

**ALLENDALE PUBLIC SCHOOLS**

**REPORT ON FINANCIAL STATEMENTS**  
**(with required supplementary and additional**  
**supplementary information)**

**YEAR ENDED JUNE 30, 2021**

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	4-10
BASIC FINANCIAL STATEMENTS.....	11
Government-wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet - Governmental Funds .....	14-15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	16-17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	18
Notes to Financial Statements .....	19-47
REQUIRED SUPPLEMENTARY INFORMATION .....	48
Budgetary Comparison Schedule - General Fund .....	49
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability.....	50
Schedule of the Reporting Unit's Pension Contributions.....	51
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability.....	52
Schedule of the Reporting Unit's OPEB Contributions.....	53
Notes to the Required Supplementary Information .....	54
ADDITIONAL SUPPLEMENTARY INFORMATION .....	55
Nonmajor Governmental Fund Types	
Combining Balance Sheet.....	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	57
Debt Service Funds	
Combining Balance Sheet.....	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	59
Long-Term Debt	
Bonded Debt .....	60-65

## TABLE OF CONTENTS

### Page

#### ADDITIONAL SUPPLEMENTARY INFORMATION (continued)

Schedule of Expenditures of Federal Awards.....66-68

Notes to Schedule of Expenditures of Federal Awards..... 69

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*.....70-71

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE .....72-73

Schedule of Findings and Questioned Costs ..... 74

Schedule of Prior Year Audit Findings ..... 75

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Allendale 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 Allendale Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Allendale Public Schools' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



## ***Opinions***

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

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Allendale Public Schools basic financial statements. The additional supplementary information, as identified in the table of contents, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The additional supplementary 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 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 additional supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of Allendale Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Allendale Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Allendale Public Schools' internal control over financial reporting and compliance.

*Maney Costeiran PC*

September 30, 2021

**ALLENDALE PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**District-wide Financial Statements**

The first two statements are District-wide financial statements that provide short-term and long-term financial information about the District's overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The statements are compiled using the full accrual basis of accounting and more closely represent financial statements presented by business and industry. All of the District's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, both short-term and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt and other long-term obligations of the District resulting in total net position.

Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating. To assess the District's overall financial health, one should consider additional factors which may include the State's and/or region's economic condition, changes in the District's property tax base, and age and condition of its capital assets.

**Fund Financial Statements**

For the most part, the fund financial statements are comparable to financial statements for the prior fiscal years. The fund level statements are reported on a modified accrual basis in that only those assets that are deemed "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The formats of the fund statements comply with requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds categorized as Special Revenue, Debt Service, and Capital Projects Funds.

In the fund financial statements, capital assets purchased are considered expenditures in the year of acquisition with no asset being reported. The issuance of debt is treated as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt service are not recorded in the fund financial statements.

**ALLENDALE PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Summary of Net Position**

The following schedule summarizes the net position for the fiscal years ended June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
<b>ASSETS</b>		
Current and other assets	\$ 12,880,737	\$ 14,903,688
Capital assets	84,824,029	83,414,064
<b>TOTAL ASSETS</b>	<b>97,704,766</b>	<b>98,317,752</b>
Deferred outflows of resources	20,693,963	21,792,125
<b>LIABILITIES</b>		
Long-term liabilities outstanding	124,363,687	128,519,480
Net pension liability	56,377,404	52,035,342
Net OPEB liability	8,940,275	11,638,846
Other liabilities	6,128,616	5,494,322
<b>TOTAL LIABILITIES</b>	<b>195,809,982</b>	<b>197,687,990</b>
Deferred inflows of resources	9,431,969	8,845,770
<b>NET POSITION</b>		
Net investment in capital assets	(34,632,398)	(35,799,524)
Unrestricted	(52,210,824)	(50,624,359)
<b>TOTAL NET POSITION</b>	<b>\$ (86,843,222)</b>	<b>\$ (86,423,883)</b>

**Analysis of Financial Position**

During the fiscal year ended June 30, 2021, the District's combined net position decreased by \$419,339. A few of the more significant factors affecting net position during the year are discussed below:

➤ **Cash Equivalents, Deposits and Investments**

At June 30, 2021, the District's cash equivalents, deposits and investments amounted to \$7,993,736. This represented a decrease of \$3,169,333 from the previous year.

➤ **Capital Outlay Acquisitions**

For the fiscal year ended June 30, 2021, \$4,173,467 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained below.

**ALLENDALE PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The net effect of the new capital assets, assets disposed of during the fiscal year, and the current year's depreciation is a net increase to capital assets in the amount of \$1,409,965 for the fiscal year ended June 30, 2021.

➤ Depreciation Expense

GASB 34 requires school districts to maintain records of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in the net position.

➤ Long term debt

For the fiscal year ended June 30, 2021, the District's bonded debt (including the School Loan Revolving Fund) decreased by \$4,136,689 as a net result of bonds issued and payments on bonded debt in the current year.

**Results of Operations**

For the fiscal years ended June 30, 2021 and 2020, the results of operations, on a District-wide basis, were:

	Fiscal Year Ended June 30, 2021		Fiscal Year Ended June 30, 2020	
	Amount	%	Amount	%
<b>REVENUES</b>				
General revenues				
Property taxes	\$ 11,890,099	28.72%	\$ 11,609,271	29.65%
State sources, unrestricted	17,211,895	41.57%	17,043,337	43.53%
Investment earnings	20,817	0.05%	149,795	0.38%
Other	356,398	0.86%	173,113	0.44%
Total general revenues	29,479,209	71.19%	28,975,516	74.01%
Program revenues				
Charges for services	399,489	0.96%	710,122	1.81%
Operating grants and contributions	11,528,265	27.84%	9,465,953	24.18%
TOTAL REVENUES	41,406,963	100.00%	39,151,591	100.00%
<b>EXPENSES</b>				
Instruction	20,378,569	48.72%	19,637,228	46.87%
Support services	12,474,203	29.82%	12,773,645	30.49%
Community services	511,872	1.22%	544,899	1.30%
Student/school activities	298,126	0.71%	502,719	1.20%
Food services	1,049,976	2.51%	999,950	2.39%
Depreciation - unallocated	2,763,502	6.61%	2,671,435	6.38%
Interest on long-term debt	4,350,054	10.40%	4,765,250	11.37%
TOTAL EXPENSES	41,826,302	100.00%	41,895,126	100.00%
Change in net position	\$ (419,339)		\$ (2,743,535)	

**ALLENDALE PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Analysis of Significant Revenues and Expenses**

Significant revenues and expenditures are discussed in the segments below:

➤ **Property Taxes**

The District levied 18.000 mills of property taxes for operations on non-principal residence exempt property for the 2020 tax year. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of increase in the prior year's Consumer Price Index or 5%, whichever is less. At the time that property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is one half of the property's market value. At June 30, 2021, there was \$330 in unpaid property taxes.

➤ **State Sources**

The majority of the unrestricted state sources of revenues is comprised of the per student foundation allowance. The State of Michigan funds school districts based on a blended student enrollment (referred to as a "super blend" for fiscal year 2021 only) which is calculated using the 90/10 blend for 2019-2020 multiplied by 0.75 plus the 90/10 blend for 2020-2021 multiplied by 0.25. For the 2020 - 2021 fiscal year, the District received \$8,111 per student full time equivalent. The student foundation allowance amount per student remained unchanged when compared to the 2019 - 2020 fiscal year.

➤ **Operating Grants**

The District receives a significant portion of its operating revenue from categorical grants. For the fiscal year ended June 30, 2021, federal, state, and other grants amounted to \$11,528,265. This represents a 21.79% increase from the \$9,465,953 received for the 2019 - 2020 fiscal year.

**Comparative Expenditures**

A comparison of the expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balances is shown below:

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Increase (Decrease)
<b>EXPENDITURES</b>			
Instruction	\$ 18,527,013	\$ 17,422,749	\$ 1,104,264
Supporting services	11,962,931	11,526,146	436,785
Food service activities	1,007,216	919,245	87,971
Community service activities	450,263	489,197	(38,934)
Student/school activities	298,126	502,719	(204,593)
Capital outlay	4,294,800	6,762,594	(2,467,794)
Debt service	23,088,856	62,599,283	(39,510,427)
<b>TOTAL EXPENDITURES</b>	<b>\$ 59,629,205</b>	<b>\$ 100,221,933</b>	<b>\$ (40,592,728)</b>

**ALLENDALE PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**General Fund Budgetary Highlights**

The Uniform Budgeting Act of the State of Michigan requires that the local Board of Education approve the annual operating budget prior to the start of the fiscal year on July 1. Any amendments to the original budget must be approved by the Board prior to the close of the fiscal year on June 30, 2021.

The following schedule shows a comparison of the original general fund budget, the final amended budget, and actual totals from operations for the fiscal year ending June 30, 2021.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Variance with Budget</u>	<u>% Variance</u>
TOTAL REVENUES	<u>\$ 28,917,600</u>	<u>\$ 32,645,877</u>	<u>\$ 32,522,918</u>	<u>\$ (122,959)</u>	<u>-0.38%</u>
EXPENDITURES					
Instruction	\$ 17,291,100	\$ 18,849,171	\$ 18,527,013	\$ 322,158	1.71%
Supporting services	11,822,700	11,847,714	11,962,931	(115,217)	-0.97%
Community services	<u>545,100</u>	<u>452,755</u>	<u>450,263</u>	<u>2,492</u>	<u>0.55%</u>
TOTAL EXPENDITURES	<u>\$ 29,658,900</u>	<u>\$ 31,149,640</u>	<u>\$ 30,940,207</u>	<u>\$ 209,433</u>	<u>0.67%</u>
Other financing sources (uses)	<u>\$ (5,800)</u>	<u>\$ (795,645)</u>	<u>\$ (867,645)</u>	<u>\$ (72,000)</u>	<u>9.05%</u>

The original budget adopted by the Board in June 2020 was amended twice during the year. The amendments, approved in January and June 2021, reflected necessary changes to both revenues and expenditures based on projections made by the Chief Financial Officer.

**Capital Asset and Debt Administration**

**Capital Assets**

By the end of the 2020 - 2021 fiscal year, the District had invested approximately \$123.96 million as the original cost in a broad range of capital assets, including land, construction in progress, land improvements, school buildings and facilities, school buses and other vehicles, and various types of equipment. This represents a net increase of \$3,740,296 over the prior fiscal year. Depreciation expense for the year amounted to \$2,763,502, bringing the accumulated depreciation to roughly \$39.1 million as of June 30, 2021.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2021 Net Book Value</u>	<u>2020 Net Book Value</u>
Land	\$ 2,959,441	\$ -	\$ 2,959,441	\$ 2,959,441
Construction in progress	285,511	-	285,511	4,176,473
Land improvements	5,259,333	4,120,719	1,138,614	1,241,620
Buildings and improvements	104,823,666	26,428,840	78,394,826	73,385,253
Furniture and equipment	7,583,396	6,796,421	786,975	925,214
Transportation equipment	<u>3,045,074</u>	<u>1,786,412</u>	<u>1,258,662</u>	<u>726,063</u>
	<u>\$ 123,956,421</u>	<u>\$ 39,132,392</u>	<u>\$ 84,824,029</u>	<u>\$ 83,414,064</u>

**ALLENDALE PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Long-term Debt**

At June 30, 2021, the District had \$124,363,687 in long-term obligations which included \$123,974,833 in outstanding bonds and other debt. The bonded and other debt obligations were decreased during the year, as the District continued to pay back outstanding debt during the year. In addition to the bonded debt, the District has obligations due to its participation in the School Loan Revolving Fund in the amount of \$1,000 and compensated absences of \$387,854 at the end of the fiscal year.

**Factors Bearing on the District's Future**

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

- The uncertainty of student foundation funding levels, as well as funding for other K-12 education programs, reflects the economic difficulties faced by the State of Michigan and the District. One of the most important factors affecting the District's budget is student count. General Fund revenue is generated from the State's per pupil allowance, and a combination of State aid and property taxes. Under State law, the District cannot assess additional property tax revenue for general operations.
- The district received ESSER (Elementary and Secondary School Emergency Relief) Funds and CRF (Coronavirus Relief Funds) from the Federal Government which helped offset the cost of opening and fully operating the school district for 2020-21. ESSER II and ESSER III funding is projected to be received and spent through 2024 to offset future expenses related to COVID-19.
- In November, 2018, county voters approved a 0.9 mill enhancement millage where the funds will primarily be used to maintain current academic and extra-curricular offerings, improve mental health and social-emotional learning services district-wide with additional staff, and ongoing upgrades to district safety and security.
- Demographic projections indicate that enrollment is likely to continue growing slowly over the next several years. While this is good news, especially compared to most districts within the State, the lack of stability in the funding stream from the State, and rising costs in many areas including employee health insurance, retirement contribution costs, and utilities, District administration continues to remain diligent in its decision-making as the Board desires to increase its level of reserves (fund balance). Measures to accomplish this include, but are not limited to, cooperative agreements with the Ottawa Area Intermediate School District as well as neighboring public and parochial schools and strategic changes to how the District handles its non-instructional support services.
- In 2007, Allendale voters approved utilizing the School Bond Loan Fund, (a program created by the Michigan Legislature to assist school districts in bonding for new facilities) to construct new school buildings in order to accommodate the District's growing population of students. New legislation passed in December 2012 obligates school districts to annually review their outstanding debt beginning in the fall of 2013 and levy a millage to ensure that the bond debt will be paid within a newly appointed 30-year period. House Bills 4496 and 4497 were signed into law by Governor Snyder in June 2015 which amended the 2012 legislation allowing the District to refinance \$144 million of outstanding debt saving taxpayers approximately \$34.5 million of future interest expense. District administration will be working with its financial advisors and bond attorney to determine if continued favorable interest rates will allow future refunding possibilities.



**ALLENDALE PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- In May, 2017, voters approved a \$29.6 million bond proposal focusing on growth, safety and security, educational technology and building and site improvements. Over \$28 million has been spent on these projects with the remaining funds being spent gradually over the next two years to provide for the continuing needs of the district. The largest project, the Allendale Early Childhood Center, opened for the 2019-20 school year.

**Contacting the District's Financial Management**

This financial report is designed to provide our 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 information, please contact the Chief Financial Officer at Allendale Public Schools, 10505 Learning Lane, Allendale, MI 49401.

## **BASIC FINANCIAL STATEMENTS**

**ALLENDALE PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,813,020
Cash and cash equivalents - restricted for capital projects	1,452,136
Investments	1,728,580
Receivables	
Accounts receivable	248,695
Property taxes receivable	330
Intergovernmental	4,560,135
Inventories	10,714
Prepays	67,127
Capital assets, not being depreciated	3,244,952
Capital assets, net of accumulated depreciation	81,579,077
<b>TOTAL ASSETS</b>	<b>97,704,766</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	1,514,701
Related to pensions	14,081,467
Related to OPEB	5,097,795
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>20,693,963</b>
<b>LIABILITIES</b>	
Accounts payable	1,097,962
Accrued salaries and related items	2,320,949
Accrued retirement	974,778
Accrued interest	673,006
Unearned revenue	1,061,921
Noncurrent liabilities	
Due within one year	14,026,019
Due in more than one year	110,337,668
Net pension liability	56,377,404
Net OPEB liability	8,940,275
<b>TOTAL LIABILITIES</b>	<b>195,809,982</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions	407,692
Related to OPEB	6,844,836
Related to state aid funding for pension	2,179,441
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>9,431,969</b>
<b>NET POSITION</b>	
Net investment in capital assets	(34,632,398)
Unrestricted	(52,210,824)
<b>TOTAL NET POSITION</b>	<b>\$ (86,843,222)</b>

See notes to financial statements.

**ALLENDALE PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		Governmental
		Charges for	Operating Grants and Contributions	Activities Net (Expense) Revenue and Changes in Net Position
		Services		
Governmental activities				
Instruction	\$ 20,378,569	\$ -	\$ 9,462,153	\$ (10,916,416)
Support services	12,474,203	82,569	534,382	(11,857,252)
Community services	511,872	266,567	118,060	(127,245)
Food services	1,049,976	50,353	1,122,848	123,225
Student/school activities	298,126	-	290,822	(7,304)
Interest on long-term debt	4,350,054	-	-	(4,350,054)
Unallocated depreciation	2,763,502	-	-	(2,763,502)
Total governmental activities	<u>\$ 41,826,302</u>	<u>\$ 399,489</u>	<u>\$ 11,528,265</u>	<u>(29,898,548)</u>
General revenues				
Property taxes, levied for general purposes				4,244,017
Property taxes, levied for debt service				7,646,082
Investment earnings				20,817
State sources, unrestricted				17,211,895
Other				356,398
Total general revenues				<u>29,479,209</u>
CHANGE IN NET POSITION				(419,339)
NET POSITION, beginning of year				<u>(86,423,883)</u>
NET POSITION, end of year				<u>\$ (86,843,222)</u>

See notes to financial statements.

**ALLENDALE PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund	2020 Building and Site Bonds	Capital Projects Fund	2017 Refunding Debt Fund	2021 Refunding Debt Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,034,396	\$ -	\$ -	\$ -	\$ -	\$ 778,624	\$ 4,813,020
Cash and cash equivalents - restricted	-	1,452,136	-	-	-	-	1,452,136
Investments	-	-	1,728,580	-	-	-	1,728,580
Receivables							
Property taxes receivable	330	-	-	-	-	-	330
Accounts receivable	248,695	-	-	-	-	-	248,695
Intergovernmental	4,511,845	-	-	-	-	48,290	4,560,135
Due from other funds	8,000	14	225,000	-	2,623	36,159	271,796
Inventories	-	-	-	-	-	10,714	10,714
Prepays	67,127	-	-	-	-	-	67,127
<b>TOTAL ASSETS</b>	<b>\$ 8,870,393</b>	<b>\$ 1,452,150</b>	<b>\$ 1,953,580</b>	<b>\$ -</b>	<b>\$ 2,623</b>	<b>\$ 873,787</b>	<b>\$ 13,152,533</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 769,454	\$ 309,663	\$ -	\$ -	\$ -	\$ 18,845	\$ 1,097,962
Accrued salaries and related items	2,315,910	-	-	-	-	5,039	2,320,949
Accrued retirement	965,467	-	-	-	-	9,311	974,778
Due to other funds	245,628	-	-	-	-	26,168	271,796
Unearned revenue	1,033,406	-	-	-	-	28,515	1,061,921
<b>TOTAL LIABILITIES</b>	<b>5,329,865</b>	<b>309,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,878</b>	<b>5,727,406</b>

See notes to financial statements.

	2020		2017		2021	Total Nonmajor Funds	Total Governmental Funds
	General Fund	Building and Site Bonds	Capital Projects Fund	Refunding Debt Fund	Refunding Debt Fund	Funds	Funds
FUND BALANCES							
Nonspendable							
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,714	\$ 10,714
Prepays	67,127	-	-	-	-	-	67,127
Restricted for:							
Capital projects	-	1,142,487	-	-	-	-	1,142,487
Debt service	-	-	-	-	2,623	197,307	199,930
Food service	-	-	-	-	-	305,970	305,970
Committed for student/school activities	-	-	-	-	-	271,918	271,918
Assigned for capital projects	-	-	1,953,580	-	-	-	1,953,580
Unassigned	3,473,401	-	-	-	-	-	3,473,401
TOTAL FUND BALANCES	3,540,528	1,142,487	1,953,580	-	2,623	785,909	7,425,127
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,870,393	\$ 1,452,150	\$ 1,953,580	\$ -	\$ 2,623	\$ 873,787	\$ 13,152,533
Total governmental fund balances						\$ 742,5127	
Amounts reported for governmental activities in the statement of net position are different because:							
Value of amortized deferred charges						\$ 2,197,126	
Accumulated amortization						(682,425)	
Deferred charge on refunding, net of amortization							1,514,701
Deferred outflows of resources - related to pensions							14,081,467
Deferred outflows of resources - related to OPEB							5,097,795
Deferred inflows of resources - related to pensions							(407,692)
Deferred inflows of resources - related to OPEB							(6,844,836)
Deferred inflows of resources - related to state pension funding							(2,179,441)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:							
The cost of the capital assets is						\$ 123,956,421	
Accumulated depreciation is						(39,132,392)	
Long-term liabilities are not due and payable in the current period and are not reported in the funds:							84,824,029
Long-term obligations							(123,975,833)
Net pension liability							(56,377,404)
Net OPEB liability							(8,940,275)
Accrued compensated absences and termination benefits							(387,854)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid							(673,006)
Net position of governmental activities							\$ (86,843,222)

See notes to financial statements.

**ALLENDALE PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General Fund	2020 Building and Site Bonds	Capital Projects Fund	2017 Refunding Debt Fund	2021 Refunding Debt Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Local sources							
Property taxes	\$ 4,244,017	\$ -	\$ -	\$ 2,659,461	\$ -	\$ 4,986,621	\$ 11,890,099
Tuition	286,953	-	-	-	-	-	286,953
Investment earnings	6,572	8,710	921	1,241	-	3,373	20,817
Food sales	-	-	-	-	-	50,353	50,353
Student/school activities	-	-	-	-	-	290,822	290,822
Other	74,606	-	-	-	2,623	-	77,229
Total local sources	4,612,148	8,710	921	2,660,702	2,623	5,331,169	12,616,273
State sources	22,588,418	-	-	63,910	-	157,644	22,809,972
Federal sources	1,996,612	-	-	-	-	1,040,683	3,037,295
Interdistrict sources and other	3,325,740	-	-	-	-	-	3,325,740
<b>TOTAL REVENUES</b>	<b>32,522,918</b>	<b>8,710</b>	<b>921</b>	<b>2,724,612</b>	<b>2,623</b>	<b>6,529,496</b>	<b>41,789,280</b>
<b>EXPENDITURES</b>							
Current							
Instruction	18,527,013	-	-	-	-	-	18,527,013
Supporting services	11,962,931	-	-	-	-	-	11,962,931
Community service activities	450,263	-	-	-	-	-	450,263
Food service activities	-	-	-	-	-	1,007,216	1,007,216
Student/school activities	-	-	-	-	-	298,126	298,126
Capital outlay	-	4,294,800	-	-	-	-	4,294,800

See notes to financial statements.

	2020		Capital Projects Fund	2017 Refunding Debt Fund	2021 Refunding Debt Fund	Total Nonmajor Funds	Total Governmental Funds
	General Fund	Building and Site Bonds					
EXPENDITURES (continued)							
Debt service							
Principal repayment	\$ -	\$ -	\$ -	\$ 9,745,000	\$ 7,630,000	\$ 1,605,000	\$ 18,980,000
Interest	-	-	-	161,283	38,913	3,767,977	3,968,173
Bond issuance costs	-	7,026	-	-	127,465	-	134,491
Other	-	-	-	1,318	-	4,874	6,192
TOTAL EXPENDITURES	30,940,207	4,301,826	-	9,907,601	7,796,378	6,683,193	59,629,205
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,582,711	(4,293,116)	921	(7,182,989)	(7,793,755)	(153,697)	(17,839,925)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of refunding bonds	-	-	-	-	7,170,000	-	7,170,000
Premium on bonds issued	-	-	-	-	626,378	-	626,378
Proceeds from school loan revolving fund	-	-	-	7,182,000	-	448,000	7,630,000
Proceeds from the sale of capital assets	9,355	-	-	-	-	-	9,355
Transfers in	48,000	-	925,000	-	-	-	973,000
Transfers out	(925,000)	-	-	-	-	(48,000)	(973,000)
TOTAL OTHER FINANCING SOURCES (USES)	(867,645)	-	925,000	7,182,000	7,796,378	400,000	15,435,733
NET CHANGE IN FUND BALANCES	715,066	(4,293,116)	925,921	(989)	2,623	246,303	(2,404,192)
FUND BALANCES							
Beginning of year	2,825,462	5,435,603	1,027,659	989	-	539,606	9,829,319
End of year	\$ 3,540,528	\$ 1,142,487	\$ 1,953,580	\$ -	\$ 2,623	\$ 785,909	\$ 7,425,127

See notes to financial statements.



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

**Net Change in Fund Balances Total Governmental Funds** \$ (2,404,192)

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

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	(2,763,502)
Capital outlay	4,173,467

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued interest payable, beginning of the year	419,953
Accrued interest payable, end of the year	(673,006)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items are as follows:

Proceeds from issuance of refunding bonds	(7,170,000)
Premium on issuance of refunding bonds	(626,378)
Payments on general obligation bonds	11,350,000
Payment to school loan revolving fund	7,630,000
Proceeds from school loan revolving fund	(7,630,000)
Long-term accrued interest on school loan revolving fund	(38,912)
Interest payments on school loan revolving fund	38,913
Amortization of deferred loss on refunding	(122,978)
Amortization of bond premium	583,066

Compensated absences and termination benefits are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Accrued compensated absences and termination benefits, beginning of the year	406,958
Accrued compensated absences and termination benefits, end of the year	(387,854)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension related items	(4,079,228)
OPEB related items	1,266,026

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:

State aid funding for pension, beginning of year	1,787,769
State aid funding for pension, end of year	(2,179,441)

<b>Change in Net Position of Governmental Activities</b>	<b>\$ (419,339)</b>
--	---------------------

**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Reporting Entity

Allendale Public Schools (the “District”) is governed by the Allendale Public Schools Board of Education (the “Board”), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District’s reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds.

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

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District’s funds. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *major governmental funds*:

The *general fund* is the District’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *2020 building and site fund* accounts for revenues and expenditures that have been restricted for school building and site purposes throughout the District.

The *capital projects fund* accounts for revenues and expenditures that have been assigned for capital projects and curriculum expenditures throughout the District.

The *2017 refunding debt fund* accounts for resources accumulated and payments made for principal and interest of the School District’s outstanding School Loan Revolving Fund.

The *2021 refunding debt fund* accounts for resources accumulated and payments made for principal and interest of the School District’s outstanding School Loan Revolving Fund.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation - Fund Financial Statements (continued)

The capital projects funds include capital project activities funded by bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of section 1351a of the Revised School Code.

The following is a summary of the cumulative revenue and expenditures for the 2020 school bonds' activity:

	<u>2020 Bonds</u>
Revenue	<u>\$ 7,841,512</u>
Expenditures	<u>\$ 6,699,025</u>

The above revenue figures include original 2020 school bond proceeds of \$7,773,792.

*Other Nonmajor Funds*

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service and student/school activities in the special revenue funds.

The *debt service funds* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**ALLEDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus and Basis of Accounting (continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are 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 generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, state, and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the current year ended, the foundation allowance was based on pupil membership counts taken.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as intergovernmental receivables.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Budgetary Information

*Budgetary Basis of Accounting*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

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

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
- d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
- e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2021. The District does not consider these amendments to be significant.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

*Cash and Cash Equivalents*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Investments*

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

*Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Capital Assets*

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Land and construction in progress, if any, are not depreciated. The other property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Transportation equipment	5 - 10 years
Furniture and equipment	3 - 10 years

*Defined Benefit Plans*

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

*Deferred Outflows*

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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, and pension and other postemployment benefits related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Deferred Inflows*

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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary.

*Net Position Flow Assumption*

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

In the computation of net invested in capital assets, school loan revolving fund principal proceeds of \$1,000 are considered capital-related debt. Accrued interest on the school loan revolving fund of \$1 is not considered capital related debt.

During the year ended June 30, 2020, the District issued bonded debt in the amount of \$40,570,000 used to make principal and interest payments related to the School Loan Revolving Fund. As of June 30, 2021 the outstanding balance was \$40,570,000. Of this amount, 4.5% of these proceeds are not considered capital related debt as this amount was used to pay off accrued interest. The remaining 95.5% allocation of this debt, \$38,744,350 is considered capital related debt at June 30, 2021.

During the year ended June 30, 2021, the District issued bonded debt in the amount of \$7,170,000 used to make principal and interest payments related to the School Loan Revolving Fund. As of June 30, 2021 the outstanding balance was \$7,170,000. Of this amount, 0.5% of these proceeds are not considered capital related debt as this amount was used to pay off accrued interest. The remaining 99.5% allocation of this debt, \$7,133,433 is considered capital related debt at June 30, 2021.

*Fund Balance Flow Assumptions*

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



**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

Revenues and Expenditures/Expenses

*Program Revenues*

Amounts reported as *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 or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

*Property Taxes*

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due date is September 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

**ALLEDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Property Taxes (continued)*

For the year ended June 30, 2021, the District levied the following amounts per \$1,000 of assessed valuation:

<u>Fund</u>	<u>Mills</u>
General fund	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property	6.0000
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	12.0000

*Compensated Absences*

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignation or retirement. The liability for compensated absences includes salary and related benefits, where applicable.

*Long-term Obligations*

In the government-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 using the straight line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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

**NOTE 2 - DEPOSITS AND INVESTMENTS**

As of June 30, 2021 the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2021, \$4,559,779 of the District's bank balance of \$5,448,274 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$5,204,710.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries,, and advisors with which the District will do business.

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 mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
MILAF External Investment pool - MAX	\$ 361,404	N/A
Michigan Class Investment Pool	<u>2,427,621</u>	0.1507
Total fair value	<u><u>\$ 2,789,026</u></u>	
Portfolio weighted average maturity		<u><u>0.1507</u></u>

One day maturity equals 0.0027, one year equals 1.00

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Concentration of Credit Risk

The District will minimize 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. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Agency</u>
MILAF External Investment pool - MAX	\$ 361,404	AAAm	Standard & Poor's
Michigan Class Investment Pool	<u>2,427,621</u>	AAAm	Standard & Poor's
	<u><u>\$ 2,789,026</u></u>		

Foreign Currency Risk.

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

Fair Value Measurement

The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

Fair Value Measurement (continued)

	<u>Amortized Cost</u>
MILAF External Investment pool - MAX	<u>\$ 361,404</u>

Investments in Entities that Calculate Net Asset Value Per Share

The District holds shares or interests in the Michigan CLASS investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At the year ended June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Michigan Class Investment Pool	<u>\$ 2,427,621</u>	<u>\$ -</u>	No restrictions	None

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The carrying amount of deposits and investments are as follows:

Deposits	\$ 5,204,710
Investments	<u>2,789,026</u>
	<u>\$ 7,993,736</u>

The above amounts are reported in the financial statements as follows:

Cash and cash equivalents	\$ 4,813,020
Cash and cash equivalents - restricted	1,452,136
Investments	<u>1,728,580</u>
	<u>\$ 7,993,736</u>

**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in the District's capital assets follows:

	Balance July 1, 2020	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2021
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 2,959,441	\$ -	\$ -	\$ 2,959,441
Construction in progress	4,176,473	285,511	4,176,473	285,511
Total capital assets not being depreciated	7,135,914	285,511	4,176,473	3,244,952
Capital assets, being depreciated				
Land improvements	5,218,644	40,689	-	5,259,333
Buildings and improvements	97,674,261	7,149,405	-	104,823,666
Furniture and equipment	7,633,949	92,217	142,770	7,583,396
Transportation equipment	2,553,357	782,118	290,401	3,045,074
Total capital assets, being depreciated	113,080,211	8,064,429	433,171	120,711,469
Accumulated depreciation				
Land improvements	3,977,024	143,695	-	4,120,719
Buildings and improvements	24,289,008	2,139,832	-	26,428,840
Furniture and equipment	6,708,735	230,456	142,770	6,796,421
Transportation equipment	1,827,294	249,519	290,401	1,786,412
Total accumulated depreciation	36,802,061	2,763,502	433,171	39,132,392
Net capital assets being depreciated	76,278,150	5,300,927	-	81,579,077
Net governmental capital assets	\$ 83,414,064	\$ 5,586,438	\$ 4,176,473	\$ 84,824,029

Depreciation expense for the fiscal year ended June 30, 2021 amounted to \$2,763,502 and was unallocated.

**NOTE 4 - INTERGOVERNMENTAL RECEIVABLES**

Receivables at June 30, 2021 consist of the following:

	Governmental Funds
Other governmental units	
State aid	\$ 4,375,331
Federal revenue	174,140
ISD and other	10,664
	\$ 4,560,135

Amounts reported in intergovernmental receivables include amounts due from federal, state and local sources for various projects and programs. No allowance for doubtful accounts is considered necessary.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM OBLIGATIONS**

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

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

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Accrued Compensated Absences and Termination Benefits	Total
Balance, July 1, 2020	\$ 128,111,520	\$ 1,002	\$ 406,958	\$ 128,519,480
Additions	7,796,378	7,630,000	6,062	15,432,440
Deletions	<u>(11,933,065)</u>	<u>(7,630,002)</u>	<u>(25,166)</u>	<u>(19,588,233)</u>
Balance, June 30, 2021	123,974,833	1,000	387,854	124,363,687
Due in one year	<u>14,010,000</u>	<u>-</u>	<u>16,019</u>	<u>14,026,019</u>
Due in more than year	<u>\$ 109,964,833</u>	<u>\$ 1,000</u>	<u>\$ 371,835</u>	<u>\$ 110,337,668</u>

Borrowing from the State of Michigan - The school loan revolving fund payable represents notes payable to the State of Michigan for loans made to the school district, as authorized by the State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the school district issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board. Interest rates of 3.00% for the School Loan Revolving Fund notes have been assessed for the year ended June 30, 2021. Repayment is required when the millage rate necessary to cover the annual bonded debt services falls below 12.00 mills. The school district is required to levy 12.00 mills and repay to the state any excess of the amount levied over the bonded debt service requirements. The District currently levies 12.00 debt mills. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the school district, no provision for repayment has been included in the following amortization schedule. The State may apply a default late charge on the note if the District does not make the repayments, or apply the default late charge if the District fails to levy the appropriate debt mills. The state may also withhold state aid payments if the District is in default.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

Long-term obligations at June 30, 2021 are comprised of the following issues:

General Obligation Bonds

2015 Series A refunding bonds due in annual installments of \$995,000 to \$1,540,000 through May 1, 2025 with interest from 3.00% to 4.00%.	\$ 5,300,000
---	--------------

2016 Refunding bonds due in annual and semiannual installments ranging from \$100,000 to \$10,300,000 through May 1, 2037 with interest from 4.00% to 5.00%.	36,760,000
--	------------

2017 Bonds due in semiannual installments ranging from \$210,000 to \$575,000 through May 1, 2047 with interest from 3.00% to 4.00%.	18,665,000
--	------------

2020 Bonds due in annual and semiannual installments ranging from \$100,000 to \$680,000 through May 1, 2047 with interest from 2.00% to 5.00%.	7,320,000
---	-----------

2020 Refunding bonds due in semiannual installments ranging from \$875,000 to \$4,800,000 beginning on November 1, 2023 through May 1, 2033 with interest from 1.65% to 4.00%.	40,570,000
--	------------

2021 Refunding bonds due in annual installments ranging from \$570,000 to \$990,000 beginning on May 1, 2024 through May 1, 2032 with interest from 1.80% to 4.00%.	7,170,000
---	-----------

Plus premium on bond refunding	<u>8,189,833</u>
--------------------------------	------------------

Total general obligation bonds	123,974,833
--------------------------------	-------------



**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

Notes from Direct Borrowings and Direct Placements

Borrowing from the State of Michigan under the School Loan Revolving Fund, including interest at 3.00% at June 30, 2021.	\$ 1,000
Total general obligation bonds and notes from direct borrowings and direct placements	123,975,833
Accumulated compensated absences and termination benefits	387,854
Total long-term debt obligations	<u>\$ 124,363,687</u>

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account, assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2021, \$52,230,000 bonds outstanding are considered defeased.

The annual requirements to amortize debt outstanding as of June 30, 2021:

Year Ending June 30,	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Compensated Absences and Termination Benefits	Total
	Principal	Interest	Principal	Interest		
2022	\$ 14,010,000	\$ 4,022,047	\$ -	\$ -	\$ -	\$ 18,032,047
2023	15,070,000	3,397,257	-	-	-	18,467,257
2024	6,250,000	2,677,557	-	-	-	8,927,557
2025	6,480,000	2,420,732	-	-	-	8,900,732
2026	6,725,000	2,145,032	-	-	-	8,870,032
2027 - 2031	36,820,000	6,835,315	-	-	-	43,655,315
2032 - 2036	17,205,000	2,782,991	-	-	-	19,987,991
2037 - 2041	5,530,000	1,701,647	-	-	-	7,231,647
2042 - 2046	6,310,000	776,234	-	-	-	7,086,234
2046 - 2047	1,385,000	28,025	-	-	-	1,413,025
	115,785,000	26,786,837	-	-	-	142,571,837
Premium on bonds	8,189,833	-	-	-	-	8,189,833
School loan revolving fund	-	-	1,000	1	-	1,001
Accumulated compensated absences and termination benefits	-	-	-	-	387,854	387,854
	<u>\$ 123,974,833</u>	<u>\$ 26,786,837</u>	<u>\$ 1,000</u>	<u>\$ 1</u>	<u>\$ 387,854</u>	<u>\$ 151,150,525</u>

Interest expense (all funds) for the year ended June 30, 2021 was approximately \$4,000,000.

On June 24, 2021, the District issued general obligation bonds of \$7,170,000 with an interest rate ranging from 1.80% to 4.00% to refund a portion of the District's outstanding school loan revolving fund payable. The bond matures on various dates through May 1, 2032. The general obligation bond was issued at a premium of \$626,378. After paying issuance costs of \$127,465 from the 2021 refunding debt fund, the net proceeds were \$7,668,913. The net proceeds from the issuance of the general obligation bonds were used to pay down the school loan revolving fund debt.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund payable and receivable balances at June 30, 2021 are as follows:

Receivable Fund		Payable Fund	
General fund	\$ 8,000	General fund	\$ 245,628
Food service fund	18,184	Food service fund	8,000
2020 building and site bonds capital projects fund	14	Student activities fund	193
2015 (A) debt service refunding debt fund	17,975	2016 debt service refunding debt fund	17,046
2020 debt service refunding debt fund	225,000	2017 debt service fund	929
2021 debt service refunding debt fund	2,623		
	<u>\$ 271,796</u>		<u>\$ 271,796</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (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. MPERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

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 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 & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

Benefits Provided - Overall

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

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

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Benefits Provided - Pension

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 and years of service. 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.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPERS) who became a member of MPERS 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 investment 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.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

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

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Pension Reform 2012 (continued)

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 the 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 their 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 and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

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 cost 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 will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Benefits Provided - Other Postemployment Benefit (OPEB)

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 health care 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.

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 will be deposited into their 401(k) accounts.

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60<sup>th</sup> birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - 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.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the Defined Contribution plan are not required to make additional contributions.

Employer Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. 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 normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2020 were determined as of the September 30, 2017 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2017 are amortized over a 19-year period beginning October 1, 2019 and ending September 30, 2038.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

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

The District's pension contributions for the year ended June 30, 2021 were equal to the required contribution total. Total pension contributions were approximately \$4,966,000. Of the total pension contributions approximately \$4,833,000 was contributed to fund the Defined Benefit Plan and approximately \$133,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2021 were equal to the required contribution total. Total OPEB contributions were approximately \$1,357,000. Of the total OPEB contributions approximately \$1,260,000 was contributed to fund the Defined Benefit Plan and approximately \$97,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

*Pension Liabilities*

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 date of September 30, 2019 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPERS (Plan) Non-University Employers</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Total pension liability	\$ 85,290,583,799	\$ 83,442,507,212
Plan fiduciary net position	\$ 50,939,496,006	\$ 50,325,869,388
Net pension liability	\$ 34,351,087,793	\$ 33,116,637,824
Proportionate share	0.16412%	0.15713%
Net pension liability for the District	\$ 56,377,404	\$ 52,035,342

For the year ended June 30, 2021, the District recognized pension expense of \$8,911,877.

At June 30, 2021, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 6,247,160	\$ -
Net difference between projected and actual plan investments earnings	236,873	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,195,017	287,363
Differences between expected and actual experience	861,400	120,329
Reporting Unit's contributions subsequent to the measurement date	<u>4,541,017</u>	<u>-</u>
	<u>\$ 14,081,467</u>	<u>\$ 407,692</u>

\$4,541,017, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

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

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2021	\$ 3,866,788
2022	2,909,302
2023	1,766,453
2024	590,215

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

*OPEB Liabilities*

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 date of September 30, 2019 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPERS (Plan) Non-University Employers</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
Total OPEB liability	\$ 13,206,903,534	\$ 13,925,860,688
Plan fiduciary net position	\$ 7,849,636,555	\$ 6,748,112,668
Net OPEB liability	\$ 5,357,266,979	\$ 7,177,748,020
Proportionate share	0.16688%	0.16215%
Net OPEB liability for the District	\$ 8,940,275	\$ 11,638,846



**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

*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 benefit of \$6,071.

At June 30, 2021, the Reporting Unit 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
Changes of assumptions	\$ 2,947,786	\$ -
Net difference between projected and actual plan investments earnings	74,617	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	943,254	183,496
Differences between expected and actual experience	-	6,661,340
Reporting Unit's contributions subsequent to the measurement date	1,132,138	-
	<u>\$ 5,097,795</u>	<u>\$ 6,844,836</u>

\$1,132,138, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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 September 30,	Amount
2021	\$ (822,947)
2022	(719,463)
2023	(536,406)
2024	(401,493)
2025	(398,780)

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions

**Investment Rate of Return for Pension** - 6.80% a year, compounded annually net of investment and administrative expenses for the MIP, Basic and Pension Plus groups and 6.00% a year, compounded annually net of investment and administrative expenses for Pension Plus 2 Plan.

**Investment Rate of Return for OPEB** - 6.95% a year, compounded annually net of investment and administrative expenses.

**Salary Increases** - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

**Inflation** - 3.0%.

**Mortality Assumptions:**

*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:* 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.

**Experience Study** - The annual actuarial valuation report of the System used for these statements is dated September 30, 2019. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 Comprehensive Annual Financial Report.

**The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments** - The pension rate was 6.80% (MIP, Basic, and Pension Plus Plan) and 6.00% for Pension Plus 2 Plan, and the other postemployment benefit rate was 6.95%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and 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.

**Cost of Living Pension Adjustments** - 3.0% annual non-compounded for MIP members.

**Healthcare Cost Trend Rate for Other Postemployment Benefit** - 7.0% for year one and graded to 3.5% in year fifteen.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions (continued)

**Additional Assumptions for Other Postemployment Benefit Only** - Applies to Individuals Hired Before September 4, 2012:

Opt Out Assumption - 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 coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2020 and best estimates of arithmetic real rates of return for each major asset class 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%
International Equity Pools	15.0%	7.4%
Private Equity Pools	16.0%	9.3%
Real Estate and Infrastructure Pools	10.0%	4.9%
Fixed Income Pools	10.5%	0.5%
Absolute Return Pools	9.0%	3.2%
Real Return/Opportunistic Pools	12.5%	6.6%
Short-Term Investment Pools	2.0%	-0.1%
	<u>100.0%</u>	

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

**Rate of Return** - For fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 5.14% and 5.37% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions (continued)

**Pension Discount Rate** - A single discount rate of 6.80% was used to measure the total pension liability (6.00% for the Pension Plus 2 Plan). This discount rate was based on the expected rate of return on pension plan investments of 6.80% (6.00% for the Pension Plus 2 Plan). The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those 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.

**OPEB Discount Rate** - A single 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 school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.80% (6.00% for the Pension Plus 2 Plan), as well as what the Reporting Unit'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 than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	\$ 72,970,986	\$ 56,377,404	\$ 42,625,023

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using a single discount rate of 6.95%, as well as what the Reporting Unit'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 than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Discount rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability	\$ 11,484,799	\$ 8,940,275	\$ 6,797,999

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions (continued)

**Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate of 7.0% (decreasing to 3.5%), as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Trend Decrease	Current Healthcare Cost Trend Rates	1% Trend Increase
Reporting Unit's proportionate share of the net other postemployment benefit liability	<u>\$ 6,715,975</u>	<u>\$ 8,940,275</u>	<u>\$ 11,470,141</u>

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2020 Comprehensive Annual Financial Report.

**Payable to the Pension and OPEB Plan** - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District purchases commercial insurance to cover any losses that may result from the above-described activities. No settlements have occurred in excess of coverage for the year ended June 30, 2021.

The District also participates in a pool, the SET-SEG Self-Insured Workers' Compensation Fund, with other school districts for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. The District has no liability for additional assessments based on claims filed against the pool nor do they have any rights to dividends.

**NOTE 9 - TRANSFERS**

The food service fund transferred \$48,000 to the general fund. The funds were transferred to cover the indirect costs related to the food service fund. The general fund transferred \$925,000 to the capital projects fund. The funds were transferred for capital projects and curriculum expenditures.

**ALLENDALE PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**NOTE 11 - TAX ABATEMENTS**

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. The property taxes abated for all funds by municipality under these programs are as follows:

<u>Municipality</u>	<u>Taxes Abated</u>
Allendale Charter Township	<u>\$ 53,048</u>

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's Section 22 funding of the State School Aid Act.

There are no abatements made by the District.

**NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2021-2022 fiscal year.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ALLENDALE PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local sources	\$ 4,854,000	\$ 4,560,868	\$ 4,612,148	\$ 51,280
State sources	20,202,900	22,540,742	22,588,418	47,676
Federal sources	874,800	2,326,866	1,996,612	(330,254)
Interdistrict sources and other	2,985,900	3,217,401	3,325,740	108,339
<b>TOTAL REVENUES</b>	<b>28,917,600</b>	<b>32,645,877</b>	<b>32,522,918</b>	<b>(122,959)</b>
<b>EXPENDITURES</b>				
Current				
Instruction				
Basic programs	14,594,900	16,175,663	15,931,346	244,317
Added needs	2,696,200	2,673,508	2,595,667	77,841
<b>Total instruction</b>	<b>17,291,100</b>	<b>18,849,171</b>	<b>18,527,013</b>	<b>322,158</b>
Supporting services				
Pupil	2,148,300	2,217,045	2,262,373	(45,328)
Instructional staff	910,200	638,215	621,630	16,585
General administration	728,200	747,383	744,881	2,502
School administration	1,986,300	1,953,652	1,941,314	12,338
Business	379,700	373,227	342,004	31,223
Operation/maintenance	2,916,000	3,204,763	3,344,476	(139,713)
Pupil transportation	1,607,400	1,683,846	1,701,092	(17,246)
Central	501,200	448,934	446,017	2,917
Athletics	645,400	580,649	559,144	21,505
<b>Total supporting services</b>	<b>11,822,700</b>	<b>11,847,714</b>	<b>11,962,931</b>	<b>(115,217)</b>
Community services	545,100	452,755	450,263	2,492
<b>TOTAL EXPENDITURES</b>	<b>29,658,900</b>	<b>31,149,640</b>	<b>30,940,207</b>	<b>209,433</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(741,300)</b>	<b>1,496,237</b>	<b>1,582,711</b>	<b>86,474</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	9,355	9,355	-
Transfers in	-	20,000	48,000	28,000
Transfers out	(5,800)	(825,000)	(925,000)	(100,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,800)</b>	<b>(795,645)</b>	<b>(867,645)</b>	<b>(72,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (747,100)</b>	<b>\$ 700,592</b>	<b>715,066</b>	<b>\$ 14,474</b>
<b>FUND BALANCE</b>				
Beginning of year			2,825,462	
End of year			<u>\$ 3,540,528</u>	



**ALLENDALE PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN  
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.16412%	0.15713%	0.15243%	0.15425%	0.15307%	0.14807%	0.14331%
Reporting Unit's proportionate share of net pension liability	\$ 56,377,404	\$ 52,035,342	\$ 45,824,205	\$ 39,972,681	\$ 38,189,278	\$ 36,166,670	\$ 31,565,164
Reporting Unit's covered-employee payroll	\$ 14,855,182	\$ 14,191,498	\$ 12,928,533	\$ 12,914,495	\$ 13,171,498	\$ 12,436,932	\$ 12,058,395
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	379.51%	366.67%	352.81%	309.52%	289.94%	290.80%	261.77%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**ALLENDALE PUBLIC SCHOOLS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS**  
**MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN**  
**LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 4,832,649	\$ 4,456,897	\$ 4,090,647	\$ 4,028,037	\$ 3,619,689	\$ 3,290,936	\$ 2,633,774
Contributions in relation to statutorily required contributions	<u>4,832,649</u>	<u>4,456,897</u>	<u>4,090,647</u>	<u>4,028,037</u>	<u>3,619,689</u>	<u>3,290,936</u>	<u>2,633,774</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 14,565,238	\$ 14,953,018	\$ 13,851,589	\$ 12,834,521	\$ 12,937,427	\$ 12,578,027	\$ 12,228,987
Contributions as a percentage of covered-employee payroll	33.18%	29.81%	29.53%	31.38%	27.98%	26.16%	21.54%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**ALLENDALE PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN  
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (%)	0.16688%	0.162115%	0.15183%	0.15473%
Reporting unit's proportionate share of net OPEB liability	\$ 8,940,275	\$ 11,638,846	\$ 12,069,060	\$ 13,702,435
Reporting unit's covered-employee payroll	\$ 14,855,182	\$ 14,191,498	\$ 12,928,533	\$ 12,914,495
Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	60.18%	82.01%	93.35%	106.10%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**ALLENDALE PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS  
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN  
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	2021	2020	2019	2018
Statutorily required contributions	\$ 1,259,954	\$ 1,260,884	\$ 1,151,545	\$ 1,133,496
Contributions in relation to statutorily required contributions	<u>1,259,954</u>	<u>1,260,884</u>	<u>1,151,545</u>	<u>1,133,496</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 14,565,238	\$ 14,953,018	\$ 13,851,589	\$ 12,834,521
Contributions as a percentage of covered-employee payroll	8.65%	8.43%	8.31%	8.83%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**

**NOTE1 - PENSION INFORMATION**

Benefit Changes - there were no changes of benefit terms in 2020.

Changes of Assumptions - there were no changes of assumptions in 2020.

**NOTE 2 - OPEB INFORMATION**

Benefit Changes - there were no changes of benefit terms in 2020.

Changes of Assumptions - the assumption changes for 2020 were:

Healthcare cost trend rate decreased to 7.00% Year 1 graded to 3.50% Year 15 from 7.50% Year 1 graded to 3.50% Year 12.

## **ADDITIONAL SUPPLEMENTARY INFORMATION**

**ALLENDALE PUBLIC SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUND TYPES  
JUNE 30, 2021**

	Special Revenue			
	Food Service	Student/ School Activities	Debt Service	Total Nonmajor Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 291,299	\$ 290,018	\$ 197,307	\$ 778,624
Intergovernmental receivable	48,290	-	-	48,290
Due from other funds	18,184	-	17,975	36,159
Inventories	10,714	-	-	10,714
<b>TOTAL ASSETS</b>	<b>\$ 368,487</b>	<b>\$ 290,018</b>	<b>\$ 215,282</b>	<b>\$ 873,787</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 938	\$ 17,907	\$ -	\$ 18,845
Accrued salaries and related payable	5,039	-	-	5,039
Accrued retirement	9,311	-	-	9,311
Due to other funds	8,000	193	17,975	26,168
Unearned revenue	28,515	-	-	28,515
<b>TOTAL LIABILITIES</b>	<b>51,803</b>	<b>18,100</b>	<b>17,975</b>	<b>87,878</b>
<b>FUND BALANCES</b>				
Nonspendable				
Inventories	10,714	-	-	10,714
Restricted for:				
Debt service	-	-	197,307	197,307
Food service	305,970	-	-	305,970
Committed for student/school activities	-	271,918	-	271,918
<b>TOTAL FUND BALANCES</b>	<b>316,684</b>	<b>271,918</b>	<b>197,307</b>	<b>785,909</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 368,487</b>	<b>\$ 290,018</b>	<b>\$ 215,282</b>	<b>\$ 873,787</b>

**ALLEDALE PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUND TYPES**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue			
	Food Service	Student/ School Activities	Debt Service	Total Nonmajor Funds
<b>REVENUES</b>				
Local sources				
Property taxes	\$ -	\$ -	\$ 4,986,621	\$ 4,986,621
Investment earnings	19	-	3,354	3,373
Food sales	50,353	-	-	50,353
Student/school activities	-	290,822	-	290,822
Total local sources	50,372	290,822	4,989,975	5,331,169
State sources	82,165		75,479	157,644
Federal sources	1,040,683		-	1,040,683
<b>TOTAL REVENUES</b>	<b>1,173,220</b>	<b>290,822</b>	<b>5,065,454</b>	<b>6,529,496</b>
<b>EXPENDITURES</b>				
Current				
Student/school activities	-	298,126	-	298,126
Salaries	341,468	-	-	341,468
Benefits	178,951	-	-	178,951
Purchased services	18,315	-	-	18,315
Supplies and materials	404,541	-	-	404,541
Capital outlay	54,504	-	-	54,504
Outgoing transfers and other transactions	9,437	-	-	9,437
Debt service				
Principal repayment	-	-	1,605,000	1,605,000
Interest expense	-	-	3,767,977	3,767,977
Other expense	-	-	4,874	4,874
<b>TOTAL EXPENDITURES</b>	<b>1,007,216</b>	<b>298,126</b>	<b>5,377,851</b>	<b>6,683,193</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>166,004</b>	<b>(7,304)</b>	<b>(312,397)</b>	<b>(153,697)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from school loan revolving fund	-	-	448,000	448,000
Transfers out	(48,000)	-	-	(48,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(48,000)</b>	<b>-</b>	<b>448,000</b>	<b>400,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>118,004</b>	<b>(7,304)</b>	<b>135,603</b>	<b>246,303</b>
<b>FUND BALANCES:</b>				
Beginning of year	198,680	279,222	61,704	539,606
End of year	\$ 316,684	\$ 271,918	\$ 197,307	\$ 785,909



**ALLENDALE PUBLIC SCHOOLS  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021**

	2015 (A) Refunding	2016 Refunding	2017	2020 Refunding	2020	Total Nonmajor
<b>ASSETS</b>						
Cash and cash equivalents	\$ 22,991	\$ 21,724	\$ 114,174	\$ 2,497	\$ 35,921	\$ 197,307
Due from other funds	17,975	-	-	-	-	17,975
<b>TOTAL ASSETS</b>	<u>\$ 40,966</u>	<u>\$ 21,724</u>	<u>\$ 114,174</u>	<u>\$ 2,497</u>	<u>\$ 35,921</u>	<u>\$ 215,282</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ 17,046	\$ 929	\$ -	\$ -	\$ 17,975
<b>FUND BALANCES</b>						
Restricted for debt service	40,966	4,678	113,245	2,497	35,921	197,307
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 40,966</u>	<u>\$ 21,724</u>	<u>\$ 114,174</u>	<u>\$ 2,497</u>	<u>\$ 35,921</u>	<u>\$ 215,282</u>

**ALLENDALE PUBLIC SCHOOLS  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021**

	2015 (A) Refunding	2016 Refunding	2017	2020 Refunding	2020	Total Nonmajor
<b>REVENUES</b>						
Local sources						
Property taxes	\$ 1,036,667	\$ 1,338,253	\$ 1,478,450	\$ 802,189	\$ 331,062	\$ 4,986,621
Interest	468	614	675	1,131	466	3,354
Total local revenues	1,037,135	1,338,867	1,479,125	803,320	331,528	4,989,975
State sources	24,351	31,962	-	19,166	-	75,479
<b>TOTAL REVENUES</b>	1,061,486	1,370,829	1,479,125	822,486	331,528	5,065,454
<b>EXPENDITURES</b>						
Principal repayments	810,000	-	710,000	-	85,000	1,605,000
Interest expense	214,200	1,743,700	659,569	940,064	210,444	3,767,977
Other	1,000	1,159	2,157	395	163	4,874
<b>TOTAL EXPENDITURES</b>	1,025,200	1,744,859	1,371,726	940,459	295,607	5,377,851
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	36,286	(374,030)	107,399	(117,973)	35,921	(312,397)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from school loan revolving fund	0	330,000	-	118,000	-	448,000
<b>NET CHANGE IN FUND BALANCES</b>	36,286	(44,030)	107,399	27	35,921	135,603
<b>FUND BALANCES</b>						
Beginning of year	4,680	48,708	5,846	2,470	-	61,704
End of year	\$ 40,966	\$ 4,678	\$ 113,245	\$ 2,497	\$ 35,921	\$ 197,307

**ALLENDALE PUBLIC SCHOOLS  
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS  
JUNE 30, 2021**

2015 Series A Refunding Bonds

Fiscal Year	Interest Rate	May 1 November 1,	Interest Due		Annually annually
			May 1,	November 1,	
2022	3.00%	\$ 995,000	\$ 86,100	\$ 101,025	\$ 1,182,125
2023	4.00%	1,280,000	60,500	86,100	1,426,600
2024	4.00%	1,540,000	29,700	60,500	1,630,200
2025	4.00%	1,485,000	-	29,700	1,514,700
Total 2015 Series A bonded debt		<u>\$ 5,300,000</u>	<u>\$ 176,300</u>	<u>\$ 277,325</u>	<u>\$ 5,753,625</u>

The above bonds dated August 13, 2015 were issued for the purpose of refunding portions of the School District's outstanding 2005 School building and site bonds.

**ALLENDALE PUBLIC SCHOOLS**  
**BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS**  
**JUNE 30, 2021**

2016 Refunding Bonds

Fiscal Year	Interest Rate		Principal Due		Interest Due		Total Due Annually
	May 1,	November 1,	May 1,	November 1,	May 1,	November 1,	
2022	5.000%	2.000%	\$ 9,800,000	\$ 2,360,000	\$ 848,250	\$ 871,850	\$ 13,880,100
2023	5.000%	5.000%	10,300,000	2,550,000	539,500	603,250	13,992,750
2024		4.000%	-	600,000	270,000	282,000	1,152,000
2025		4.000%	-	400,000	262,000	270,000	932,000
2026		5.000%	-	2,200,000	207,000	262,000	2,669,000
2027		5.000%	-	2,300,000	149,500	207,000	2,656,500
2028		5.000%	-	2,400,000	89,500	149,500	2,639,000
2029		5.000%	-	2,500,000	27,000	89,500	2,616,500
2030		4.000%	-	650,000	14,000	27,000	691,000
2031		4.000%	-	100,000	12,000	14,000	126,000
2032		4.000%	-	100,000	10,000	12,000	122,000
2033		4.000%	-	100,000	8,000	10,000	118,000
2034		4.000%	-	100,000	6,000	8,000	114,000
2035		4.000%	-	100,000	4,000	6,000	110,000
2036		4.000%	-	100,000	2,000	4,000	106,000
2037	4.000%		100,000	-	2,000	2,000	104,000
Total 2016 bonded debt			\$ 20,200,000	\$ 16,560,000	\$ 2,450,750	\$ 2,818,100	\$ 42,028,850

The above bonds dated February 3, 2016 were issued for the purpose of refunding portions of the School District's outstanding 2006 Refunding bonds and portions of the School District's outstanding 2007 Series A school building and site bonds.

**ALLENDALE PUBLIC SCHOOLS**  
**BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS**  
**JUNE 30, 2021**

2017 Building and site bonds

Fiscal Year	Interest Rate		Principal Due		Interest Due		Total Due Annually
	May 1,	November 1,	May 1,	November 1,	May 1,	November 1,	
2022	4.000%	4.000%	\$ 345,000	\$ 395,000	\$ 311,635	\$ 319,534	\$ 1,371,169
2023	4.000%	4.000%	250,000	320,000	298,335	304,734	1,173,069
2024	4.000%	4.000%	210,000	320,000	286,935	293,334	1,110,269
2025	4.000%	4.000%	220,000	320,000	276,335	282,734	1,099,069
2026	4.000%	4.000%	235,000	320,000	265,535	271,934	1,092,469
2027	4.000%	4.000%	255,000	320,000	254,435	260,834	1,090,269
2028	4.000%	4.000%	275,000	320,000	242,934	249,334	1,087,268
2029	3.000%	3.000%	295,000	320,000	231,034	237,434	1,083,468
2030	3.000%	3.000%	300,000	335,000	221,584	226,609	1,083,193
2031	3.000%	3.000%	320,000	335,000	212,059	217,084	1,084,143
2032	3.000%	3.000%	335,000	340,000	202,159	207,259	1,084,418
2033	3.000%	3.000%	340,000	355,000	191,809	197,134	1,083,943
2034	3.000%	3.000%	360,000	355,000	181,384	186,709	1,083,093
2035	3.125%	3.125%	385,000	355,000	170,659	175,984	1,086,643
2036	3.125%	3.125%	410,000	355,000	159,097	164,644	1,088,741
2037	3.250%	3.250%	435,000	355,000	147,144	152,691	1,089,835
2038	3.250%	3.250%	455,000	355,000	134,306	140,075	1,084,381
2039	3.250%	3.250%	485,000	355,000	121,144	126,913	1,088,057
2040	3.250%	3.250%	515,000	355,000	107,494	113,263	1,090,757
2041	3.375%	3.375%	545,000	355,000	93,356	99,125	1,092,481
2042	3.375%	3.375%	575,000	355,000	78,169	84,159	1,092,328
2043	3.500%	3.500%	505,000	355,000	62,475	68,466	990,941
2044	3.500%	3.500%	535,000	355,000	47,425	53,638	991,063
2045	3.500%	3.500%	550,000	355,000	31,850	38,063	974,913
2046	3.500%	3.500%	310,000	355,000	16,013	22,225	703,238
2047	3.500%	3.500%	305,000	300,000	5,338	10,588	620,926
Total 2017 bonded debt			\$ 9,750,000	\$ 8,915,000	\$ 4,350,643	\$ 4,504,501	\$ 27,520,144

The above bonds dated June 29, 2017 were issued for school building and site purposes.

**ALLENDALE PUBLIC SCHOOLS**  
**BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS**  
**JUNE 30, 2021**

2020 Building and Site Bonds

Fiscal Year	Interest Rate		Principal Due		Interest Due		Total Due Annually
	May 1,	November 1,	May 1,	November 1,	May 1,	November 1,	
2022		5.000%	\$	\$	115,128	\$ 118,003	\$ 463,259
2023		5.000%	-	370,000	105,878	115,128	696,884
2024		5.000%	-	180,000	101,378	105,878	488,634
2025		5.000%	-	185,000	96,753	101,378	479,884
2026		5.000%	-	195,000	91,878	96,753	475,509
2027		5.000%	-	200,000	86,878	91,878	465,634
2028		5.000%	-	205,000	81,753	86,878	455,384
2029		5.000%	-	215,000	76,378	81,753	449,509
2030		5.000%	-	215,000	71,003	76,378	433,384
2031		2.000%	-	220,000	65,503	71,003	422,009
2032		2.000%	-	225,000	63,253	65,503	417,009
2033		2.125%	-	230,000	60,953	63,253	415,159
2034		2.125%	-	235,000	58,456	60,953	412,865
2035		2.250%	-	235,000	55,959	58,456	405,374
2036		2.250%	-	235,000	53,316	55,959	397,591
2037		2.375%	-	235,000	50,672	53,316	389,660
2038		2.375%	-	245,000	47,763	50,672	391,198
2039		2.500%	-	245,000	44,853	47,763	382,469
2040		2.500%	-	245,000	41,791	44,853	373,435
2041		2.625%	-	250,000	38,666	41,791	369,123
2042		2.625%	-	255,000	35,319	38,666	364,304
2043		2.750%	-	360,000	30,594	35,319	456,507
2044		2.750%	-	370,000	25,506	30,594	451,606
2045		2.750%	-	395,000	20,075	25,506	460,656
2046	2.750%	2.750%	100,000	580,000	12,100	20,075	724,275
2047	2.750%	2.750%	100,000	680,000	1,375	10,725	793,475
Total 2020 bonded debt			\$ 200,000	\$ 7,120,000	\$ 1,533,181	\$ 1,648,434	\$ 12,034,796

The above bonds dated June 11, 2020 were issued for school building and site purposes.

**ALLENDALE PUBLIC SCHOOLS**  
**BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS**  
**JUNE 30, 2021**

2020 Refunding Bonds

Fiscal Year	Interest Rate		Principal Due		Interest Due		Total Due Annually
	May 1,	November 1,	May 1,	November 1,	May 1,	November 1,	
2022			\$ -	\$ -	\$ 528,786	\$ 528,786	\$ 1,057,572
2023			-	-	528,786	528,786	1,057,572
2024	4.000%	4.000%	1,000,000	1,800,000	492,786	528,786	3,821,572
2025	4.000%	4.000%	1,000,000	2,300,000	426,786	472,786	4,199,572
2026	4.000%	4.000%	1,000,000	2,155,000	363,686	406,786	3,925,472
2027	1.650%	4.000%	1,000,000	2,250,000	298,686	343,686	3,892,372
2028	1.900%	1.700%	1,000,000	2,080,000	272,756	290,436	3,643,192
2029	2.000%	1.950%	1,000,000	2,150,000	242,294	263,256	3,655,550
2030	2.050%	2.000%	1,000,000	4,150,000	190,794	232,294	5,573,088
2031	2.150%	2.150%	1,000,000	4,700,000	132,369	180,544	6,012,913
2032	2.250%	2.150%	1,000,000	4,800,000	70,019	121,619	5,991,638
2033	2.350%	2.250%	875,000	4,310,000	10,282	58,770	5,254,052
Total 2020 bonded debt			\$ 9,875,000	\$ 30,695,000	\$ 3,558,030	\$ 3,956,535	\$ 48,084,565

The above bonds dated June 11, 2020 were issued for the purpose of refunding portions of the School District's outstanding School Bond Loan Fund.

**ALLENDALE PUBLIC SCHOOLS**  
**BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS**  
**JUNE 30, 2021**

2021 Refunding Bonds

Fiscal Year	Interest Rate		Principal Due	Interest Due		Total Due Annually
	May 1,	November 1,	May 1,	May 1,	November 1,	
2022	0.000%		\$ -	\$ 113,130	\$ 79,820	\$ 192,950
2023	0.000%		-	113,130	113,130	226,260
2024	4.000%		600,000	113,130	113,130	826,260
2025	4.000%		570,000	101,130	101,130	772,260
2026	4.000%		620,000	89,730	89,730	799,460
2027	4.000%		670,000	77,330	77,330	824,660
2028	4.000%		925,000	63,930	63,930	1,052,860
2029	4.000%		900,000	45,430	45,430	990,860
2030	1.800%		925,000	27,430	27,430	979,860
2031	1.900%		990,000	19,105	19,105	1,028,210
2032	2.000%		970,000	9,700	9,700	989,400
Total 2021 bonded debt						
			\$ 7,170,000	\$ 773,175	\$ 739,865	\$ 8,683,040

The above bonds dated June 24, 2021 were issued for the purpose of refunding portions of the School District's outstanding School Bond Loan Fund.



**ALLENGDALE PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor / Program Title	Federal CFDA Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued Revenue July 1, 2020	(Memo only) Prior year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued Revenue June 30, 2021
<b>U.S. Department of Agriculture</b>									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
Non-Cash Assistance (Donated Foods)	10.555	N/A	\$ 62,269	\$ -	\$ -	\$ -	\$ 62,269	\$ 62,269	\$ -
National School Lunch Program		N/A	728	-	-	-	728	728	-
Entitlement Bonus			62,996	-	-	-	62,996	62,996	-
Total Non-Cash Assistance									
Cash Assistance									
COVID-19 - National School Lunch Program	10.555	200902	115,508	24,414	115,508	-	-	24,414	-
Total CFDA #10.555			178,504	24,414	115,508	-	62,996	87,410	-
COVID-19 - Summer Food Service Program for Children	10.559	210904	891,394	-	-	-	891,394	849,159	42,235
COVID-19 - Summer Food Service Program for Children		200900	84,186	-	-	-	84,186	84,186	-
Total CFDA #10.559			975,580	-	-	-	975,580	933,345	42,235
Total Cash Assistance			1,091,088	24,414	115,508	-	975,580	957,759	42,235
Total Child Nutrition Cluster			1,154,084	24,414	115,508	-	1,038,576	1,020,755	42,235
Child and Adult Care Food Program	10.558	211920	2,081	-	-	-	2,081	2,081	-
Child and Adult Care Food Program		201920	26	-	-	-	26	26	-
Total CFDA #10.558			2,106	-	-	-	2,106	2,106	-

**ALLENDALE PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued Revenue July 1, 2020	(Memo only) Prior year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued Revenue June 30, 2021
<u>U.S. Department of Education</u>									
Passed through Michigan Department of Education									
Title I Grants to Local Educational Agencies	84.010	211530-2021	\$ 153,581	\$ -	\$ -	\$ -	\$ 151,489	\$ 140,853	\$ 10,636
Title I Grants to Local Educational Agencies		201530-1920	161,963	24,803	151,803	-	456	25,259	-
Total CFDA #84.010			315,544	24,803	151,803	-	151,945	166,112.00	10,636
Title IIA, Improving Teacher Quality	84.367	210520-2021	27,141	-	-	-	26,591	26,591	-
Title IV, Student Support and Academic Achievement	84.424	210750-2021	11,555	-	-	-	11,555	11,555	-
Education Stabilization Fund									
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	203710-1920	130,513	-	-	-	130,513	130,513	-
Title III Immigrant	84.365	210570-2021	2,238	-	-	-	1,802	1,312	490
Passed through Kent ISD									
Title III English Language Acquisition	84.365	200580-1920	10,658	3,764	3,764	-	-	3,764	-
Passed through Ottawa Area Intermediate School District									
Title III English Language Acquisition	84.365	210580-2021	17,129	-	-	-	5,597	2,668	2,929
Total CFDA #84.365			30,025	3,764	3,764	-	7,399	7,744	3,419
Special Education Cluster									
Special Education Grants to States	84.027	210450-2021	513,634	-	-	-	513,017	419,106	93,911
Special Education Grants to States		200450-1920	503,803	92,544	482,753	-	10,525	103,069	-
Total CFDA #84.027			1,017,437	92,544	482,753	-	523,542	522,175	93,911
Special Education Preschool Grants	84.173	210460-2021	14,781	-	-	-	14,781	8,529	6,252
Total Special Education Cluster			1,032,218	92,544	482,753	-	538,323	530,704	100,163
McKinney-Vento Homeless	84.196	212320-2021	1,460	-	-	-	1,460	1,460	-
Total U.S. Department of Education			1,548,456	121,111	638,320	-	867,786	874,679	114,218

**ALLENDALE PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued Revenue July 1, 2020	(Memo only) Prior year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued Revenue June 30, 2021
<u>U.S. Department of Health and Human Services</u> Passed through Michigan Department of Education COVID-19 - Child Development and Care Block Grant CCDF Cluster	93.575	N/A	\$ 18,000	\$ 18,000	\$ 18,000	\$ -	\$ -	\$ 18,000	\$ -
Passed through Michigan Department of Community Health Passed through Ottawa Area Intermediate School District Medicaid Medical Assistance Program Cluster	93.778	N/A	1,056	-	-	-	1,056	1,056	-
Total U.S. Department of Health and Human Services			19,056	18,000	18,000	-	1,056	19,056	-
<u>U.S. Department of Treasury</u> Passed through Michigan Department of Education COVID-19 Coronavirus Relief Funds COVID-19 Coronavirus Relief Funds	21.019	11(p) 103(2)	954,016 33,581	- -	- -	42,307 33,581	911,709 -	954,016 33,581	- -
Passed through MAISA COVID-19 Coronavirus Relief Funds - MiConnect Connectivity Funding	21.019	N/A	987,597	-	-	75,888	911,709	987,597	-
Total CFDA #21.019			23,033	-	-	-	23,033	23,033	-
<u>Federal Emergency Management Agency</u> Passed through Michigan State Police, Emergency Management and Homeland Security Division Public Assistance Grant Program	97.036	N/A	17,686	-	-	-	17,686	-	17,686
TOTAL FEDERAL AWARDS			\$ 3,752,018	\$ 163,525	\$ 771,828	\$ 75,888	\$ 2,861,952	\$ 2,927,226	\$ 174,140

**ALLENDALE PUBLIC SCHOOLS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Allendale Public Schools under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Allendale Public Schools, it is not intended to and does not present the financial position or changes in net position of Allendale Public Schools.

The District qualifies for low-risk auditee status. Management has utilized the Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. Allendale Public Schools has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 - ADJUSTMENTS**

Adjustments were made for CFDA #21.019 (\$75,888) for prior year federal expenditures incurred but not reported on the SEFA.

**NOTE 4 - RECONCILING WITH AUDITED FINANCIAL STATEMENTS**

Federal expenditures are reported as revenue in the following funds in the financial statements for the period ended June 30, 2021:

General fund	\$ 1,996,612
Other nonmajor governmental funds	<u>1,040,683</u>
 Total federal revenue in the fund financial statements	 3,037,295
 Less: Prior year federal expenditures adjustment	 (75,888)
Less: Federal assistance funding not subject to single audit act	<u>(99,455)</u>
 Expenditures per schedule of expenditures of federal awards	 <u><u>\$ 2,861,952</u></u>

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

To the Board of Education  
Allendale Public Schools

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

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Maney Costeiron PC*

September 30, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Allendale Public Schools

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our unmodified opinion on compliance for major federal programs. However, our audit does not provide a legal determination of Allendale Public Schools' compliance.

### ***Opinion on Each Major Federal Program***

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Maney Costeiran PC*

September 30, 2021



**ALLENDALE PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**Section I - Summary of Auditor's Results**

---

**Financial Statements**

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?            Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?            Yes   X   None reported

Noncompliance material to financial statements noted?            Yes   X   No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified:            Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?            Yes   X   None reported

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

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?

           Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  X   Yes            No

**Section II - Financial Statement Findings**

---

None

**Section III - Federal Award Findings and Question Costs**

---

None

**ALLENDALE PUBLIC SCHOOLS  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

There were no audit findings in the prior year.