



BYRON CENTER PUBLIC SCHOOLS

Helping Students Build Success Stories

Kent County, Michigan

Annual Financial Report

For the year ended June 30, 2021

BYRON CENTER PUBLIC SCHOOLS
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For the year ended June 30, 2021

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FINANCIAL SECTION



INDEPENDENT AUDITOR’S REPORT

October 19, 2021

The Board of Education
Byron Center Public Schools

Report on the Financial Statements

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

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021 on our consideration of Byron Center Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Byron Center Public Schools' internal control over financial reporting and compliance.

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

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Byron Center Public Schools (“the District”), we provide readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

District-wide Statements

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

The two district-wide statements report the District’s net position, and how they have changed. Net position – the difference between the District’s assets, deferred outflows of resources, liabilities, and deferred inflow of resources – is one way to measure the District’s financial health or position.

Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District’s overall health, one should consider additional non-financial factors such as changes in the District’s property tax-base and the condition of school buildings and other facilities.

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

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

Condensed District-wide Financial Information

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

	<u>2020</u>	<u>2019</u>
Assets		
Current assets	\$ 75,606,165	\$ 83,316,048
Net capital assets	<u>138,475,127</u>	<u>130,375,122</u>
Total Assets	<u>214,081,292</u>	<u>213,691,170</u>
Deferred Outflows of Resources	<u>27,501,737</u>	<u>31,357,330</u>
Liabilities		
Current liabilities	16,698,065	15,350,847
Long-term liabilities	173,025,613	178,764,830
Net pension liability	85,843,805	81,539,213
Net OPEB liability	<u>13,515,730</u>	<u>17,901,412</u>
Total Liabilities	<u>289,083,213</u>	<u>293,556,302</u>
Deferred Inflows of Resources	<u>10,439,699</u>	<u>9,927,138</u>
Net Position		
Net investment in capital assets	7,996,286	6,444,753
Restricted	5,967,307	4,535,205
Unrestricted (deficit)	<u>(71,903,476)</u>	<u>(69,414,898)</u>
Total Net Position	<u>\$ (57,939,883)</u>	<u>\$ (58,434,940)</u>

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net position for the year.

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

	<u>2020</u>	<u>2019</u>
Program Revenues		
Charges for services	\$ 1,993,791	\$ 3,030,827
Operating grants	16,860,884	12,523,038
General Revenues		
Property taxes	17,932,022	16,864,582
State school aid, unrestricted	28,553,669	27,579,106
Interest and investment earnings	182,693	580,561
Other	2,796,088	2,483,121
Total Revenues	<u>68,319,147</u>	<u>63,061,235</u>
Expenses		
Instruction	35,975,285	34,455,459
Supporting services	20,166,169	22,285,170
Community services	2,812,042	2,847,417
Food service	1,952,563	2,067,980
Other	106,028	2,010,317
Interest on long-term debt	6,812,003	4,837,803
Total Expenses	<u>67,824,090</u>	<u>68,504,146</u>
Change in Net Position	495,057	(5,442,911)
Net Position, Beginning of Year	<u>(58,434,940)</u>	<u>(52,992,029)</u>
Net Position, End of Year	<u><u>\$ (57,939,883)</u></u>	<u><u>\$ (58,434,940)</u></u>

Financial Analysis of the District as a Whole

The District's financial position is the product of many factors: increases in State Aid, increased student enrollment and slightly decreased costs have contributed to the overall increase in Net Position.

Unrestricted net assets decreased from a deficit of \$69,414,898 at June 30, 2020 to a deficit of \$71,903,476 at June 30, 2021. The District's net pension liability, including deferred outflows and inflows of resources, increased by \$6,279,693 during the fiscal year. In addition, the District's net OPEB liability, including deferred outflows and inflows of resources, decreased by \$1,928,437 during the fiscal year.

The District's total revenues increased by \$5.26 million to \$68.3 million. Property taxes and unrestricted State aid accounted for most of the District's revenue, contributing about 68% of the total revenue. Another 24% came from state and federal aid for specific programs and the remaining 8% from fees charged for services, interest earnings and other local sources.

The total cost of all programs and services decreased \$680,056 to \$67.8 million. The District's expenses are predominantly related to instructing, pupil services, and for the transporting of students (76%). The District's administrative and business activities accounted for 8%, operation and maintenance and technology services accounted for 8%. Interest on long-term debt accounted for 10% of total District expenses.

- For the twentieth year in a row the District's student F.T.E. (full time equivalent) has grown.

September	Increase Student FTE	Percentage Increase
2001	126	5.0%
2002	154	5.8%
2003	92	3.4%
2004	138	4.8%
2005	70	2.3%
2006	74	2.4%
2007	21	0.7%
2008	23	0.7%
2009	85	2.6%
2010	76	2.2%
2011	90	2.6%
2012	100	2.8%
2013	141	3.8%
2014	2	0.0%
2015	96	2.5%
2016	70	1.8%
2017	59	1.5%
2018	188	4.7%
2019	84	2.0%
2020	46	1.1%

Fund Financial Statements

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

The District utilizes two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at yearend that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, a reconciliation is provided in separate statements explains the relationship (or differences) between them.
- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as Private Purpose Scholarship Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Byron Center Public School's funds are described as follows:

Major Funds

General Fund

The General Fund is the District's primary operating fund. The General Fund had total revenues of \$50,012,247, other financing sources of \$77,537, total expenditures of \$47,749,759, and other financing uses of \$463,534. The ending fund balance was \$10,896,183, up from \$9,019,692 at June 30, 2020.

Capital Projects Funds

The District has one major Capital Projects Funds. The 2020 Construction Capital Projects Funds account for bond proceeds to be used for voter approved capital improvement projects. During fiscal year 2020-21, the fund had total revenues of \$118,737, and total expenditures were \$5,227,635. The ending fund balance was \$48,926,336 at June 30, 2021, down from \$54,035,234 at June 30, 2020.

Nonmajor Funds

Special Revenue Funds

The District operated three Special Revenue Funds during the fiscal year: the Food Service, Community Service, and Student/School Activity funds. The total revenue for all Special Revenue Funds was \$4,777,492, total other financing sources were \$463,534, total expenditures were \$4,502,714, and total other financing uses were \$69,314. The ending fund balances totaled \$2,176,357. Of the ending fund balances \$797,740 is attributable to the Food Service Fund, \$935,507 is attributable to the Community Service Fund, and \$443,110 is attributable to the Student/School Activity Fund.

Debt Service Funds

The District operates nine Debt Service Funds. Total revenues were \$9,996,085, total other financing sources were \$19,877,322 (which includes \$3,754,970 of School Bond Loan proceeds, \$13,870,000 of refunding bond proceeds, and \$2,242,478 of bond premium), total expenditures were \$13,928,120, and total other financing uses were \$15,955,469 (which includes \$15,945,595 to refund bonds). The ending fund balances in the Debt Service Funds totaled \$85,079.

Capital Projects Fund

There are two nonmajor Capital Projects Funds incorporated into the financial statements of the District. The 2017 Construction and the Building and Site Sinking Fund had total revenues of \$1,722,848, and total expenditures of \$7,164,224. Of the ending fund balances \$2,271,874 is attributable to the 2017 Construction Fund, and \$4,718,674 is attributable to the Building and Site Sinking Fund.

Fiduciary Funds

Trust and Agency Funds

The Scholarship Funds are operated as Fiduciary Funds of the District. The assets of these funds are being held for the benefit of the District's students. The Scholarship Fund balance at June 30, 2021 was \$12,641.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget on three (3) separate occasions. The budget amendments were a result of the following:

- The first budget revision in November 2020 reflected the estimated student count and staffing costs based upon actual data in lieu of assumptions. As with all “first” revisions, the assumptions are now supported by factual staffing positions which were unknown at the July 1st budget adoption. The District also adjusted the budget to account for federal funding from the first stimulus package as well as the State approved School Aid Fund Budget which was not adopted at the time the original budget was approved at the end of June.
- The second budget revision in March 2021 actual student count, refined State Aid revenue, local property tax collections from our three major governmental units, Federal revenues, sale of equipment and grants awarded. On the expenditure side, effects of open enrollment for insurance plans, year to date utilities and fluctuations in operating costs were effected by Covid-19.
- The third budget revision in June 2021 again refined State Aid revenue, local property tax collections from our three major governmental units, and Federal revenues. On the expenditure side, the refinement of outflows was reviewed and projected.
- This particular year it was determined only three (3) budget revisions were necessary.

Capital Asset and Debt Administration

By the end of 2021, the District had invested \$201.0 million in a broad range of capital assets, including land, school buildings, athletic facilities, vehicles, computer equipment and software, and administrative offices. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.) Total depreciation expense for the year was \$3.4 million.

The District's 2020-21 capital additions totaled \$11,494,536 principally in the following areas:

- \$20,000 for land purchase
- \$613,652 for land improvements
- \$40,546,370 for building improvements
- \$205,656 for furniture and equipment purchases
- \$315,096 for additional vehicles
- (\$30,206,238) net reduction in construction in progress; \$10,061,091 was added, and \$40,267,329 was transferred to building improvements

At June 30, 2021, the District's investment in capital assets and construction in progress (net of accumulated depreciation), increasing by approximately \$8.1 million from the previous year-end, is detailed as follows:

Land	\$ 7,266,787
Construction in progress	4,347,611
Land improvements	4,599,032
Buildings and additions	119,606,719
Furniture and equipment	1,572,590
Vehicles	1,082,388
Net Capital Assets	<u><u>\$ 138,475,127</u></u>

Long-term Obligations

At year end, the District had total long-term obligations totaling \$182.2 million of which the largest portion is \$155.1 million in general obligation bonds. (More detailed information about long-term debt can be found in Note F in the Notes to Basic Financial Statements.)

- The District continued to pay down its debt, retiring \$6,010,000, and refinancing \$17,000,000 of outstanding bonds and loans.
- After paying down a significant portion of the outstanding balance in 2019-20, the District obtained \$3,847,155 from the Michigan School Bond Loan Fund for payment of annual maturities of its general obligation bonds during the fiscal year.
- The District's other long-term obligation is for Accumulated Sick/Vacation Leave in the amount of \$139,101.

The District's underlying rating on the unlimited tax bonds is AA- by Standard and Poor's. The unlimited bonds also carry the State's credit rating of AA- by Standard & Poor's. Moody's Ratings have been withdrawn for all debt obligations. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within a district's boundaries. We present more detailed information about our long-term liabilities in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

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

- The District's student growth count has been beneficial the last twenty (20) years to maintain programs and staff. Student count is a variable that is difficult to predict during challenging economic times. The District utilizes an outside firm (Stanfred & Assoc.) to analyze existing student count and project future student growth for budget purposes. The District received a net 47.24 new students in October 2020 compared to the first count in October 2019. The District had projected no increase of students due to the COVID-19 pandemic so the increase was greater than anticipated. The enrollment is a result of an additional housing supply and quality educational programs. As a note to the reader, the growth in student count continues to support the District's "Growth and Capacity" study and act upon the student growth via additional educational space at the K-6 grades.
- During 2020-21, the District received a net of \$8,293 per student in State funds in the form of a foundation allowance and local operating taxes. The deduction of \$470 per pupil in fiscal year 2009-10 remains permanently deducted from the State Aid Foundation Allowance for 2016-17; effectually "resetting" the Byron Center Public School Foundation Allowance. Prior to the "resetting" Byron Center Public Schools received \$7,886 per student, \$407 per student increase during the eleven-year period. However, as a result of the Covid-19 Pandemic the Foundation Allowance was once again prorated by \$175 for the 2019-20 fiscal year. Overall, the State Aid Foundation Allowance is not keeping pace with managed costs within the District. During the 2020-21 fiscal year the prior year \$175 proration was restored. There was no increase on the per student foundation allowance however a one-time \$65 per pupil increase was provided. There was also a change to the blended count with a heavier weighting on the prior year enrollment to assist districts with declining enrollment throughout the State. As the District did not have a decline in student enrollment but actually an increase in enrollment a one-time increasing enrollment categorical funding held the District harmless of the change in the 2020-21 blended count.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Byron Center Public Schools, 8542 Byron Center Avenue SW, Byron Center, Michigan 49315. Contact by e-mail: tpowers@bcpsk12.net. Contact by phone: (616) 878-6100.

BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash equivalents, deposits and investments (Note B)	\$ 68,376,406
Accounts receivable	14,604
Due from other governmental units (Note C)	6,999,496
Inventory	25,152
Prepaid expenses	190,507
Capital assets not being depreciated (Note E)	11,614,398
Capital assets being depreciated, net (Note E)	126,860,729
	Total Assets
	214,081,292
Deferred Outflows of Resources	
Loss on advance bond refundings, net	363,061
Deferred pension amounts	20,184,644
Deferred OPEB amounts	6,954,032
	Total Deferred Outflows of Resources
	27,501,737
Liabilities	
Accounts payable	1,648,476
Due to other governmental units	1,589,427
Accrued interest payable	1,012,803
Salaries payable	2,519,905
Unearned revenue	773,854
Long-term liabilities (Note F):	
Due within one year	9,153,600
Due in more than one year	173,025,613
Net pension liability	85,843,805
Net OPEB liability	13,515,730
	Total Liabilities
	289,083,213
Deferred Inflows of Resources	
Deferred pension amounts	335,841
Deferred OPEB amounts	10,103,858
	Total Deferred Inflows of Resources
	10,439,699
Net Position	
Net investment in capital assets	7,996,286
Restricted for:	
Capital projects	4,718,674
Debt service	(927,724)
Community services	935,507
Food service	797,740
Student/school activity	443,110
Unrestricted (deficit)	(71,903,476)
	Total Net Position
	\$ (57,939,883)

See accompanying notes to basic financial statements.

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

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and Changes In Net Position
Governmental Activities				
Instruction	\$ 35,975,285	\$ -	\$ 13,522,526	\$ (22,452,759)
Supporting services	20,166,169	137,540	825,379	(19,203,250)
Community services	2,812,042	1,749,072	228,845	(834,125)
Food service	1,952,563	107,179	2,284,134	438,750
Other	106,028	-	-	(106,028)
Interest on long-term debt	6,812,003	-	-	(6,812,003)
Total Governmental Activities	\$ 67,824,090	\$ 1,993,791	\$ 16,860,884	(48,969,415)
General Revenues				
Taxes:				
				6,536,454
				9,994,859
				1,400,709
				28,553,669
				182,693
				2,796,088
				<u>49,464,472</u>
				495,057
				<u>(58,434,940)</u>
				<u>\$ (57,939,883)</u>

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2021

	2020			Total
	General	Capital Projects	Nonmajor	
Assets				
Cash equivalents, deposits and investments (Note B)	\$ 8,892,785	\$ 49,858,942	\$ 9,624,679	\$ 68,376,406
Accounts receivable	14,604	-	-	14,604
Due from other funds (Note D)	72,618	-	237,486	310,104
Due from other governmental units (Note C)	6,999,496	-	-	6,999,496
Inventory	-	-	25,152	25,152
Prepaid expenditures	190,507	-	-	190,507
Total Assets	\$ 16,170,010	\$ 49,858,942	\$ 9,887,317	\$ 75,916,269
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 448,384	\$ 932,606	\$ 267,486	\$ 1,648,476
Due to other funds (Note D)	230,234	-	79,870	310,104
Due to other governmental units	1,571,769	-	17,658	1,589,427
Salaries payable	2,468,384	-	51,521	2,519,905
Unearned revenue	555,056	-	218,798	773,854
Total Liabilities	5,273,827	932,606	635,333	6,841,766
Fund Balances (Note A)				
Nonspendable	190,507	-	25,152	215,659
Restricted	-	48,926,336	6,354,958	55,281,294
Committed for future building improvements	1,489,327	-	600,000	2,089,327
Assigned	202,106	-	2,271,874	2,473,980
Unassigned	9,014,243	-	-	9,014,243
Total Fund Balances	10,896,183	48,926,336	9,251,984	69,074,503
Total Liabilities and Fund Balances	\$ 16,170,010	\$ 49,858,942	\$ 9,887,317	\$ 75,916,269

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2021

Total governmental fund balances		\$ 69,074,503
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$200,957,038, and accumulated depreciation is \$62,481,911.		138,475,127
Net bond refunding losses are not expensed but are amortized over the life of the new bond issue on the Statement of Activities.		363,061
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$ (155,130,000)	
State school bond loan	(6,202,031)	
Bond premium, unamortized	(20,708,081)	
Accumulated sick leave	<u>(139,101)</u>	(182,179,213)
Accrued interest is not included as a liability in governmental funds.		(1,012,803)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(85,843,805)	
Deferred outflows	20,184,644	
Deferred inflows	<u>(335,841)</u>	(65,995,002)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(13,515,730)	
Deferred outflows	6,954,032	
Deferred inflows	<u>(10,103,858)</u>	<u>(16,665,556)</u>
Total net position - governmental activities		<u><u>\$ (57,939,883)</u></u>

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021

	General	2020 Construction	Nonmajor	Total
Revenues				
Local sources	\$ 7,183,128	\$ 46,282	\$ 13,983,446	\$ 21,212,856
Non-educational entity sources	57,119	-	172,145	229,264
State sources	35,959,095	72,455	67,095	36,098,645
Federal sources	2,992,210	-	2,273,739	5,265,949
Interdistrict sources	3,820,695	-	-	3,820,695
Total Revenues	50,012,247	118,737	16,496,425	66,627,409
Expenditures				
Instruction	31,635,988	-	-	31,635,988
Supporting services	15,894,601	124,587	595,906	16,615,094
Community services	219,170	-	2,242,146	2,461,316
Food service	-	-	1,864,662	1,864,662
Capital outlay	-	5,103,048	6,964,224	12,067,272
Debt service:				
Principal repayment	-	-	7,135,000	7,135,000
Interest and fiscal charges	-	-	6,626,237	6,626,237
Bond issuance costs	-	-	109,322	109,322
Underwriter's discount	-	-	57,561	57,561
Total Expenditures	47,749,759	5,227,635	25,595,058	78,572,452
Excess (Deficiency) of Revenues Over Expenditures	2,262,488	(5,108,898)	(9,098,633)	(11,945,043)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	13,870,000	13,870,000
Bond premium	-	-	2,242,478	2,242,478
School bond loan issued	-	-	3,754,970	3,754,970
Transfers in	68,500	-	473,408	541,908
Transfers out	(463,534)	-	(78,374)	(541,908)
Payments to escrow agent	-	-	(15,945,595)	(15,945,595)
Other transactions	9,037	-	(814)	8,223
Total Other Financing Sources (Uses)	(385,997)	-	4,316,073	3,930,076
Net Change in Fund Balances	1,876,491	(5,108,898)	(4,782,560)	(8,014,967)
Fund Balances, Beginning of Year	9,019,692	54,035,234	14,034,544	77,089,470
Fund Balances, End of Year	\$ 10,896,183	\$ 48,926,336	\$ 9,251,984	\$ 69,074,503

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2021

Net change in fund balances - total governmental funds \$ (8,014,967)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$ 11,494,536	
Depreciation expense	<u>(3,391,194)</u>	8,103,342

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus the change in net position differs from the change in fund balance by the net book value of the assets sold/retired

(3,337)

Proceeds from the sale of bonds, or loans, are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.

General obligation bonds	(13,870,000)	
State school bond loan	<u>(3,847,155)</u>	(17,717,155)

Bond premium is amortized over the life of the new bond issue on the Statement of Activities.

(396,183)

Losses on advanced bond refundings are amortized over the life of the new bond issue on the Statement of Activities.

64,192

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:

General obligation bonds		23,010,000
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Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.

(185,766)

In the Statement of Net Position, voluntary severance and accumulated sick leave is measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits earned (\$42,057) exceeded the amount used/paid (\$28,244).

(13,813)

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2021

The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	\$ (6,279,693)
The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	<u>1,928,437</u>
Total changes in net assets - governmental activities	<u><u>\$ 495,057</u></u>

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 7,237,672	\$ 7,159,054	\$ 7,183,128	\$ 24,074
Non-educational entity sources	62,000	57,385	57,119	(266)
State sources	31,141,090	35,948,125	35,959,095	10,970
Federal sources	984,449	3,086,365	2,992,210	(94,155)
Interdistrict sources	4,034,090	3,825,156	3,820,695	(4,461)
Total Revenues	<u>43,459,301</u>	<u>50,076,085</u>	<u>50,012,247</u>	<u>(63,838)</u>
Expenditures				
Current:				
Instruction:				
Basic programs	24,718,571	28,094,705	28,009,557	85,148
Added needs	3,352,247	3,637,317	3,626,431	10,886
Supporting services:				
Pupil services	2,742,189	2,593,661	2,584,797	8,864
Instructional staff services	798,331	873,173	871,625	1,548
General administrative services	625,547	585,030	575,576	9,454
School administrative services	2,430,810	2,488,396	2,468,637	19,759
Business services	742,998	820,864	757,157	63,707
Operation and maintenance services	3,551,683	4,217,564	4,028,767	188,797
Pupil transportation services	2,398,894	2,216,340	2,170,249	46,091
Central services	1,324,762	1,300,529	1,273,827	26,702
Other supporting services	1,088,000	1,239,065	1,163,966	75,099
Community services	144,031	234,283	219,170	15,113
Total Expenditures	<u>43,918,063</u>	<u>48,300,927</u>	<u>47,749,759</u>	<u>551,168</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(458,762)</u>	<u>1,775,158</u>	<u>2,262,488</u>	<u>487,330</u>
Other Financing Sources (Uses)				
Transfers in	-	-	68,500	68,500
Transfers out	(239,332)	(463,534)	(463,534)	-
Other transactions	-	9,037	9,037	-
Total Other Financing Sources (Uses)	<u>(239,332)</u>	<u>(454,497)</u>	<u>(385,997)</u>	<u>68,500</u>
Net Change in Fund Balances	(698,094)	1,320,661	1,876,491	555,830
Fund Balances, Beginning of Year	<u>9,019,692</u>	<u>9,019,692</u>	<u>9,019,692</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 8,321,598</u></u>	<u><u>\$10,340,353</u></u>	<u><u>\$10,896,183</u></u>	<u><u>\$ 555,830</u></u>

See accompanying notes to basic financial statements.

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

	<u>Private Purpose Trust Fund</u>
Assets	
Cash equivalents, deposits and investments (Note B)	<u>\$ 12,641</u>
Liabilities	
	<u>-</u>
Net Position	
Restricted for: Individuals and organizations	<u><u>\$ 12,641</u></u>

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2021

	Private Purpose Trust Fund
Additions	
Interest earnings	\$ 6
Donations	300
Total Additions	306
Deductions	
Endowment activities - scholarships	600
Change in Net Position	(294)
Net Position, Beginning of Year	12,935
Net Position, End of Year	\$ 12,641

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note A – Summary of Significant Accounting Policies

Byron Center Public Schools (the “District”) was organized under the School Code of the State of Michigan and services a population of approximately 4,287 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

The District’s significant accounting policies are described below.

1. Reporting Entity

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

2. District-wide and Fund Financial Statements

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

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

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

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund and the 2020 Construction Capital Projects Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

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

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

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

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

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

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

Governmental Funds

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

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

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

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

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

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished. The District currently maintains a 2017 Construction Fund, 2020 Capital Projects Fund, and Building and Site Fund.

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

Fiduciary Funds

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

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

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

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

4. Budgets and Budgetary Accounting

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

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

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

5. Encumbrances

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

6. Investments

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

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

7. Inventories/Prepaid Items

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

8. Capital Assets

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

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

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

Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years

9. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Accumulated Vacation/Sick Leave

Accumulated vacation/sick leave at June 30, 2021 has been computed and recorded in the basic financial statements of the District. Employees who leave the District are entitled to reimbursement for a portion of their unused vacation/sick days. At June 30, 2021, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for accumulated vacation/sick leave was \$139,101.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

11. Retirement Plan

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

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

12. Postemployment Benefits Other Than Pensions

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

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

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

13. Deferred Outflows/Inflows of Resources

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

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

14. Net Position

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

15. Fund Balances

As of July 1, 2010, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nondisposable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

- Assigned – resources that are constrained by the government’s *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. Byron Center Public Schools’ Board of Education has delegated authority to assign fund balances for a specific purpose to the CFO. Assigned fund balance does not lapse at year end.
- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Byron Center Public Schools has established a policy for its use of unrestricted fund balance amounts, and the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The District’s Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

The Board recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a fund balance of 10% of the District General Fund annual operating expenditures.

16. Interfund Activity

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

17. Estimates

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

Note B – Cash Equivalents and Investments

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

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.

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

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

Statement of Net Position:	
Governmental activities	\$ 68,376,406
Fiduciary Funds:	
Trust and Agency Funds	12,641
	\$ 68,389,047

Cash Equivalents

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

1. United Bank
2. Salt Lake City Bank

Cash equivalents consist of bank interest-earning accounts. United Bank is utilized by all funds of the District. Salt Lake City Bank is used to pay referees in the District's athletics programs.

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

Cash equivalents	\$ 14,126,248
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Custodial Credit Risk Related to Cash Equivalents

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District cash equivalents is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was \$14,126,248 and the bank balance was \$16,325,212. Of the bank balance, \$335,508 was covered by federal depository insurance and \$15,989,704 was uninsured and uncollateralized.

Investments

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

Michigan Liquid Asset Fund Plus (MILAF+)	<u>\$ 54,262,799</u>
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The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is carried at amortized cost and was rated AAAM by Standard & Poor's rating agency.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by State statute, and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business. At June 30, 2021, the District had no investments that were subject to custodial credit risk.

Credit Risk

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

Interest Rate Risk

In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. The District's investment policy requires that maturities do not exceed two years.

Concentration of Credit Risk

The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security. Excluding U.S. Government guaranteed investments, and mutual fund and pooled investments, no single investment exceeded 5% of total investments at June 30, 2021.

Foreign Currency Risk

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

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Note C – State School Aid/Property Taxes

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

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2020 and October 2020. The 2020-21 "Foundation Allowance" for Byron Center Public Schools was \$8,293 for 4,245 "Full Time Equivalent" students, generating \$35,960,602 in state aid payments to the District of which \$6,563,288 was paid to the District in July and August 2021 and included in "Due From Other Governmental Units" of the General Fund.

Property taxes for the District are levied July 1 and December 1 (the tax lien date) under a split-levy system by the City of Wyoming, the Townships of Byron and Dorr, and the Charter Township of Gaines, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The Counties of Kent and Allegan, through their Delinquent Tax Revolving Fund, advance all delinquent real property taxes at March 1 to the District each year prior to June 30.

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

As Byron Center Public Schools' electors had previously (May 7, 2019) approved an operating millage extension, the 18 mill non-homestead property tax was levied in the District for 2020.

The District levied 7.0 mills in 2020 for debt service purposes and 0.981 mills for building and site, applied on all taxable property in the District.

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

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

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

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

For the year ended June 30, 2021, the District's property tax revenues were reduced by approximately \$111,181 under these agreements.

Note D – Interfund Receivables/Payables and Transfers

Amounts due from/to other funds representing interfund receivables and payables for cash flow advances at June 30, 2021 are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Fund:		
Food Service Fund	\$ 68,861	\$ -
Community Service Fund	2,130	230,234
Student/School Activity Fund	1,627	-
	72,618	230,234
Total Major Funds	72,618	230,234
Nonmajor Funds		
Special Revenue Funds:		
Food Service Fund:		
General Fund	-	68,861
Community Service Fund	7,252	-
Community Service Fund:		
General Fund	230,234	7,252
Food Service Fund	-	2,130
Student/School Activity Fund:		
General Fund	-	1,627
	237,486	79,870
Total Nonmajor Funds	237,486	79,870
Total All Funds	\$ 310,104	\$ 310,104

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Interfund transfers during the year ended June 30, 2021 were as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund:		
Special Revenue Funds:		
Food Service Fund	\$ 68,500	\$ -
Community Service Fund	-	463,534
	68,500	463,534
Total Major Funds	68,500	463,534
Nonmajor Funds		
Special Revenue Funds:		
Food Service Fund:		
General Fund	-	68,500
Community Service Fund:		
General Fund	463,534	-
Debt Service Funds:		
2012 Debt Service Fund:		
2021 Refunding Debt Service Fund	-	9,874
2021 Refunding Debt Service Fund:		
2012 Debt Service Fund	9,874	-
	473,408	78,374
Total Nonmajor Funds	473,408	78,374
Total All Funds	\$ 541,908	\$ 541,908

Interfund transfers are essential to maintain the Special Revenue Funds of the District. The transfers assist the fund with cash flow, payroll, and employee benefits. The District's intent is to appropriate expenditures to these funds on an actual basis to show the true costs of operation for these programs. By making the interfund transfers these expenditures can be allocated to each program as they occur.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Note E – Capital Assets

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

	Balances July 1, 2020	Additions	Deductions	Balances June 30, 2021
Capital assets not being depreciated:				
Land	\$ 7,246,787	\$ 20,000	\$ -	\$ 7,266,787
Construction in progress	34,553,849	10,061,091	40,267,329	4,347,611
Total capital assets not being depreciated	<u>41,800,636</u>	<u>\$ 10,081,091</u>	<u>\$ 40,267,329</u>	<u>11,614,398</u>
Capital assets being depreciated:				
Land improvements	17,992,364	\$ 613,652	\$ -	18,606,016
Buildings and improvements	114,853,826	40,546,370	-	155,400,196
Furniture and equipment	11,550,755	205,656	215,032	11,541,379
Vehicles	3,479,953	315,096	-	3,795,049
Equipment under capital leases	468,543	-	468,543	-
Total capital assets being depreciated	<u>148,345,441</u>	<u>\$ 41,680,774</u>	<u>\$ 683,575</u>	<u>189,342,640</u>
Less accumulated depreciation for:				
Land improvements	13,377,929	\$ 629,055	\$ -	14,006,984
Buildings and improvements	33,624,477	2,169,000	-	35,793,477
Furniture and equipment	9,808,032	375,789	215,032	9,968,789
Vehicles	2,498,646	214,015	-	2,712,661
Equipment under capital leases	461,871	3,335	465,206	-
Total accumulated depreciation	<u>59,770,955</u>	<u>\$ 3,391,194</u>	<u>\$ 680,238</u>	<u>62,481,911</u>
Total capital assets being depreciated, net	<u>88,574,486</u>			<u>126,860,729</u>
Net Capital Assets	<u><u>\$ 130,375,122</u></u>			<u><u>\$ 138,475,127</u></u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 1,914,281
Supporting services	1,225,411
Community services	149,775
Food service	101,727
	<u>\$ 3,391,194</u>

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Note F – Long-term Obligations

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

	Debt Outstanding July 1, 2020	Debt Added	Debt Retired	Debt Outstanding June 30, 2021
General obligation bonds:				
February 27, 2012	\$ 17,000,000	\$ -	\$ 17,000,000	\$ -
February 24, 2015	740,000	-	370,000	370,000
May 18, 2016	8,930,000	-	1,850,000	7,080,000
June 28, 2017	55,570,000	-	1,015,000	54,555,000
February 27, 2018	4,620,000	-	1,185,000	3,435,000
October 30, 2019	11,960,000	-	-	11,960,000
February 5, 2020	16,855,000	-	1,590,000	15,265,000
June 29, 2020	48,595,000	-	-	48,595,000
May 12, 2021	-	13,870,000	-	13,870,000
Bond premium	20,311,898	2,242,478	1,846,295	20,708,081
State school bond loan	2,354,876	3,847,155	-	6,202,031
Accumulated vacation/sick leave	125,288	42,057	28,244	139,101
	\$ 187,062,062	\$ 20,001,690	\$ 24,884,539	\$ 182,179,213

Long-term bonds and other obligations at June 30, 2021 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$2,645K Refunding February 24, 2015:				
Annual maturity of \$370K	May 1, 2022	2.050%	\$ 370,000	\$ 370,000
\$10,530K Refunding May 18, 2016:				
Annual maturities of \$2,080K to \$2,500K	May 1, 2024	2.10 - 2.55%	7,080,000	2,080,000
\$56,535K Building & Site June 28, 2017:				
Annual maturities of \$1,065K to \$3,615K	May 1, 2047	5.00%	54,555,000	1,065,000
\$7,005K Refunding February 27, 2018:				
Annual maturities of \$1,125K to \$1,160K	May 1, 2024	5.00%	3,435,000	1,160,000
\$11,960K Refunding October 30, 2019:				
Annual maturities of \$1,860K to \$2,050K	May 1, 2030	2.20%	11,960,000	-
\$16,855K Refunding February 5, 2020:				
Annual maturities of \$1,460K to \$1,580K	May 1, 2031	5.00%	15,265,000	1,580,000
\$48,595K Building & Site June 29, 2020:				
Annual maturities of \$895K to \$2,775K	May 1, 2050	4.00 - 5.00%	48,595,000	895,000
\$13,870K Refunding May 12, 2021:				
Annual maturities of \$1,000K to \$1,365K	May 1, 2033	3.00 - 4.00%	13,870,000	1,010,000
Bond premium		N/A	20,708,081	963,600
Other Obligations				
State school bond loan			6,202,031	-
Accumulated vacation/sick leave			139,101	30,000
			\$ 182,179,213	\$ 9,153,600

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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The District is required to obtain loans from the Michigan School Loan Revolving fund for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year the District borrowed \$3,754,970, and accrued interest of \$92,185 was added to the District's outstanding liability to the Fund. At June 30, 2021, the District owed the Fund a total of \$6,202,031.

The annual requirements to pay principal and interest on long-term bonds outstanding at June 30, 2021 are as follows:

Year Ended June 30	Principal	Interest	Total
2022	\$ 8,160,000	\$ 6,588,497	\$ 14,954,418
2023	8,275,000	6,286,889	14,769,583
2024	8,350,000	5,959,913	14,515,607
2025	6,700,000	5,623,663	12,529,157
2026	6,960,000	5,365,026	12,530,770
2027	7,110,000	5,096,286	12,411,167
2028	7,235,000	4,819,416	12,262,447
2029	7,450,000	4,524,646	12,179,359
2030	7,595,000	4,220,036	12,020,223
2031	5,685,000	3,907,400	9,801,438
2032	4,440,000	3,648,850	8,294,850
2033	4,610,000	3,467,200	8,283,250
2034	3,390,000	3,278,200	6,668,200
2035	3,545,000	3,123,450	6,668,450
2036	3,710,000	2,961,550	6,671,550
2037	3,880,000	2,792,000	6,672,000
2038	4,055,000	2,614,600	6,669,600
2039	4,240,000	2,429,100	6,669,100
2040	4,435,000	2,235,050	6,670,050
2041	4,640,000	2,031,950	6,671,950
2042	4,850,000	1,819,350	6,669,350
2043	5,075,000	1,597,000	6,672,000
2044	5,310,000	1,364,250	6,674,250
2045	5,555,000	1,120,600	6,675,600
2046	5,810,000	865,600	6,675,600
2047	6,075,000	598,750	6,673,750
2048	2,555,000	319,600	2,874,600
2049	2,660,000	217,400	2,877,400
2050	2,775,000	111,000	2,886,000
	<u>\$ 155,130,000</u>	<u>\$ 88,987,271</u>	<u>\$ 246,591,717</u>

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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On May 12, 2021, the District issued \$13,870,000 in general obligation bonds to advance refund \$15,875,000 of outstanding 2012 serial bonds. The trust interest cost of the refunding bonds were 1.240571% resulting in a total net present value savings of \$2,309,935, or 14.550774%. The net proceeds of \$16,112,478 after premium of \$2,242,478, underwriter’s discount of \$57,561, bond issuance costs of \$105,095, and contingency payment of \$4,227, were deposited with an escrow agent and used to retire the outstanding obligations described above. This procedure relieves the District from being primarily liable for the debt and the District is virtually assured of not being required to make further payments with respect to the debt. The final payment of outstanding principal and interest was made on June 15, 2021 from the escrow account. This defeasance procedure allows the District to remove the related assets and liabilities from its financial statements, which it has done for the fiscal year end June 30, 2021.

Note G – Retirement Plan

Plan Description

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

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

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

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

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

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

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Benefits Provided

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

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

Option 2 members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic Plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

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

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

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose. Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a Defined Contribution (DC) plan that provides a 50% employer match (up to 3% of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan would close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law includes other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

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Regular Retirement

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

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

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

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

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

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

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

A Pension Plus member may retire at age 60 with 10 or more years of credited service.

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

A Basic Plan member may retire at:

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

There is no mandatory retirement age.

Early Retirement

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

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

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

Deferred Retirement

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

Non-Duty Disability Benefit

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

Duty Disability Benefit

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

Pension Payment Options

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

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

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

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

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

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

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

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

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

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

Survivor Benefit

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

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

Postemployment Adjustments

A retiree who became a Member Investment Plan (MIP) member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of 3% of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase, but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

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

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

Contributions and Funded Status

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

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

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

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

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2021, inclusive of the MSPERS UAAL Stabilization, totaled \$7,614,789.

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MPSERS Plan Net Pension Liability (in thousands)

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

Proportionate Share of Reporting Unit's Net Pension Liability

At June 30, 2021, the District reported a liability of \$85,843,805 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2019. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. At September 30, 2020 the District's proportion was 0.24990127%, which was an increase from 0.24621827% at September 30, 2019.

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

For the year ended June 30, 2021, the District recognized pension expense of \$13,683,247. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,311,623	\$ 183,221
Changes of assumptions	9,512,321	—
Net difference between projected and actual earnings on pension plan investment earnings	360,677	—
Changes in proportion and differences between District contributions and proportionate share of contributions	1,932,612	152,620
District contributions subsequent to the measurement date*	7,067,411	—
Total	\$ 20,184,644	\$ 335,841

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

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

Year ended June 30	Amount
2022	\$ 5,806,839
2023	4,096,436
2024	2,202,320
2025	675,797

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

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

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study.

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- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.4892 for non-university employers].
- Recognition period for assets in years: 5.0000
- Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at (www.michigan.gov/orsschools).

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

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

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

Rate of Return

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

Discount Rate

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

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

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

	1% Decrease 5.8%/5.8%/5.0%	Current Single Discount Rate Assumption 6.8%/6.8%/6.0%	1% Increase 7.8%/7.8%/7.0%
District's proportionate share of the net pension liability	\$ 111,110,243	\$ 85,843,805	\$ 64,903,559

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System September 30, 2020 Comprehensive Annual Financial Report, available here: (www.michigan.gov/orsschools).

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

Payables to the pension plan totaling \$1,074,147 at June 30, 2021 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note H – Other Postemployment Benefits

Plan Description

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

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

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

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

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Benefits Provided

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

Retiree Healthcare Reform of 2012

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

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

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Contributions

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

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

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

OPEB Contribution Rates:

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

Required contributions to the OPEB plan from the District were \$1,868,449 for the year ended September 30, 2020.

Net OPEB Liability (in thousands)

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

Proportionate Share of Reporting Unit's Net OPEB Liability

At June 30, 2021, the District reported a liability of \$13,515,730 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2020 the District's proportion was 0.25228778%, which was an increase from 0.24940151% at September 30, 2019.

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

For the year ended June 30, 2021, the District recognized OPEB credit of \$163,190. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 10,070,482
Changes of assumptions	4,456,405	—
Net difference between projected and actual earnings on OPEB plan investments	112,804	—
Changes in proportion and differences between District contributions and proportionate share of contributions	753,950	33,376
District contributions subsequent to the measurement date*	1,630,873	—
Total	\$ 6,954,032	\$ 10,103,858

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

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

Year ended June 30	Amount
2022	\$ (1,283,400)
2023	(1,126,332)
2024	(920,443)
2025	(780,928)
2026	(669,596)

Actuarial Assumptions

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

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Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

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

Notes:

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

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Long-Term Expected Rate of Return on Investments

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

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

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

Rate of Return

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

Discount Rate

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

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

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

	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
District's proportionate share of the net OPEB liability	\$ 17,362,491	\$ 13,515,730	\$ 10,277,079

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 10,153,077	\$ 13,515,730	\$ 17,340,332

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$205,249 at June 30, 2021 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note I – Risk Management and Benefits

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

There were no significant reductions in insurance coverage in fiscal 2020-21 and as of year ended June 30, 2021, there were no material pending claims against the District.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of \$71,903,476 and a total net position deficit of \$57,939,883, as of June 30, 2021. These deficit net positions result primarily from the net pension liability of \$65,995,002 and the net OPEB liability of \$16,665,556 (including deferred outflows and inflows of resources) related to the pension plan and OPEB plan.

Note K – Commitments

On June 28, 2017, the District issued \$56,535,000 of general obligations 2017 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2021, unspent balances committed to these construction projects totaled \$2,271,874, which are expected to be fully expended by the year ended June 30, 2022.

On June 29, 2020, the District issued \$48,595,000 of general obligations 2020 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and for purchases of furniture and equipment and new school buses. At June 30, 2021, unspent balances committed to these construction projects totaled \$48,926,336, which are expected to be fully expended by the year ended June 30, 2023.

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REQUIRED SUPPLEMENTARY INFORMATION

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
MPERS Cost-sharing Multiple-employer Plan
June 30, 2021

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
District's proportion of the net pension liability	0.24990127%	0.24621827%	0.24091524%
District's proportionate share of the net pension liability	\$ 85,843,805	\$ 81,539,213	\$ 72,423,470
District's covered-employee payroll	\$ 22,454,672	\$ 21,852,001	\$ 20,820,987
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	382.30%	373.14%	347.84%
Plan fiduciary net position as a percentage of the total pension liability	59.72%	60.31%	62.12%

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

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

<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
0.23773689%	0.23274125%	0.22550901%	0.21439511%
\$ 61,607,735	\$ 58,067,038	\$ 55,080,636	\$ 47,223,746
\$ 20,055,824	\$ 19,972,998	\$ 18,908,348	\$ 18,273,073
307.18%	290.73%	291.30%	258.43%
63.96%	63.01%	66.20%	66.15%

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2021

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
District's proportion of the net OPEB liability	0.25228778%	0.24910151%
District's proportionate share of the net OPEB liability	\$ 13,515,730	\$ 17,901,412
District's covered-employee payroll	\$ 22,454,672	\$ 21,852,001
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	60.19%	81.92%
Plan fiduciary net position as a percentage of the total OPEB liability	59.44%	48.46%

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

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

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
0.24419890%	0.23829060%
\$ 19,411,253	\$ 21,101,755
\$ 20,820,987	\$ 20,055,824
93.23%	105.22%
43.10%	36.53%

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

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
Contractually required contribution	\$ 7,614,789	\$ 7,006,280	\$ 6,658,442
Contributions in relation to the contractually required contribution	<u>7,614,789</u>	<u>7,006,280</u>	<u>6,658,442</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 22,722,962	\$ 22,914,671	\$ 21,476,041
Contributions as a percentage of covered employee payroll	33.51%	30.58%	31.00%

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

<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
\$ 6,137,356	\$ 6,251,498	\$ 5,818,830	\$ 5,872,421
<u>6,137,356</u>	<u>6,251,498</u>	<u>5,818,830</u>	<u>5,872,421</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,718,663	\$ 19,868,739	\$ 19,186,215	\$ 18,881,489
29.62%	31.46%	30.33%	31.10%

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

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
Contractually required contribution	\$ 1,868,449	\$ 1,840,452
Contributions in relation to the contractually required contribution	<u>1,868,449</u>	<u>1,840,452</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$22,722,962	\$22,914,671
Contributions as a percentage of covered employee payroll	8.22%	8.03%

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

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
\$ 1,679,863	\$ 1,516,494
<u>1,679,863</u>	<u>1,516,494</u>
<u>\$ -</u>	<u>\$ -</u>
\$21,476,041	\$20,718,663
7.82%	7.32%

BYRON CENTER PUBLIC SCHOOLS
Notes to Required Supplementary Information
June 30, 2021

Note A - Net Pension Liability and Contributions

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

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

Note B - Net Pension OPEB Liability and Contributions

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

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

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash	\$ -	\$ 295
Cash equivalents, deposits and investments	8,892,785	7,050,775
Accounts receivable	14,604	27,168
Due from other funds	72,618	398
Due from other governmental units	6,999,496	5,932,979
Prepaid expenditures	190,507	183,259
Total Assets	\$ 16,170,010	\$ 13,194,874
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 448,384	\$ 282,066
Due to other funds	230,234	29,800
Due to other governmental units	1,571,769	1,400,269
Salaries payable	2,468,384	2,415,568
Unearned revenue	555,056	47,479
Total Liabilities	5,273,827	4,175,182
Fund Balances		
Nonspendable	190,507	183,259
Committed for future building expansion	1,489,327	1,189,327
Assigned	202,106	-
Unassigned	9,014,243	7,647,106
Total Fund Balances	10,896,183	9,019,692
Total Liabilities and Fund Balances	\$ 16,170,010	\$ 13,194,874

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

	<u>2021</u>	<u>2020</u>
Local sources:		
Property taxes:		
Current property taxes	\$ 6,529,047	\$ 6,278,937
Delinquent and other property taxes	2,375	4,989
Interest on delinquent taxes	5,032	2,677
	<u>6,536,454</u>	<u>6,286,603</u>
 Tuition	 -	 63
 Interest earnings:		
Interest on deposits and investments	6,434	80,490
 Revenue from student activities:		
Admissions	8,985	97,086
Pay to participate	92,712	55,665
Entry fees	2,873	14,169
Miscellaneous	45,841	48,372
	<u>150,411</u>	<u>215,292</u>
 Other local revenue:		
Field trips	-	29,419
Student insurance	145,619	97,998
Universal service credit	35,843	58,490
Rental of school property	4,224	3,171
Sale of school property	-	6,360
Refunds of expenditures	72,373	26,827
Miscellaneous	231,770	32,936
	<u>489,829</u>	<u>255,201</u>
Total local sources	7,183,128	6,837,649
 Non-educational entity sources:		
Crossing guard	23,902	22,702
Resource officer	33,217	28,017
Total non-educational entity sources	<u>57,119</u>	<u>50,719</u>
 State sources:		
State aid	35,445,650	33,125,640
Technology infrastructure grant	-	306,885
Special education - transportation	363,605	675,571
Special education - itinerants	107,860	92,718
Other grants	41,980	3,919
Total state sources	<u>35,959,095</u>	<u>34,204,733</u>

(Continued)

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

	<u>2021</u>	<u>2020</u>
Federal sources:		
Title I	\$ 115,901	\$ 142,263
Title II-A	44,931	76,520
Title III	16,141	12,283
Title IV-A	9,952	13,216
ESSER stabilization funds	300,077	89,152
I.D.E.A.	767,663	790,506
Medicaid - school based	7,477	14,494
CARES	1,533,519	-
Kent County CARES	105,310	-
MiConnect - CARES	91,239	-
Total federal sources	<u>2,992,210</u>	<u>1,138,434</u>
Interdistrict sources:		
ISD collected millage	3,193,506	3,066,004
Special education - other local districts	378,763	328,690
MPSERS - itinerants	-	77,013
Medicaid fee for service	241,386	245,995
GSRP	7,040	7,040
Total interdistrict sources	<u>3,820,695</u>	<u>3,724,742</u>
Total Revenues	<u><u>\$ 50,012,247</u></u>	<u><u>\$ 45,956,277</u></u>

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

	2021	2020
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 5,103,675	\$ 5,220,419
Employee benefits	4,059,087	3,980,211
Purchased services	821,096	240,995
Supplies	634,139	549,793
Capital outlay	-	11,645
Miscellaneous	142	-
Payments to other districts	9,568	-
	<u>10,627,707</u>	<u>10,003,063</u>
Middle school:		
Salaries	4,517,108	4,395,386
Employee benefits	3,610,394	3,351,568
Purchased services	369,498	137,413
Supplies	486,453	191,615
Miscellaneous	385	128,417
	<u>3,775</u>	<u>-</u>
	<u>8,987,613</u>	<u>8,204,399</u>
High school:		
Salaries	4,026,099	3,874,374
Employee benefits	3,208,812	2,968,898
Purchased services	462,362	235,733
Supplies	643,664	225,625
Miscellaneous	488	56,362
Payments to other districts	40,552	-
	<u>8,381,977</u>	<u>7,397,115</u>
Pre-kindergarten:		
Salaries	3,345	-
Employee benefits	306	-
Bright beginnings	8,494	8,478
Payments to other districts	115	10
	<u>12,260</u>	<u>8,488</u>
Summer school:		
Salaries	-	1,005
Employee benefits	-	359
	<u>-</u>	<u>1,364</u>
Total basic programs	<u>28,009,557</u>	<u>25,614,429</u>
Added needs:		
Special education:		
Salaries	1,430,905	1,391,178
Employee benefits	758,455	752,603
Purchased services	67,340	63,035
Supplies	4,291	2,906
Payments to other districts	503,910	457,102
	<u>2,764,901</u>	<u>2,666,824</u>

(Continued)

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

	2021	2020
Compensatory education:		
Salaries	\$ 589,711	\$ 595,941
Employee benefits	235,812	234,946
Purchased services	1,738	-
Supplies	34,269	891
	861,530	831,778
Total added needs	3,626,431	3,498,602
Total instruction	31,635,988	29,113,031
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	672,797	673,597
Employee benefits	369,391	370,042
Purchased services	-	35
Miscellaneous	27	-
	1,042,215	1,043,674
Health services:		
Purchased services	38,966	85,571
Supplies	483	1,961
Payments to other districts	139,591	144,807
	179,040	232,339
Psychological services:		
Purchased services	44	186
Supplies	50	1,370
Payments to other districts	179,557	191,306
	179,651	192,862
Speech pathology services:		
Purchased services	22,437	42,222
Supplies	1,019	2,311
Payments to other districts	505,556	532,284
	529,012	576,817
Social worker services:		
Purchased services	350	312
Supplies	453	192
Payments to other districts	421,470	451,037
	422,273	451,541
Other pupil services:		
Salaries	152,606	183,041
Employee benefits	56,465	66,686
Purchased services	23,535	16,170
Supplies	-	720
	232,606	266,617
Total pupil services	2,584,797	2,763,850
Instructional staff services:		
Improvement of instruction:		
Salaries	75,786	35,020
Employee benefits	24,844	21,253
Purchased services	47,257	106,250
Supplies	1,817	3,004
Miscellaneous	150	1,240
	149,854	166,767

(Continued)

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

	2021	2020
Educational media services:		
Salaries	\$ 113,574	\$ 117,954
Employee benefits	41,182	42,351
Purchased services	-	135
Supplies	12,406	10,660
	<u>167,162</u>	<u>171,100</u>
Supervision and direction of instruction:		
Salaries	332,671	324,811
Employee benefits	213,185	205,918
Purchased services	4,992	6,530
Supplies	3,226	5,799
Miscellaneous	535	149
	<u>554,609</u>	<u>543,207</u>
Total instructional staff services	871,625	881,074
General administrative services:		
Board of education:		
Salaries	4,320	4,830
Employee benefits	348	385
Purchased services	72,960	126,077
Miscellaneous	13,724	12,578
	<u>91,352</u>	<u>143,870</u>
Executive administration:		
Salaries	308,216	357,441
Employee benefits	153,198	143,754
Purchased services	12,040	10,272
Supplies	9,399	6,502
Miscellaneous	1,371	1,882
	<u>484,224</u>	<u>519,851</u>
Total general administrative services	575,576	663,721
School administrative services:		
Office of the principal:		
Salaries	1,545,947	1,473,396
Employee benefits	863,475	809,252
Purchased services	43,593	62,030
Supplies	12,456	52,020
Miscellaneous	3,166	2,545
Total school administrative services	<u>2,468,637</u>	<u>2,399,243</u>
Business services:		
Fiscal services:		
Salaries	358,352	315,080
Employee benefits	211,307	218,099
Purchased services	32,637	5,974
Maintenance	-	25,554
Supplies	20,800	4,803
Miscellaneous	408	860
	<u>623,504</u>	<u>570,370</u>

(Continued)

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

	2021	2020
Internal Services:		
Salaries	\$ 3,209	\$ 899
Employee benefits	1,149	301
Purchased services	-	825
	<u>4,358</u>	<u>2,025</u>
Other business services:		
Purchased services	38,825	42,926
Miscellaneous	72,500	69,264
Payments to other districts	17,970	17,675
	<u>129,295</u>	<u>129,865</u>
Total business services	<u>757,157</u>	<u>702,260</u>
Operation and maintenance services:		
Operation and maintenance:		
Salaries	392,387	412,169
Employee benefits	254,107	244,146
Purchased services	1,661,102	1,416,482
Supplies	1,583,880	1,046,533
Capital outlay	69,582	44,749
Miscellaneous	1,030	1,589
Payments to other districts	-	3,611
	<u>3,962,088</u>	<u>3,169,279</u>
Security services:		
Purchased services	66,679	56,034
Total operation and maintenance services	<u>4,028,767</u>	<u>3,225,313</u>
Pupil transportation services:		
Pupil transportation:		
Salaries	853,619	853,820
Employee benefits	360,480	354,841
Purchased services	139,268	175,618
Supplies	222,757	153,083
Miscellaneous	1,463	2,813
Payments to other districts	592,662	656,233
Total pupil transportation services	<u>2,170,249</u>	<u>2,196,408</u>
Central services:		
Planning, research, development, and evaluation:		
Salaries	20,500	25,500
Employee benefits	7,362	8,934
	<u>27,862</u>	<u>34,434</u>
Advertising:		
Salaries	12,500	12,500
Employee benefits	993	993
Purchased services	23,375	29,078
	<u>36,868</u>	<u>42,571</u>
Personnel services:		
Salaries	112,323	129,803
Employee benefits	56,045	69,824
Purchased services	41,220	74,101
Supplies	5,325	3,446
Miscellaneous	-	909
Payments to other districts	40	-
	<u>214,953</u>	<u>278,083</u>

(Continued)

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

	2021	2020
Technology services:		
Salaries	\$ 261,080	\$ 240,677
Employee benefits	188,754	162,074
Purchased services	337,147	351,981
Supplies	97,794	10,741
Capital outlay	-	6,345
Dues and Fees	435	265
	<u>885,210</u>	<u>772,083</u>
Pupil accounting:		
Supplies	79,481	69,126
Employee benefits	28,639	23,721
Purchased services	729	1,285
Miscellaneous	85	85
	<u>108,934</u>	<u>94,217</u>
Total central services	<u>1,273,827</u>	<u>1,221,388</u>
Other supporting services:		
Athletics:		
Salaries	603,259	645,811
Employee benefits	266,185	268,169
Purchased services	158,869	145,764
Supplies	100,419	148,955
Capital outlay	-	6,470
Miscellaneous	7,594	9,898
	<u>1,136,326</u>	<u>1,225,067</u>
Other support services:		
Salaries	17,418	-
Employee benefits	2,562	-
Purchased services	7,660	-
	<u>27,640</u>	<u>-</u>
Total other supporting services	<u>1,163,966</u>	<u>1,225,067</u>
Total supporting services	<u>15,894,601</u>	<u>15,278,324</u>
Community services:		
Community pool:		
Salaries	94,547	66,509
Employee benefits	47,920	42,543
Purchased services	2,512	8,019
Supplies	12,432	24,010
Miscellaneous	198	250
	<u>157,609</u>	<u>141,331</u>
Community activities:		
Supplies	713	-
	<u>713</u>	<u>-</u>
Non-public school pupils:		
Purchased services	55,801	13,274
Supplies	1,598	-
Payments to other districts	-	3,604
	<u>57,399</u>	<u>16,878</u>
Other community services:		
Salaries	3,020	-
Employee benefits	429	-
	<u>3,449</u>	<u>-</u>
Total community services	<u>219,170</u>	<u>158,209</u>
Total Expenditures	<u><u>\$ 47,749,759</u></u>	<u><u>\$ 44,549,564</u></u>

NONMAJOR GOVERNMENTAL FUNDS

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

	Special Revenue			Debt Service		
	Food Service	Community Service	Student/School Activity	2012 Debt	2015 Refunding	2016 SBLF Refunding
Assets						
Cash equivalents, deposits and investments	\$ 929,175	\$ 949,836	\$ 444,737	\$ -	\$ 2,902	\$ 11,832
Due from other funds	7,252	230,234	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Inventory	25,152	-	-	-	-	-
Total Assets	\$ 961,579	\$1,180,070	\$ 444,737	\$ -	\$ 2,902	\$ 11,832
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 4,167	\$ 38,015	\$ -	\$ -	\$ -	\$ -
Due to other funds	68,861	9,382	1,627	-	-	-
Due to other governmental units	3,828	13,830	-	-	-	-
Salaries payable	10,900	40,621	-	-	-	-
Unearned revenue	76,083	142,715	-	-	-	-
Total Liabilities	163,839	244,563	1,627	-	-	-
Fund Balances						
Nonspendable	25,152	-	-	-	-	-
Restricted	772,588	935,507	443,110	-	2,902	11,832
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	797,740	935,507	443,110	-	2,902	11,832
Total Liabilities and Fund Balances	\$ 961,579	\$1,180,070	\$ 444,737	\$ -	\$ 2,902	\$ 11,832

Debt Service						Capital Projects		Total
2017 Debt	2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	Building and Site Sinking	2017	
\$ 18,804	\$ 7,612	\$ 1,711	\$ 19,383	\$ 12,961	\$ 9,874	\$4,730,724	\$2,485,128	\$9,624,679
-	-	-	-	-	-	-	-	237,486
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	25,152
<u>\$ 18,804</u>	<u>\$ 7,612</u>	<u>\$ 1,711</u>	<u>\$ 19,383</u>	<u>\$ 12,961</u>	<u>\$ 9,874</u>	<u>\$4,730,724</u>	<u>\$2,485,128</u>	<u>\$9,887,317</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,050	\$ 213,254	\$ 267,486
-	-	-	-	-	-	-	-	79,870
-	-	-	-	-	-	-	-	17,658
-	-	-	-	-	-	-	-	51,521
-	-	-	-	-	-	-	-	218,798
-	-	-	-	-	-	12,050	213,254	635,333
-	-	-	-	-	-	-	-	25,152
18,804	7,612	1,711	19,383	12,961	9,874	4,118,674	-	6,354,958
-	-	-	-	-	-	600,000	-	600,000
-	-	-	-	-	-	-	2,271,874	2,271,874
<u>18,804</u>	<u>7,612</u>	<u>1,711</u>	<u>19,383</u>	<u>12,961</u>	<u>9,874</u>	<u>4,718,674</u>	<u>2,271,874</u>	<u>9,251,984</u>
<u>\$ 18,804</u>	<u>\$ 7,612</u>	<u>\$ 1,711</u>	<u>\$ 19,383</u>	<u>\$ 12,961</u>	<u>\$ 9,874</u>	<u>\$4,730,724</u>	<u>\$2,485,128</u>	<u>\$9,887,317</u>

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

	Special Revenue			Debt Service		
	Food Service	Community Service	Student/School Activity	2012 Debt	2015 Refunding	2016 SBLF Refunding
Revenues						
Local sources:						
Property taxes	\$ -	\$ -	\$ -	\$ 1,142,269	\$ 285,567	\$ 1,427,837
Interest earnings	189	334	-	144	77	207
Food sales	107,179	-	-	-	-	-
Other local sources	-	1,749,072	407,739	-	-	-
Total local sources	107,368	1,749,406	407,739	1,142,413	285,644	1,428,044
Non-educational sources	-	172,145	-	-	-	-
State sources	67,095	-	-	-	-	-
Federal sources	2,217,039	56,700	-	-	-	-
Total Revenues	2,391,502	1,978,251	407,739	1,142,413	285,644	1,428,044
Expenditures						
Current:						
Supporting services	-	-	395,906	-	-	-
Community services	-	2,242,146	-	-	-	-
Food service	1,864,662	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal repayment	-	-	-	1,125,000	370,000	1,850,000
Interest and fiscal charges	-	-	-	634,207	14,953	200,175
Bond issuance costs	-	-	-	109,322	-	-
Underwriter's discount	-	-	-	57,561	-	-
Total Expenditures	1,864,662	2,242,146	395,906	1,926,090	384,953	2,050,175
Excess (Deficiency) of Revenues Over Expenditures	526,840	(263,895)	11,833	(783,677)	(99,309)	(622,131)
Other Financing Sources (Uses)						
Refunding bonds issued	-	-	-	13,870,000	-	-
Bond premium	-	-	-	2,242,478	-	-
School bond loan issued	-	-	-	612,282	98,155	623,789
Transfers in	-	463,534	-	-	-	-
Transfers out	(68,500)	-	-	(9,874)	-	-
Payments to bond escrow agent	-	-	-	(15,945,595)	-	-
Other transactions	-	(814)	-	-	-	-
Total Other Financing Sources (Uses)	(68,500)	462,720	-	769,291	98,155	623,789
Net Change in Fund Balances	458,340	198,825	11,833	(14,386)	(1,154)	1,658
Fund Balances, Beginning of Year	339,400	736,682	431,277	14,386	4,056	10,174
Fund Balances, End of Year	\$ 797,740	\$ 935,507	\$ 443,110	\$ -	\$ 2,902	\$ 11,832

Debt Service						Capital Projects		
2017 Debt	2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	Building and Site Sinking	2017	Total
\$2,284,539	\$ 856,702	\$ 142,785	\$2,284,539	\$1,570,621	\$ -	\$1,400,709	\$ -	\$ 11,395,568
177	136	46	278	161	-	2,039	126,189	129,977
-	-	-	-	-	-	-	-	107,179
-	-	-	-	-	-	-	193,911	2,350,722
2,284,716	856,838	142,831	2,284,817	1,570,782	-	1,402,748	320,100	13,983,446
-	-	-	-	-	-	-	-	172,145
-	-	-	-	-	-	-	-	67,095
-	-	-	-	-	-	-	-	2,273,739
2,284,716	856,838	142,831	2,284,817	1,570,782	-	1,402,748	320,100	16,496,425
-	-	-	-	-	-	-	200,000	595,906
-	-	-	-	-	-	-	-	2,242,146
-	-	-	-	-	-	-	-	1,864,662
-	-	-	-	-	-	443,696	6,520,528	6,964,224
1,015,000	1,185,000	-	1,590,000	-	-	-	-	7,135,000
2,779,242	231,047	262,567	842,895	1,661,151	-	-	-	6,626,237
-	-	-	-	-	-	-	-	109,322
-	-	-	-	-	-	-	-	57,561
3,794,242	1,416,047	262,567	2,432,895	1,661,151	-	443,696	6,720,528	25,595,058
(1,509,526)	(559,209)	(119,736)	(148,078)	(90,369)	-	959,052	(6,400,428)	(9,098,633)
-	-	-	-	-	-	-	-	13,870,000
-	-	-	-	-	-	-	-	2,242,478
1,496,556	558,455	120,947	141,456	103,330	-	-	-	3,754,970
-	-	-	-	-	9,874	-	-	473,408
-	-	-	-	-	-	-	-	(78,374)
-	-	-	-	-	-	-	-	(15,945,595)
-	-	-	-	-	-	-	-	(814)
1,496,556	558,455	120,947	141,456	103,330	9,874	-	-	4,316,073
(12,970)	(754)	1,211	(6,622)	12,961	9,874	959,052	(6,400,428)	(4,782,560)
31,774	8,366	500	26,005	-	-	3,759,622	8,672,302	14,034,544
\$ 18,804	\$ 7,612	\$ 1,711	\$ 19,383	\$ 12,961	\$ 9,874	\$4,718,674	\$2,271,874	\$ 9,251,984

BYRON CENTER PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 97,390	\$ 107,368	\$ 9,978
State sources	67,093	67,095	2
Federal sources	2,216,355	2,217,039	684
Total Revenues	<u>2,380,838</u>	<u>2,391,502</u>	<u>10,664</u>
Expenditures			
Food service	1,923,699	1,864,662	59,037
Excess of Revenues Over Expenditures	457,139	526,840	69,701
Other Financing Uses			
Transfers out	-	(68,500)	(68,500)
Net Change in Fund Balances	457,139	458,340	1,201
Fund Balances, Beginning of Year	<u>339,400</u>	<u>339,400</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 796,539</u></u>	<u><u>\$ 797,740</u></u>	<u><u>\$ 1,201</u></u>

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 1,731,204	\$ 1,749,406	\$ 18,202
Non-educational sources	172,145	172,145	-
Federal sources	56,700	56,700	-
Total Revenues	<u>1,960,049</u>	<u>1,978,251</u>	<u>18,202</u>
Expenditures			
Current:			
Community services	2,350,092	2,242,146	107,946
Deficiency of Revenues Over Expenditures	<u>(390,043)</u>	<u>(263,895)</u>	<u>(89,744)</u>
Other Financing Sources (Uses)			
Transfers in	463,534	463,534	-
Other transactions	(910)	(814)	96
Total Other Financing Sources (Uses)	<u>462,624</u>	<u>462,720</u>	<u>96</u>
Net Change in Fund Balances	72,581	198,825	126,244
Fund Balances, Beginning of Year	<u>736,682</u>	<u>736,682</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 809,263</u>	<u>\$ 935,507</u>	<u>\$ 126,244</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 400,100	\$ 407,739	\$ 7,639
Expenditures			
Current:			
Supporting services	<u>432,000</u>	<u>395,906</u>	<u>36,094</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,900)	11,833	43,733
Fund Balances, Beginning of Year	<u>431,277</u>	<u>431,277</u>	-
Fund Balances, End of Year	<u><u>\$ 399,377</u></u>	<u><u>\$ 443,110</u></u>	<u><u>\$ 43,733</u></u>

SPECIAL REVENUE FUNDS

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

Community Service — to account for fees received for use in childcare and preschool services for residents, as well as, admission fees, donations and interest earnings for use in the operation and maintenance of the District's fine arts performance center.

Student/School Activity Fund — to account for monies held for the benefit of the District's students.

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

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 929,175	\$ 386,232
Due from other funds	7,252	4,011
Due from other governmental units	-	10,691
Inventory	25,152	25,127
Total Assets	\$ 961,579	\$ 426,061
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 4,167	\$ 204
Due to other funds	68,861	398
Due to other governmental units	3,828	867
Salaries payable	10,900	2,446
Unearned revenue	76,083	82,746
Total Liabilities	163,839	86,661
Fund Balances		
Nonspendable	25,152	25,127
Restricted	772,588	314,273
Total Fund Balances	797,740	339,400
Total Liabilities and Fund Balances	\$ 961,579	\$ 426,061

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

	2021	2020
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	\$ 189	\$ 2,304
Food sales:		
Children's breakfasts	-	7,085
Children's lunches	-	439,167
Adult lunches	5,331	7,469
Milk	1,329	7,734
Ala carte	67,294	110,924
Catering	33,225	68,118
	<u>107,179</u>	<u>640,497</u>
Total local sources	107,368	642,801
State sources	67,095	74,581
Federal sources	2,217,039	908,935
	<u>2,391,502</u>	<u>1,626,317</u>
Expenditures		
Current:		
Food service:		
Salaries	449,573	464,294
Employee benefits	253,027	250,302
Purchased services	200,753	138,697
Supplies	920,641	735,213
Capital outlay	34,833	44,365
Miscellaneous	5,835	13,167
	<u>1,864,662</u>	<u>1,646,038</u>
Total Expenditures	1,864,662	1,646,038
Excess (Deficiency) of Revenues Over Expenditures	<u>526,840</u>	<u>(19,721)</u>
Other Financing Uses		
Transfers out	(68,500)	-
	<u>(68,500)</u>	<u>-</u>
Net Change in Fund Balances	458,340	(19,721)
Fund Balances, Beginning of Year	<u>339,400</u>	<u>359,121</u>
Fund Balances, End of Year	<u>\$ 797,740</u>	<u>\$ 339,400</u>

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 949,836	\$ 1,015,067
Due from other funds	230,234	-
Total Assets	\$ 1,180,070	\$ 1,015,067
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 38,015	\$ 19,222
Due to other funds	9,382	4,011
Due to other governmental units	13,830	8,143
Salaries payable	40,621	22,976
Unearned revenue	142,715	224,033
Total Liabilities	244,563	278,385
Fund Balances		
Restricted for programs:		
Driver education	158,427	114,308
Preschool	131,483	130,485
Childcare	355,997	316,273
BCTV	33,636	85,915
Pool	103,767	7,356
Van Singel	152,197	82,345
Total Fund Balances	935,507	736,682
Total Liabilities and Fund Balances	\$ 1,180,070	\$ 1,015,067

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

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	\$ 334	\$ 7,184
Other local sources:		
Ticket sales	2,064	37,388
Donations	77,255	83,615
Facility rental	65,189	27,566
Underwriting	10,000	26,000
Preschool fees	166,894	231,634
Driver education fees	95,280	5,690
Daycare fees	1,242,285	1,288,400
Pool fees	88,745	70,578
Other	1,360	2,440
	<u>1,749,072</u>	<u>1,773,311</u>
Total local sources	1,749,406	1,780,495
Non-educational sources:		
BCTV	<u>172,145</u>	<u>215,820</u>
Federal sources:		
Child care relief grant	<u>56,700</u>	<u>-</u>
Total Revenues	<u>1,978,251</u>	<u>1,996,315</u>
Expenditures		
Community services:		
Community recreation:		
Salaries	198,745	243,114
Employee benefits	96,828	102,931
Purchased services	24,176	136,403
Supplies	40,362	47,352
Miscellaneous	19,889	17,264
	<u>380,000</u>	<u>547,064</u>
Preschool:		
Salaries	161,945	182,335
Employee benefits	58,492	64,687
Purchased services	942	8,201
Supplies	2,562	1,692
Miscellaneous	1,957	989
	<u>225,898</u>	<u>257,904</u>
Child care:		
Salaries	492,313	484,238
Employee benefits	271,336	267,373
Purchased services	615,507	556,501
Supplies	40,161	34,800
Miscellaneous	10,429	10,436
	<u>1,429,746</u>	<u>1,353,348</u>

(Continued)

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

	2021	2020
Driver education:		
Salaries	\$ 31,687	\$ 10,461
Employee benefits	9,278	3,236
Purchased services	8,250	8,270
Supplies	1,993	922
Miscellaneous	10	145
	<u>51,218</u>	<u>23,034</u>
BCTV:		
Salaries	98,594	99,058
Employee benefits	49,451	51,248
Purchased services	1,263	1,619
Supplies	5,976	7,538
	<u>155,284</u>	<u>159,463</u>
Total Expenditures	<u>2,242,146</u>	<u>2,340,813</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(263,895)</u>	<u>(344,498)</u>
Other Financing Sources (Uses)		
Transfers in	463,534	276,698
Other transactions	(814)	-
	<u>462,720</u>	<u>276,698</u>
Net Change in Fund Balances	198,825	(67,800)
Fund Balances, Beginning of Year	<u>736,682</u>	<u>804,482</u>
Fund Balances, End of Year	<u><u>\$ 935,507</u></u>	<u><u>\$ 736,682</u></u>

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

	<u>2021</u>	<u>2020</u>
Assets		
Cash equivalents, deposits and investments	<u>\$ 444,737</u>	<u>\$ 431,277</u>
Liabilities and Fund Balances		
Liabilities		
Due to other funds	<u>\$ 1,627</u>	<u>\$ -</u>
Fund Balances		
Restricted	<u>443,110</u>	<u>431,277</u>
Total Liabilities and Fund Balances	<u>\$ 444,737</u>	<u>\$ 431,277</u>

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

	2021	2020
Revenues		
Local sources:		
Other student activity	\$ 407,739	\$ 483,843
Expenditures		
Current:		
Other student/school activity	395,906	469,588
Net Change in Fund Balances	11,833	14,255
Fund Balances, Beginning of Year	431,277	417,022
Fund Balances, End of Year	\$ 443,110	\$ 431,277

DEBT SERVICE FUNDS

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

BYRON CENTER PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2021

	<u>2012 Debt</u>	<u>2015 Refunding</u>	<u>2016 SBLF Refunding</u>	<u>2017 Debt</u>
Assets				
Cash equivalents, deposits and investments	\$ -	\$ 2,902	\$ 11,832	\$ 18,804
Due from other governmental units	-	-	-	-
	<u>\$ -</u>	<u>\$ 2,902</u>	<u>\$ 11,832</u>	<u>\$ 18,804</u>
Liabilities and Fund Balances				
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances				
Restricted	<u>-</u>	<u>2,902</u>	<u>11,832</u>	<u>18,804</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 2,902</u>	<u>\$ 11,832</u>	<u>\$ 18,804</u>

2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	Totals	
					2021	2020
\$ 7,612	\$ 1,711	\$ 19,383	\$ 12,961	\$ 9,874	\$ 85,079	\$ 94,734
-	-	-	-	-	-	527
<u>\$ 7,612</u>	<u>\$ 1,711</u>	<u>\$ 19,383</u>	<u>\$ 12,961</u>	<u>\$ 9,874</u>	<u>\$ 85,079</u>	<u>\$ 95,261</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>7,612</u>	<u>1,711</u>	<u>19,383</u>	<u>12,961</u>	<u>9,874</u>	<u>85,079</u>	<u>95,261</u>
<u>\$ 7,612</u>	<u>\$ 1,711</u>	<u>\$ 19,383</u>	<u>\$ 12,961</u>	<u>\$ 9,874</u>	<u>\$ 85,079</u>	<u>\$ 95,261</u>

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

	2012 Debt	2015 Refunding	2016 SBLF Refunding	2017 Debt
Revenues				
Local sources:				
Property taxes:				
Current property taxes	\$ 1,139,406	\$ 284,852	\$1,424,258	\$2,278,813
Industrial facilities taxes	1,093	273	1,367	2,187
Delinquent and other property taxes	316	79	395	632
Interest on delinquent taxes	1,454	363	1,817	2,907
	<u>1,142,269</u>	<u>285,567</u>	<u>1,427,837</u>	<u>2,284,539</u>
Interest earnings:				
Interest on deposits and investments	144	77	207	177
	<u>144</u>	<u>77</u>	<u>207</u>	<u>177</u>
Total Revenues	<u>1,142,413</u>	<u>285,644</u>	<u>1,428,044</u>	<u>2,284,716</u>
Expenditures				
Debt service:				
Principal repayment	1,125,000	370,000	1,850,000	1,015,000
Interest and fiscal charges:				
Interest expense	633,843	14,430	199,637	2,778,500
Paying agent fees	150	500	500	500
Tax refunds	214	23	38	242
Bond issuance costs	109,322	-	-	-
Underwriter's discount	57,561	-	-	-
	<u>1,926,090</u>	<u>384,953</u>	<u>2,050,175</u>	<u>3,794,242</u>
Total Expenditures	<u>1,926,090</u>	<u>384,953</u>	<u>2,050,175</u>	<u>3,794,242</u>
Deficiency of Revenues Over Expenditures	<u>(783,677)</u>	<u>(99,309)</u>	<u>(622,131)</u>	<u>(1,509,526)</u>
Other Financing Sources (Uses)				
Refunding bonds issued	13,870,000	-	-	-
Bond premium	2,242,478	-	-	-
School bond loan issued	612,282	98,155	623,789	1,496,556
Transfers in	-	-	-	-
Transfers out	(9,874)	-	-	-
Payment to escrow agent	(15,945,595)	-	-	-
	<u>769,291</u>	<u>98,155</u>	<u>623,789</u>	<u>1,496,556</u>
Total Other Financing Sources (Uses)	<u>769,291</u>	<u>98,155</u>	<u>623,789</u>	<u>1,496,556</u>
Net Change in Fund Balances	(14,386)	(1,154)	1,658	(12,970)
Fund Balances, Beginning of Year	14,386	4,056	10,174	31,774
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 2,902</u>	<u>\$ 11,832</u>	<u>\$ 18,804</u>

2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	Totals	
					2021	2020
\$ 854,555	\$ 142,426	\$2,278,813	\$1,567,119	\$ -	\$ 9,970,242	\$ 9,242,740
820	137	2,187	1,503	-	9,567	20,384
237	40	632	-	-	2,331	6,392
1,090	182	2,907	1,999	-	12,719	3,440
<u>856,702</u>	<u>142,785</u>	<u>2,284,539</u>	<u>1,570,621</u>		<u>9,994,859</u>	<u>9,272,956</u>
136	46	278	161	-	1,226	31,086
<u>856,838</u>	<u>142,831</u>	<u>2,284,817</u>	<u>1,570,782</u>	-	<u>9,996,085</u>	<u>9,304,042</u>
1,185,000	-	1,590,000	-	-	7,135,000	18,990,000
231,000	262,063	842,750	1,660,623	-	6,622,846	4,815,387
-	501	-	500	-	2,651	2,300
47	3	145	28	-	740	712
-	-	-	-	-	109,322	194,986
-	-	-	-	-	57,561	102,076
<u>1,416,047</u>	<u>262,567</u>	<u>2,432,895</u>	<u>1,661,151</u>	-	<u>13,928,120</u>	<u>24,105,461</u>
<u>(559,209)</u>	<u>(119,736)</u>	<u>(148,078)</u>	<u>(90,369)</u>		<u>(3,932,035)</u>	<u>(14,801,419)</u>
-	-	-	-	-	13,870,000	28,815,000
-	-	-	-	-	2,242,478	3,062,392
558,455	120,947	141,456	103,330	-	3,754,970	2,340,432
-	-	-	-	9,874	9,874	76,734
-	-	-	-	-	(9,874)	(76,734)
-	-	-	-	-	(15,945,595)	(19,668,322)
<u>558,455</u>	<u>120,947</u>	<u>141,456</u>	<u>103,330</u>	<u>9,874</u>	<u>3,921,853</u>	<u>14,549,502</u>
(754)	1,211	(6,622)	12,961	9,874	(10,182)	(251,917)
8,366	500	26,005	-	-	95,261	347,178
<u>\$ 7,612</u>	<u>\$ 1,711</u>	<u>\$ 19,383</u>	<u>\$ 12,961</u>	<u>\$ 9,874</u>	<u>\$ 85,079</u>	<u>\$ 95,261</u>

CAPITAL PROJECTS FUNDS

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

2017 Construction — to account for bond proceeds used to finance building construction and improvement projects.

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

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

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 4,730,724	\$ 3,768,278
Due from other govt units	-	74
Total Assets	\$ 4,730,724	\$ 3,768,352
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 12,050	\$ 8,730
Fund Balances		
Restricted	4,118,674	3,269,622
Committed	600,000	490,000
Total Fund Balances	4,718,674	3,759,622
Total Liabilities and Fund Balances	\$ 4,730,724	\$ 3,768,352

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

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Property taxes:		
Current property taxes	\$ 1,397,197	\$ 1,300,977
Industrial facilities taxes	1,341	2,869
Delinquent and other property taxes	388	702
Interest on delinquent taxes	1,783	475
Total property taxes	<u>1,400,709</u>	<u>1,305,023</u>
Interest earnings:		
Interest on deposits and investments	<u>2,039</u>	<u>22,039</u>
Total Revenues	<u>1,402,748</u>	<u>1,327,062</u>
Expenditures		
Capital outlay:		
Site acquisition services	20,000	2,852,232
Site improvement services	-	37,298
Building improvements	423,592	292,698
Tax refunds	104	100
Total Expenditures	<u>443,696</u>	<u>3,182,328</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>959,052</u>	<u>(1,855,266)</u>
Other Financing Sources		
Transfers in	<u>-</u>	<u>2,680,000</u>
Net Change in Fund Balances	<u>959,052</u>	<u>824,734</u>
Fund Balances, Beginning of Year	<u>3,759,622</u>	<u>2,934,888</u>
Fund Balances, End of Year	<u>\$ 4,718,674</u>	<u>\$ 3,759,622</u>

BYRON CENTER PUBLIC SCHOOLS
2017 Construction Capital Projects Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 2,485,128	\$ 10,059,874
Due from other funds	-	29,800
	Total Assets	Total Assets
	\$ 2,485,128	\$ 10,089,674
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 213,254	\$ 1,417,372
Fund Balances		
Restricted	-	5,902,644
Assigned for future expenditures	2,271,874	2,769,658
	Total Fund Balances	Total Fund Balances
	2,271,874	8,672,302
	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances
	\$ 2,485,128	\$ 10,089,674

BYRON CENTER PUBLIC SCHOOLS
2017 Construction Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents, deposits and investments	\$ 126,189	\$ 436,176
Other local revenue	<u>193,911</u>	<u>165,521</u>
Total Revenues	320,100	601,697
Expenditures		
Supporting services:		
Operations and maintenance:		
Operating building services:		
Property and liability	-	7,751
Pupil transportation services:		
New school buses	<u>200,000</u>	<u>193,214</u>
Total supporting services	<u>200,000</u>	<u>200,965</u>
Capital outlay:		
Site improvement	494,298	2,234,035
Building improvements	5,603,176	16,587,586
Architect fees	38,417	469,082
Other facilities acquisition and construction services	382,363	2,309,988
Technology hardware	<u>2,274</u>	<u>1,720,358</u>
Total capital outlay	<u>6,520,528</u>	<u>23,321,049</u>
Total Expenditures	<u>6,720,528</u>	<u>23,522,014</u>
Net Change in Fund Balances	<u>(6,400,428)</u>	<u>(22,920,317)</u>
Fund Balances, Beginning of Year	<u>8,672,302</u>	<u>31,592,619</u>
Fund Balances, End of Year	<u><u>\$ 2,271,874</u></u>	<u><u>\$ 8,672,302</u></u>

BYRON CENTER PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Balance Sheet
June 30, 2021

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 49,858,942	\$ 54,328,117
Due from other governmental units	-	1,574
Total Assets	\$ 49,858,942	\$ 54,329,691
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 932,606	\$ 294,457
Fund Balances		
Restricted	48,926,336	54,035,234
Total Liabilities and Fund Balances	\$ 49,858,942	\$ 54,329,691

BYRON CENTER PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
June 30, 2021

	<u>2021</u>	<u>2020</u>
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents, deposits and investments	\$ 46,282	\$ 1,282
State sources:	<u>72,455</u>	<u>-</u>
Total Revenues	<u>118,737</u>	<u>1,282</u>
Expenditures		
Supporting services:		
General Administration:		
Board of Education:		
Election costs	-	30,178
Operations and maintenance:		
Builders risk insurance	17,674	-
Pupil transportation services:		
New school buses	<u>106,913</u>	<u>-</u>
Total supporting services	<u>124,587</u>	<u>30,178</u>
Capital outlay:		
Site improvement	179,448	-
Building acquisition services	1,664	-
Building improvements	1,483,034	-
Architect fees	2,356,240	112,760
Furniture & equipment	549,948	-
Technology hardware	<u>532,714</u>	<u>-</u>
Total capital outlay	<u>5,103,048</u>	<u>112,760</u>
Debt Service:		
Bond issuance costs	-	191,812
Underwriter's discount	<u>-</u>	<u>167,653</u>
	<u>-</u>	<u>359,465</u>
Total Expenditures	<u>5,227,635</u>	<u>502,403</u>
Deficiency of Revenues Over Expenditures	<u>(5,108,898)</u>	<u>(501,121)</u>
Other Financing Sources (Uses)		
Bond proceeds	-	48,595,000
Bond premium	-	8,621,355
Transfers out	<u>-</u>	<u>(2,680,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>54,536,355</u>
Net Change in Fund Balance	<u>(5,108,898)</u>	<u>54,035,234</u>
Fund Balances, Beginning of Year	<u>54,035,234</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 48,926,336</u></u>	<u><u>\$ 54,035,234</u></u>