	Other Debt		
	Principal	Interest	Total
2022	\$ 51,875,000	\$ 15,044,208	\$ 66,919,208
2023	25,785,000	13,227,965	39,012,965
2024	27,100,000	12,016,557	39,116,557
2025	28,270,000	11,097,461	39,367,461
2026	29,360,000	10,059,482	39,419,482
2027-2031	170,635,000	35,998,585	206,633,585
2032-2036	107,910,000	14,136,256	122,046,256
2037-2041	19,025,000	5,116,250	24,141,250
2042-2043	8,725,000	657,500	9,382,500
Total	\$ 468,685,000	\$ 117,354,264	\$ 586,039,264

School Loan Revolving Fund

The School Loan Revolving Fund payable represents a direct borrowing from the State of Michigan for loans made to the School District, as authorized by the 1963 State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the School District issued for capital expenditures. Interest rates are to be determined annually by the State Administrative Board in accordance with Section 9 of Act No. 92 of the Public Acts of 2005 (the "Act"), as amended. The School Loan Revolving Fund is accessible to school districts for borrowings that initiated after July 19, 2005. Interest during the year ended June 30, 2021 was 3 percent. Repayment begins as soon as annual tax collections exceed annual debt service payment requirements. The predetermined mandatory final loan repayment date is May 1, 2040. If the School District fails to levy the appropriate debt mills in accordance with the agreement or defaults in loan repayment, the School District shall increase its debt levy in the next succeeding year, and a default late charge of 3 percent will apply. Due to the variability of the factors that affect the timing of repayment, including the future amount of the state equalized value of property in the School District, no provision for repayment has been included in the above debt maturity schedule. If the School District is in default of the loan agreement, the State of Michigan may withhold state aid funding until repayment terms satisfactory to the State of Michigan have been made. As a result of the issuance of the 2020 and 2021 Refunding bonds, the School District repaid \$66,757,000 of the School Loan Revolving Fund balance. The balance at June 30, 2021 is \$4,837.

Advance Bond Refunding

During the year, the School District issued \$80.77 million in general obligation bonds with an average interest rate of 1.76 percent. The proceeds of these bonds were used to advance refund \$70.68 million of outstanding 2013 Refunding bonds with an average interest rate of 5.0 percent. The net proceeds of \$80.4 million (after payment of \$527,708 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. The advance refunding reduced total debt service payments over the next 13 years by approximately \$8,800,000, which represents an economic gain of approximately \$8,400,000.

June 30, 2021

Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for all claims except workers' compensation and dental. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. For dental, claims are limited to various maximum amounts, which depend on employee contractual groups.

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

	2021	2020
Estimated liability - Beginning of year	\$ 113,226	\$ 57,966
Estimated claims incurred, including changes in estimates	32,998	227,966
Claim payments	(116,324)	(172,706)
Estimated liability - End of year	\$ 29,900	\$ 113,226

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

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

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

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment health care plan.

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

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

June 30, 2021

Note 10 - Michigan Public School Employees' Retirement System (Continued)

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

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

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

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

Contributions

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

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

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

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

The ranges of rates are as follows:

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

June 30, 2021

Note 10 - Michigan Public School Employees' Retirement System (Continued)

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

The School District's required and actual pension contributions to the plan for the year ended June 30, 2021 were \$31,786,199, which include the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of \$13,118,558 in revenue received from the State of Michigan and remitted to the System to fund the MPERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2021.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2021 were \$8,081,028, which include the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2021, the School District reported a liability of \$348,121,914 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2020 and 2019, the School District's proportion was 1.01 and 1.00 percent, respectively, representing a change of 1.08 percent.

Net OPEB Liability

At June 30, 2021, the School District reported a liability of \$54,221,916 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2021 was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2020 and 2019, the School District's proportion was 1.012 and 1.014 percent, respectively, representing a change of (0.17) percent.

June 30, 2021

Note 10 - Michigan Public School Employees' Retirement System (Continued)

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

For 2021, the School District recognized pension expense of \$51,927,268, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,319,017	\$ (743,015)
Changes in assumptions	38,575,264	-
Net difference between projected and actual earnings on pension plan investments	1,462,653	-
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	4,037,900	(805,805)
The School District's contributions to the plan subsequent to the measurement date	26,776,680	-
	<u>26,776,680</u>	<u>-</u>
Total	<u>\$ 76,171,514</u>	<u>\$ (1,548,820)</u>

The \$13,118,558 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2022	\$ 21,467,733
2023	15,257,168
2024	8,452,633
2025	2,668,480
	<u>2,668,480</u>
Total	<u>\$ 47,846,014</u>

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

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

For the year ended June 30, 2021, the School District recognized OPEB recovery of \$1,336,158.

June 30, 2021

Note 10 - Michigan Public School Employees' Retirement System (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (40,400,396)
Changes in assumptions	17,878,043	-
Net difference between projected and actual earnings on OPEB plan investments	452,543	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,553,128	(686,709)
Employer contributions to the plan subsequent to the measurement date	5,859,905	-
Total	\$ 25,743,619	\$ (41,087,105)

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

Years Ending	Amount
2022	\$ (5,830,177)
2023	(5,179,999)
2024	(4,114,049)
2025	(3,239,227)
2026	(2,839,939)
Total	\$ (21,203,391)

Actuarial Assumptions

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

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

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

June 30, 2021

Note 10 - Michigan Public School Employees' Retirement System (Continued)

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

Discount Rate

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

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

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

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

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

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

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

	1 Percentage Point Decrease (5.00 - 5.80%)	Current Discount Rate (6.00 - 6.80%)	1 Percentage Point Increase (7.00 - 7.80%)
Net pension liability of the School District	\$ 450,584,763	\$ 348,121,914	\$ 263,203,050

June 30, 2021

Note 10 - Michigan Public School Employees' Retirement System (Continued)

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

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

	1 Percentage Point Decrease (5.95%)	Current Discount Rate (6.95%)	1 Percentage Point Increase (7.95%)
Net OPEB liability of the School District	\$ 69,654,214	\$ 54,221,916	\$ 41,229,215

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

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

	1 Percentage Point Decrease (6.00%)	Current Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the School District	\$ 40,731,749	\$ 54,221,916	\$ 69,565,318

Pension Plan and OPEB Plan Fiduciary Net Position

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

Payable to the Pension Plan and OPEB Plan

At June 30, 2021, the School District reported a payable of \$4,349,309 and \$842,228 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2021.

Note 11 - Tax Abatements

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974) granted by cities, villages, and townships within the boundaries of the School District. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities.

For the fiscal year ended June 30, 2021, the School District's property tax revenue was reduced by \$146,682 under this program.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the School Aid formula. The School District received approximately \$99,109 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from the debt service millages. There are no abatements made by the School District.

Required Supplemental Information

Chippewa Valley Schools

Required Supplemental Information Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 28,066,776	\$ 25,640,192	\$ 25,877,450	\$ 237,258
State sources	126,583,579	140,591,168	140,261,671	(329,497)
Federal sources	7,061,342	14,104,507	13,110,784	(993,723)
Total revenue	161,711,697	180,335,867	179,249,905	(1,085,962)
Expenditures				
Current:				
Instruction:				
Basic programs	81,814,095	94,617,693	94,989,375	371,682
Added needs	21,447,950	23,164,995	22,324,742	(840,253)
Adult/Continuing education	178,222	170,082	166,878	(3,204)
Support services:				
Pupil	16,501,536	16,722,037	16,434,289	(287,748)
Instructional staff	6,923,417	7,049,220	6,512,758	(536,462)
General administration	855,199	932,373	879,669	(52,704)
School administration	10,290,500	10,317,361	10,440,303	122,942
Business	2,290,750	2,300,057	2,167,253	(132,804)
Operations and maintenance	12,193,044	11,749,228	11,535,427	(213,801)
Pupil transportation services	5,131,338	4,244,465	4,039,266	(205,199)
Central	4,004,509	4,162,117	4,072,243	(89,874)
Other	2,389,534	2,329,413	2,170,520	(158,893)
Community services	1,001,586	550,335	535,741	(14,594)
Total expenditures	165,021,680	178,309,376	176,268,464	(2,040,912)
Excess of Revenue (Under) Over Expenditures	(3,309,983)	2,026,491	2,981,441	954,950
Other Financing Sources (Uses)				
Transfers in	1,108,715	903,953	920,172	16,219
Transfers out and other	(1,082,158)	(1,811,185)	(1,489,483)	321,702
Total other financing sources (uses)	26,557	(907,232)	(569,311)	337,921
Net Change in Fund Balance	(3,283,426)	1,119,259	2,412,130	1,292,871
Fund Balance - Beginning of year	29,982,287	29,982,287	29,982,287	-
Fund Balance - End of year	\$ 26,698,861	\$ 31,101,546	\$ 32,394,417	\$ 1,292,871

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

	Last Seven Plan Years						
	Plan Years Ended September 30						
	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	1.01342 %	1.00261 %	0.99316 %	0.99438 %	0.98027 %	0.99317 %	0.96771 %
School District's proportionate share of the net pension liability	\$ 348,121,914	\$ 332,029,236	\$ 298,562,931	\$ 257,686,252	\$ 244,568,269	\$ 242,581,555	\$ 213,151,629
School District's covered payroll	\$ 89,403,576	\$ 88,448,866	\$ 84,056,325	\$ 83,996,191	\$ 84,418,371	\$ 84,653,222	\$ 86,058,137
School District's proportionate share of the net pension liability as a percentage of its covered payroll	389.38 %	375.39 %	355.19 %	306.78 %	289.71 %	286.56 %	247.68 %
Plan fiduciary net position as a percentage of total pension liability	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.20 %

Chippewa Valley Schools

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

Last Four Plan Years Plan Years Ended September 30

	2020	2019	2018	2017
School District's proportion of the net OPEB liability	1.01212 %	1.01392 %	0.98867 %	0.99333 %
School District's proportionate share of the net OPEB liability	\$ 54,221,916	\$ 72,776,529	\$ 78,588,796	\$ 87,963,785
School District's covered payroll	\$ 89,403,576	\$ 88,448,866	\$ 84,056,325	\$ 83,996,191
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	60.65 %	82.28 %	93.50 %	104.72 %
Plan fiduciary net position as a percentage of total OPEB liability	59.76 %	48.67 %	43.10 %	36.53 %

Chippewa Valley Schools

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

	Last Seven Fiscal Years						
	Years Ended June 30						
	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 31,245,971	\$ 28,053,141	\$ 26,686,572	\$ 25,438,468	\$ 23,691,561	\$ 23,205,511	\$ 18,136,572
Contributions in relation to the statutorily required contribution	31,245,971	28,053,141	26,686,572	25,438,468	23,691,561	23,205,511	18,136,572
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 92,967,888	\$ 89,224,121	\$ 87,580,874	\$ 83,860,548	\$ 85,661,493	\$ 84,189,404	\$ 86,964,485
Contributions as a Percentage of Covered Payroll	33.61 %	31.44 %	30.47 %	30.33 %	27.66 %	27.56 %	20.86 %

Chippewa Valley Schools

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

Last Four Fiscal Years Years Ended June 30

	2021	2020	2019	2018
Statutorily required contribution	\$ 7,736,555	\$ 7,169,693	\$ 6,879,500	\$ 6,106,190
Contributions in relation to the statutorily required contribution	7,736,555	7,169,693	6,879,500	6,106,190
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 92,967,888	\$ 89,224,121	\$ 87,580,874	\$ 83,860,548
Contributions as a Percentage of Covered Payroll	8.32 %	8.04 %	7.86 %	7.28 %

June 30, 2021

Pension Information

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

Benefit Changes

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

Changes in Assumptions

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

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

OPEB Information

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

Benefit Changes

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

Changes in Assumptions

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

- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Other Supplemental Information

Chippewa Valley Schools

	Special Revenue Funds			
	Cafeteria	International Academy	District Child Care	Student/School Activities
Assets				
Cash and investments	\$ 274,930	\$ 896,686	\$ 343,741	\$ 2,310,931
Due from other funds	755,185	-	-	82,086
Inventory	50,562	-	-	-
Restricted assets	-	-	-	-
Total assets	\$ 1,080,677	\$ 896,686	\$ 343,741	\$ 2,393,017
Liabilities				
Due to other funds	\$ -	\$ -	\$ 343,741	\$ 395,948
Unearned revenue	144,436	-	-	-
Total liabilities	144,436	-	343,741	395,948
Fund Balances				
Nonspendable - Inventory	50,562	-	-	-
Restricted:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Food service	885,679	-	-	-
International Academy	-	896,686	-	-
Committed - Student/School activities	-	-	-	1,997,069
Total fund balances	936,241	896,686	-	1,997,069
Total liabilities and fund balances	\$ 1,080,677	\$ 896,686	\$ 343,741	\$ 2,393,017

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2021

Debt Service Funds								Capital Project Funds		Total
2013 Refunding	2015 Refunding Series A	2016 Refunding Series A	2016 Refunding Series B	2018 Debt Fund	2019 Refunding	2020 Debt Refunding	2021 Refunding	2005 Building and Site	Manthey Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ 20,940	\$ 16,228	\$ 5,002	\$ -	\$ -	\$ -	\$ 3,868,458
-	-	-	-	-	-	-	-	-	383,670	1,220,941
-	-	-	-	-	-	-	-	-	-	50,562
86,163	15,236	39,929	61,470	75	59	-	-	3,150,355	-	3,353,287
\$ 86,163	\$ 15,236	\$ 39,929	\$ 61,470	\$ 21,015	\$ 16,287	\$ 5,002	\$ -	\$ 3,150,355	\$ 383,670	\$ 8,493,248
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,689
-	-	-	-	-	-	-	-	-	-	144,436
-	-	-	-	-	-	-	-	-	-	884,125
-	-	-	-	-	-	-	-	-	-	50,562
86,163	15,236	39,929	61,470	21,015	16,287	5,002	-	-	-	245,102
-	-	-	-	-	-	-	-	3,150,355	383,670	3,534,025
-	-	-	-	-	-	-	-	-	-	885,679
-	-	-	-	-	-	-	-	-	-	896,686
-	-	-	-	-	-	-	-	-	-	1,997,069
86,163	15,236	39,929	61,470	21,015	16,287	5,002	-	3,150,355	383,670	7,609,123
\$ 86,163	\$ 15,236	\$ 39,929	\$ 61,470	\$ 21,015	\$ 16,287	\$ 5,002	\$ -	\$ 3,150,355	\$ 383,670	\$ 8,493,248

Chippewa Valley Schools

	Special Revenue Funds			
	Cafeteria	International Academy	District Child Care	Student/School Activities
Revenue				
Local sources	\$ 162,128	\$ -	\$ 199,464	\$ 2,047,267
State sources	123,094	-	-	-
Federal sources	2,164,109	-	-	-
Interdistrict	-	3,378,374	-	-
Total revenue	2,449,331	3,378,374	199,464	2,047,267
Expenditures				
Current:				
Support services	-	-	-	2,367,507
Food services	2,823,604	-	-	-
International Academy	-	3,192,854	-	-
District child care	-	-	449,767	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other debt costs	-	-	-	-
Capital outlay	-	138,385	-	-
Interdistrict payments	-	35,093	-	-
Total expenditures	2,823,604	3,366,332	449,767	2,367,507
Excess of Revenue (Under) Over Expenditures	(374,273)	12,042	(250,303)	(320,240)
Other Financing Sources (Uses)				
Face value of debt issued	-	-	-	-
School Bond Loan Revolving Fund proceeds	-	-	-	-
Transfers in	170,000	1,030,200	250,303	-
Payment to bond refunding escrow agent	-	-	-	-
Transfers out	-	(920,172)	-	-
Repayment of School Bond Loan Revolving Fund	-	-	-	-
Total other financing sources (uses)	170,000	110,028	250,303	-
Net Change in Fund Balances	(204,273)	122,070	-	(320,240)
Fund Balances - Beginning of year	1,140,514	774,616	-	2,317,309
Fund Balances - End of year	\$ 936,241	\$ 896,686	\$ -	\$ 1,997,069

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

Year Ended June 30, 2021

2013 Refunding	Debt Service Funds						Capital Project Funds		Total	
	2015 Refunding Series A	2016 Refunding Series A	2016 Refunding Series B	2018 Debt Fund	2019 Refunding	2020 Debt Refunding	2021 Refunding	2005 Building and Site		Manthey Capital Projects
\$ 6,436,511	\$ 1,136,093	\$ 2,983,008	\$ 4,590,491	\$ 1,567,130	\$ 1,212,447	\$ 2	\$ -	\$ -	\$ -	\$ 20,334,541
43,123	7,638	20,004	30,779	10,525	8,161	-	-	-	-	243,324
-	-	-	-	-	-	-	-	-	-	2,164,109
-	-	-	-	-	-	-	-	-	-	3,378,374
<u>6,479,634</u>	<u>1,143,731</u>	<u>3,003,012</u>	<u>4,621,270</u>	<u>1,577,655</u>	<u>1,220,608</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,120,348</u>
1,748	749	550	1,478	475	904	522,421	212,000	-	-	3,107,832
-	-	-	-	-	-	-	-	-	-	2,823,604
-	-	-	-	-	-	-	-	-	-	3,192,854
-	-	-	-	-	-	-	-	-	-	449,767
8,530,000	-	3,510,000	6,950,000	1,200,000	-	-	-	-	-	20,190,000
1,078,287	1,846,367	2,518,147	1,888,143	3,014,499	2,300,727	1,088,058	-	-	-	13,734,228
10,594	1,927	5,512	7,824	2,383	-	-	-	-	-	28,240
-	-	-	-	-	-	-	-	-	-	138,385
-	-	-	-	-	-	-	-	-	-	35,093
<u>9,620,629</u>	<u>1,849,043</u>	<u>6,034,209</u>	<u>8,847,445</u>	<u>4,217,357</u>	<u>2,301,631</u>	<u>1,610,479</u>	<u>212,000</u>	<u>-</u>	<u>-</u>	<u>43,700,003</u>
(3,140,995)	(705,312)	(3,031,197)	(4,226,175)	(2,639,702)	(1,081,023)	(1,610,477)	(212,000)	-	-	(17,579,655)
-	-	-	-	-	-	115,880,000	32,015,000	-	-	147,895,000
3,143,321	705,723	3,032,274	4,227,834	2,640,269	1,083,863	1,087,771	-	-	-	15,921,055
-	-	-	-	-	-	-	-	-	38,980	1,489,483
-	-	-	-	-	(2,400)	(80,398,292)	-	-	-	(80,400,692)
-	-	-	-	-	-	(34,954,000)	(31,803,000)	-	-	(920,172)
-	-	-	-	-	-	-	-	-	-	(66,757,000)
<u>3,143,321</u>	<u>705,723</u>	<u>3,032,274</u>	<u>4,227,834</u>	<u>2,640,269</u>	<u>1,081,463</u>	<u>1,615,479</u>	<u>212,000</u>	<u>-</u>	<u>38,980</u>	<u>17,227,674</u>
2,326	411	1,077	1,659	567	440	5,002	-	-	38,980	(351,981)
83,837	14,825	38,852	59,811	20,448	15,847	-	-	3,150,355	344,690	7,961,104
<u>\$ 86,163</u>	<u>\$ 15,236</u>	<u>\$ 39,929</u>	<u>\$ 61,470</u>	<u>\$ 21,015</u>	<u>\$ 16,287</u>	<u>\$ 5,002</u>	<u>\$ -</u>	<u>\$ 3,150,355</u>	<u>\$ 383,670</u>	<u>\$ 7,609,123</u>

Chippewa Valley Schools

Other Supplemental Information Schedule of Bonded Indebtedness

June 30, 2021

Years Ending June 30	2013 Refunding	2015 Refunding Series A	2015 Refunding Series B	2016 Refunding Series A	2016 Refunding Series B	2018 Building and Site - Series 1	2019 Refunding	2020 Refunding	2021 Refunding	Total
	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	
2022	\$ 5,775,000	\$ -	\$ 34,375,000	\$ 3,450,000	\$ 7,075,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 51,875,000
2023	5,860,000	5,430,000	-	3,490,000	8,310,000	1,250,000	-	1,445,000	-	25,785,000
2024	-	9,480,000	-	3,540,000	4,265,000	1,350,000	1,000,000	7,465,000	-	27,100,000
2025	-	9,555,000	-	3,485,000	4,255,000	1,450,000	2,000,000	7,525,000	-	28,270,000
2026	-	9,730,000	-	3,505,000	4,245,000	1,550,000	2,900,000	7,430,000	-	29,360,000
2027	-	3,975,000	-	3,530,000	1,660,000	1,700,000	14,425,000	7,355,000	-	32,645,000
2028	-	-	-	3,550,000	-	1,950,000	20,800,000	7,285,000	-	33,585,000
2029	-	-	-	3,565,000	-	2,100,000	21,600,000	7,220,000	-	34,485,000
2030	-	-	-	3,585,000	-	2,250,000	22,450,000	7,150,000	-	35,435,000
2031	-	-	-	3,605,000	-	2,400,000	6,000,000	11,980,000	10,500,000	34,485,000
2032	-	-	-	3,625,000	-	2,550,000	6,250,000	12,270,000	10,660,000	35,355,000
2033	-	-	-	3,640,000	-	2,700,000	-	19,100,000	10,855,000	36,295,000
2034	-	-	-	3,655,000	-	2,850,000	-	19,655,000	-	26,160,000
2035	-	-	-	3,675,000	-	3,100,000	-	-	-	6,775,000
2036	-	-	-	-	-	3,325,000	-	-	-	3,325,000
2037	-	-	-	-	-	3,475,000	-	-	-	3,475,000
2038	-	-	-	-	-	3,650,000	-	-	-	3,650,000
2039	-	-	-	-	-	3,800,000	-	-	-	3,800,000
2040	-	-	-	-	-	3,975,000	-	-	-	3,975,000
2041	-	-	-	-	-	4,125,000	-	-	-	4,125,000
2042	-	-	-	-	-	4,300,000	-	-	-	4,300,000
2043	-	-	-	-	-	4,425,000	-	-	-	4,425,000
Total remaining payments	<u>\$ 11,635,000</u>	<u>\$ 38,170,000</u>	<u>\$ 34,375,000</u>	<u>\$ 49,900,000</u>	<u>\$ 29,810,000</u>	<u>\$ 59,475,000</u>	<u>\$ 97,425,000</u>	<u>\$ 115,880,000</u>	<u>\$ 32,015,000</u>	<u>\$ 468,685,000</u>
Principal payments due	May 1	May 1	May 1	May 1	May 1	May 1	May 1	May 1	May 1	
Interest rate	3.5% to 5.25%	3.13% to 5.00%	2.73% to 2.98%	2.00% to 5.00%	5.00%	4.00% to 5.00%	1.92% to 2.59%	0.48% to 2.08%	2.06% to 2.26%	
Original issue	<u>\$ 132,945,000</u>	<u>\$ 38,170,000</u>	<u>\$ 195,675,000</u>	<u>\$ 63,915,000</u>	<u>\$ 45,295,000</u>	<u>\$ 61,875,000</u>	<u>\$ 97,425,000</u>	<u>\$ 115,880,000</u>	<u>\$ 32,015,000</u>	

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