

GRAND RAPIDS PUBLIC SCHOOLS

**FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION**

JUNE 30, 2021

This page intentionally left blank.

FINANCIAL REPORT
 WITH SUPPLEMENTAL INFORMATION
 GRAND RAPIDS PUBLIC SCHOOLS
 JUNE 30, 2021

CONTENTS

Report of Independent Auditors.....	1
Management’s Discussion and Analysis	3
Financial Statements	
District-wide Statements	
Statement of Net Position	11
Statement of Activities.....	13
Fund-level Statements	
Governmental Funds	
Balance Sheet.....	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Fiduciary Funds	
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position	24
Notes to Financial Statements.....	25
Required Supplemental Information	
Budgetary Comparison Schedule	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund.....	65
Michigan Public School Employees Retirement Plan	
Schedule of the District’s Proportionate Share of the Net Pension Liability.....	66
Schedule of District Contributions.....	68
Schedule of the District’s Proportionate Share of the Net OPEB Liability	70
Schedule of District OPEB Contributions	72
Notes to Required Supplementary Information	74
Other Supplemental Information	
Combining Statements – Nonmajor Funds	
Combining Balance Sheet – Nonmajor Governmental Funds.....	75
Nonmajor Special Revenue Funds.....	76
Nonmajor Debt Service Funds.....	78
Nonmajor Capital Projects Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	82
Nonmajor Special Revenue Funds.....	83
Nonmajor Debt Service Funds.....	85
Nonmajor Capital Projects Funds	87

FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
GRAND RAPIDS PUBLIC SCHOOLS
JUNE 30, 2021

CONTENTS

Other Supplemental Information (continued)	
General Fund	
Details of Revenue – Budget and Actual	
General programs.....	89
Grants.....	90
Athletics.....	91
Details of Expenditures – Budget and Actual	
General programs.....	92
Grants.....	95
Athletics.....	98
Debt Service Funds	
Schedule of Bonded Debt.....	99
Trust Funds – Special Revenue / Fiduciary	
Details of Revenue, Expenditures and Fund Balances – Trust Funds.....	101
Statistical Data (unaudited)	
Property Tax Data.....	103
Ten Year Summary of Tax Assessments and Collections.....	104
Federal Awards Supplemental Information.....	Issued under separate cover

Independent Auditor's Report

To the Board of Education
Grand Rapids 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 Grand Rapids Public Schools (the "School District") as of and for the ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Grand Rapids 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 Grand Rapids Public Schools as of June 30, 2021 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

This page intentionally left blank.

To the Board of Education
Grand Rapids Public Schools

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grand Rapids Public Schools' basic financial statements. The other supplemental information, as identified in the table of contents, and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The details of revenue - budget and actual statement, the details of expenditures - budget and actual statement, and the statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021 on our consideration of Grand Rapids Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grand Rapids 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 Grand Rapids Public Schools' internal control over financial reporting and compliance.



October 21, 2021

This page intentionally left blank.

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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

Using This Annual Report

The annual report of the Grand Rapids Public Schools includes a series of financial statements designed to show information about the District as a whole, at the fund level, and information concerning its fiduciary responsibilities. The district-wide financial statements provide information about the whole school district. These statements can be found on pages 11 through 14 of this report. The fund-level financial statements provide more detailed information at the fund level and can be found on pages 15 through 21 of this report. The remaining statements, the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position provide financial information about activities for which the District acts solely as a trustee to provide cash grants for donor specified purposes. Following the district-wide and fund-level financial statements are the footnotes, required supplementary information and other supplementary information.

Reporting the School District as a Whole – District-Wide Financial Statements

The district-wide financial statements appear first in this report, and present an aggregate view of the financial position of the District. All governmental activities for the District are included, representing all of the services provided by the District. The statements are prepared using the accrual basis of accounting. This means that all assets and liabilities of the District are recorded, regardless of when related cash is received or paid. This is the basis of accounting utilized by most private sector companies.

The Statement of Net Position reports all assets, deferred outflows, liabilities and deferred inflows of the District, both short and long term. The difference between the total of assets and deferred outflows and the total liabilities and deferred inflows is labeled as net position. The level of net position is one indicator of the financial health of the District. The Statement of Activities reports on the current year revenue and expense of the entire District. The total revenue less the total expense is referred to as the operating results for the current year. Sustained, positive operating results may indicate improving financial health, while decreasing operating results may indicate a deteriorating financial condition. It is important to keep in mind that while we are required to report financial information in this manner, it is not the goal of the District to generate a profit. Financial reports are just one indicator of the overall health of the District.

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Reporting the District's Most Significant Funds – Fund-Level Financial Statements

The District's fund-level financial statements provide information on the most significant funds, not the District as a whole. Governmental fund reporting provides a short-term view of the financial status of the District. The fund-level statements are prepared on the modified accrual basis of accounting, and include only current assets and liabilities of the District as well as deferred inflows and outflows. Unlike the district-wide statements, fixed asset purchases are expensed in the year of purchase, and long-term debt is not recorded as a liability. Reconciliations between the district-wide statements and the fund-level statements are provided on pages 17 and 22.

Some funds are required to be established by state law and by bond covenants. However, the District establishes many other funds to record and analyze financial information. The District's major governmental funds are the General Operating Fund and the 2019 Construction Capital Projects Fund.

The District as a Trustee

Reporting the District's Fiduciary Responsibility

The District is the trustee or fiduciary for two trust funds. All of the District's fiduciary activities are reported in separate statements entitled Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These funds are not available to finance the general operations of the District, and thus are not included in either the district-wide financial statements or the fund-level statements. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Condensed Financial Information and Analysis of the District's Overall Financial Position and Results of Operations

The District as a Whole

The Statement of Net Position provides financial information on the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2021 and 2020.

Table 1: Statement of Net Position (in millions)

	June 30	
	2021	2020
Current assets	\$ 122.03	\$ 128.98
Capital assets	266.47	257.08
Deferred outflows	102.53	134.30
Total assets and deferred outflows of resources	491.03	520.36
Current liabilities	53.67	58.63
Non-current liabilities	648.65	720.87
Deferred inflows	101.06	74.28
Total liabilities and deferred inflows of resources	803.38	853.78
Net position		
Net investment in capital assets	119.52	109.21
Restricted	6.88	4.87
Unrestricted	(438.75)	(447.50)
Total net position	\$(312.35)	(\$333.42)

The District's net position as of June 30, 2021 was (\$312.35) million. Capital assets, net of related debt, totaling \$119.52 million, compares the original cost, less depreciation, of the District's capital assets to the long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants that limit the District's ability to use the net position for day-to-day operations. The remaining amount of net position, (\$438.75) million, was unrestricted. The unrestricted net position of governmental activities represent the accumulated results of all past years' operations plus the impact of the net pension liability and net OPEB liability. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

As required by the Governmental Accounting Standards Board (GASB), the District adopted GASB Statement No. 84, Fiduciary Activities, as of July 1, 2020. This standard provides guidance on the identification and reporting of fiduciary activities and required the district to evaluate activities to determine if they were fiduciary in nature. The standard also changed the reporting and presentation requirements of fiduciary activities.

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The effect of the adoption on the governmental activities was to increase July 1, 2020 beginning net position by \$2.03 million which represents the activities that used to be reported as fiduciary but are now reported as governmental under GASB 84. The governmental Statement of Net Position at June 30, 2021 and Statement of Activities for the year ended June 30, 2021 include all the balances and transactions for those activities that used to be reported as fiduciary, but for which are now reported as governmental.

The results of the 2021 fiscal year's operations for the District as a whole are presented in the Statement of Activities (Table 2). This table shows the change in total net position for the 2020-2021 and 2019-2020 school years.

Table 2: Changes in Net Position (in millions)

	Year Ended June 30	
	2021	2020
<u>Revenues</u>		
Program revenues		
Charges for services	\$ 6.34	\$ 6.77
Operating grants and contributions	100.02	90.43
Capital grants and contributions	1.33	2.05
General revenues		
Property taxes	60.13	56.44
State school aid, unrestricted	85.22	86.71
Federal revenue, unrestricted	.02	.09
Other general revenues	7.60	8.93
Total revenues	<u>260.66</u>	<u>251.42</u>
<u>Functions/program expenses</u>		
Instruction	114.63	122.95
Support services	93.46	107.58
Community services	2.14	1.40
Special Education Center Programs		.41
Food service	7.75	11.54
GRASP	.33	.37
Interest on bonded debt	10.57	11.18
Other expenditures	1.55	1.25
Unallocated depreciation	11.19	10.57
Total expenses	<u>241.62</u>	<u>267.25</u>
Increase (decrease) in net position	<u>19.04</u>	<u>(15.83)</u>
Net position – beginning of year, as restated	<u>(331.39)</u>	<u>(317.59)</u>
Net position – end of year	<u><u>\$(312.35)</u></u>	<u><u>\$(333.42)</u></u>

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

During the 2021 fiscal year, the net position of the District increased by approximately \$19.04 million.

As reported in the statement of activities, the cost of all of our governmental activities this year was \$241.62 million. Certain activities were partially funded from those who benefited from the programs (\$6.34 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$101.35 million). We paid for the remaining "public benefit" portion of our governmental activities with \$60.13 million in property taxes, \$85.22 million in state school aid (unrestricted), \$.02 million in federal unrestricted revenue and \$7.60 million with our other revenue.

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

Analysis of Balances and Transactions of Individual Funds

Grand Rapids Public Schools' Funds

The District uses funds to record and analyze financial information. Different funds are utilized for different purposes.

General Fund

The General Fund is our primary operating fund. The General Fund had total revenues of \$224,791,517, total expenditures of \$216,907,756, and total other financing sources, net of uses, of \$394,987. It ended the fiscal year with a fund balance of \$19,009,749.

Special Revenue Funds

The District operates a total of four special revenue funds, the most significant of which is the food service program. The total revenue of all special revenue funds was \$7,096,273, with total expenditures of \$8,296,558, and total other financing uses, net of sources, of \$537,912. The ending fund balance was \$4,909,572. Of the ending fund balance, \$2,673,766 is attributable to the food service fund.

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Debt Service Funds

The District operates four debt service funds. Total revenues were \$25,509,340, total expenses were \$22,903,611 and total other financing sources, net of uses, were \$570,080. The ending fund balance in the debt service funds was \$7,800,155.

Capital Project Funds

There are seven capital project funds incorporated into the financial statements of the District. Total revenues were \$1,533,242 and total expenses were \$14,361,765. Total other financing uses, net of sources were \$427,155. The ending fund balance in the capital projects funds was \$51,881,118.

Analysis of Differences Between Original and Final Budgeted Amounts and Between Actual and Budgeted Amounts

The District revises its budget several times throughout the course of the year as it attempts to recognize unexpected changes to revenues and expenses. The final amendment to the operating budget was prepared in May and adopted by the Board in June 2021. A schedule showing the District's original and final adopted budgets, as well as final actual revenue and expense is provided in the annual report.

General Fund Highlights

There were a number of adjustments to the general operating budget to more accurately reflect current revenues and expenditures.

Revenue:

- The original budget incorporated an anticipated \$650 reduction in the per pupil foundation allowance from the State due to effects from the COVID 19 pandemic. The impact of the pandemic did not have the expected negative effect on State revenues. Therefore, the reduction did not occur.
- The budgets for local, restricted state and federal revenue were adjusted during the year to account for changes related to several grant awards, as well as budget for grants (new and continuing) where awards were not available prior to the completion of the original budget. The District received several new grant awards related to COVID 19 pandemic relief.
- Several grant awards were not entirely expended during the 2021 fiscal year, but deferred into 2022, resulting in budget variances.

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Expenditures:

- The budget was adjusted to account for increases of several grant awards, as well as budget for grants that were awarded subsequent to the completion of the original budget.

Description of Changes in Capital Assets and Long-term Debt During the Year

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021, the District's investment in capital assets (net of accumulated depreciation), including land, buildings, vehicles, furniture and other equipment, was \$266.47 million.

	June 30	
	2021	2020
Land	\$ 7,652,636	\$ 7,652,636
Construction in progress	20,534,031	45,501,553
Buildings	360,277,602	321,897,673
Vehicles	2,261,859	2,279,269
Furniture and equipment	57,562,916	56,482,528
Total capital assets	448,289,044	433,813,659
Accumulated depreciation	181,816,077	176,734,393
	\$266,472,967	\$257,079,266

This year's additions, net of depreciation and disposals, included major building renovations, instructional computers, and equipment. We present more detailed information about our capital assets in the Notes to the Financial Statements.

Debt Administration

At June 30, 2021, the outstanding bonded indebtedness of the District was \$198,080,000. Those bonds consisted of:

	June 30	
	2021	2020
General obligation bonds	\$198,080,000	\$210,585,000

GRAND RAPIDS PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

At June 30, 2021, the District's bond rating for General Obligation, Unlimited Tax debt was A3 (Moody's) and AA- (Standard & Poor's). The state limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the District's boundaries. The District's other obligations include accrued vacation pay, sick leave, and workers' compensation. We present more detailed information about our long-term liabilities in the Notes to the Financial Statements.

Economic Factors and Budget Planning

Many factors are considered when the Board of Education and the District administration work to project financial information and to develop the budget and operation plan for the upcoming fiscal year. The District is aware of the following circumstances that could significantly affect its future financial health: over 75% of the District's revenue available for general operations is derived from the state foundation grant. The foundation grant is based upon the student FTE count. Thus, projecting student FTE is the single most important factor in projecting revenue. Our state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. Foundation revenue was calculated for the year ended June 30, 2021 using a Super Blend formula – 75% of the 2019-2020 membership count (90% of the audited October 2019 student count and 10% of the audited February 2019 student count) and 25% of the 2020-2021 membership count (90% of the October 2020 student count and 10% of the February 2020 student count).

The District has experienced declining enrollment for many years. Enrollment for fall 2020 decreased to 14,454 from the fall 2019 enrollment of 15,386.

Rising special education costs continue to financially burden the District. During the 2021 fiscal year, we had to use approximately \$12.44 million to cover the excess costs of special education. These are dollars that must either come from general education, or from the unrestricted net assets of the District. Mandated special education services have never been adequately funded by the government bodies that made them law. Therefore, districts such as the Grand Rapids Public Schools have struggled and have been forced to use dollars intended for general education programs to cover special education costs.

Contacting the District's Financial Management

This report is designed to provide an overview of the financial condition of the Grand Rapids Public Schools. If you have questions about this report, or desire additional information, please contact the business office.

This page intentionally left blank.

GRAND RAPIDS PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2021

Assets	
Current assets	
Cash and investments (Note B)	\$ 23,376,625
Restricted assets (Note B)	61,435,623
Receivables (Note C)	
State aid	22,377,526
Accounts receivable	4,984,657
Interest	49,391
Total receivables	27,411,574
Due from other governmental agencies	7,894,026
Prepaid expenditures and other assets	1,534,656
Inventory	379,962
Total current assets	122,032,466
Non current assets	
Capital assets, net of accumulated depreciation (Note D)	266,472,967
Deferred outflows of resources	
Deferred charges on bond refunding (Note E)	2,592,139
Deferred outflows related to pensions (Note H)	75,453,998
Deferred outflows related to OPEB (Note H)	24,482,638
Total deferred outflows of resources	102,528,775
Total assets and deferred outflows of resources	\$ 491,034,208

The Notes to the Financial Statements are an integral part of this statement.

Liabilities	
Current liabilities	
Accounts payable	\$ 10,280,595
Accrued salaries, benefits, withholdings and payroll taxes	14,612,116
Other liabilities	1,785,482
Unearned revenue (Note C)	
Programs financed by other governmental agencies	8,452,444
Due to other governmental agencies	4,841,157
Due to private-purpose trust and agency funds	71,903
Current portion of long term obligations (Note E)	13,627,024
Total current liabilities	<u>53,670,721</u>
Non current liabilities	
Serial bonds payable (Note E)	184,990,000
Capital lease obligation (Note E)	1,838,867
Bond premium (Note E)	29,764,125
Net pension liability (Note H)	373,841,016
Net OPEB liability (Note H)	54,945,346
Other long term liabilities (Note E)	3,271,443
Total non current liabilities	<u>648,650,797</u>
Total liabilities	<u>702,321,518</u>
Deferred inflows of resources	
Deferred inflows related to pension and revenue in support of pension payment (Note H)	45,404,566
Deferred inflows related to OPEB and revenue in support of OPEB payment (Note H)	55,656,206
Total deferred inflows of resources	<u>101,060,772</u>
Net position	
Net investment in capital assets	119,526,629
Restricted for:	
Debt service	6,188,330
Capital projects	690,872
Total restricted	<u>6,879,202</u>
Unrestricted	(438,753,913)
Total net position	<u><u>\$ (312,348,082)</u></u>

GRAND RAPIDS PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
Governmental activities:			
Instruction	\$ 114,628,351	\$ 75,646	\$ 41,988,227
Support services	93,469,090	5,800,292	48,879,558
Community services	2,141,646		2,187,919
Food service	7,746,071	35,291	6,742,463
GRASP	328,986	417,157	21,482
Interest on bonded debt	10,569,366		
Other	1,552,451	7,032	196,757
Unallocated depreciation (Note D)	11,188,377		
Total governmental activities	\$ 241,624,338	\$ 6,335,418	\$ 100,016,406
General purpose revenues:			
Property taxes - levied for general operations			
Property taxes - levied for debt service			
Property taxes - collected for sinking fund			
State school aid - unrestricted			
Federal revenue - unrestricted			
Investment income			
Other			
Total general purpose revenues			
Change in net position			
Net position at beginning of year, as restated (Note A)			
Net position at end of year			

The Notes to the Financial Statements are an integral part of this statement.

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
	\$ (72,564,478)
	(38,789,240)
	46,273
	(968,317)
	109,653
	(10,569,366)
\$ 1,331,198	(17,464)
	(11,188,377)
<u>\$ 1,331,198</u>	<u>(133,941,316)</u>
	34,634,083
	25,499,311
	948
	85,216,698
	22,148
	228,639
	7,375,319
	<u>152,977,146</u>
	<u>19,035,830</u>
	(331,383,912)
	<u>\$ (312,348,082)</u>

GRAND RAPIDS PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General
Assets	
Cash and investments (Note B)	\$ 19,260,577
Restricted assets (Note B)	
Receivables (Note C)	
State aid	22,300,743
Accounts receivable	3,986,962
Interest	128
Total receivables	26,287,833
Due from other governmental agencies	6,448,525
Prepaid expenditures	1,534,656
Due from other funds (Note I)	4,374,849
Inventory	220,892
Total assets	\$ 58,127,332
Liabilities	
Accounts payable	\$ 7,476,843
Accrued salaries, benefits, withholdings and payroll taxes	14,612,116
Other liabilities	89,664
Unearned revenue (Note C)	
Programs financed by other governmental agencies	8,452,444
Due to other governmental agencies	4,841,157
Due to other funds (Note I)	3,645,359
Total liabilities	39,117,583
Fund balances	
Nonspendable	
Inventory and prepaid expenditures	1,755,548
Endowment	
Restricted	
Capital projects	
Debt service	
Special revenue (Note A)	
Committed	
Student / school activity	
Capital projects	
Assigned	
General Fund	
Budgeted use of fund balance for 2021-2022 fiscal year	2,083,430
Capital projects	
Special revenue (Note A)	
Unassigned	
General fund	15,170,771
Total fund balances	19,009,749
Total liabilities, deferred inflows of resources and fund balances	\$ 58,127,332

The Notes to the Financial Statements are an integral part of the statement.

Capital Projects 2019 Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 53,332,952	\$ 4,116,048	\$ 23,376,625
	8,102,671	61,435,623
	76,783	22,377,526
960,000	37,695	4,984,657
49,263		49,391
<u>1,009,263</u>	<u>114,478</u>	<u>27,411,574</u>
	1,445,501	7,894,026
		1,534,656
	3,573,456	7,948,305
	159,070	379,962
<u>\$ 54,342,215</u>	<u>\$ 17,511,224</u>	<u>\$ 129,980,771</u>
\$ 97,428	\$ 2,706,324	\$ 10,280,595
		14,612,116
	83,993	173,657
		8,452,444
		4,841,157
2,594,239	1,780,610	8,020,208
<u>2,691,667</u>	<u>4,570,927</u>	<u>46,380,177</u>
	159,070	1,914,618
	258,875	258,875
51,650,548	173,986	51,824,534
	7,800,155	7,800,155
	2,736,354	2,736,354
	1,151,310	1,151,310
	48	48
		2,083,430
	56,536	56,536
	603,963	603,963
		15,170,771
<u>51,650,548</u>	<u>12,940,297</u>	<u>83,600,594</u>
<u>\$ 54,342,215</u>	<u>\$ 17,511,224</u>	<u>\$ 129,980,771</u>

This page intentionally left blank.

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

Total governmental fund balances		\$ 83,600,594
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$448,289,044 and the accumulated depreciation is \$181,816,077.		266,472,967
Deferred interest charges on bond refunding are capitalized in governmental activities and recognized as component of interest expense in a systematic manner over the life of the debt.		2,592,139
Deferred outflow pension		75,453,998
Deferred outflow other post employment benefits		24,482,638
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	198,080,000	
Capital lease	1,858,604	
Bond premium	29,764,125	
Compensated absences	3,543,529	
Workers' compensation benefits	225,061	
Unemployment compensation	20,140	
Net pension liability	373,841,016	
Net other post employment benefits liability	54,945,346	
Total long-term liabilities		(662,277,821)
Accrued interest is not included as a liability in governmental funds.		(1,611,825)
Deferred inflows related to pension investment returns and changes in assumptions and revenue in support of pension contributions subsequent to the measurement date are not reported in the governmental funds		(45,404,566)
Deferred inflows related to OPEB investment returns and changes in assumptions and revenue in support of OPEB contributions subsequent to the measurement date are not reported in the governmental funds		(55,656,206)
Total net position - governmental activities		\$ (312,348,082)

The Notes to the Financial Statements are an integral part of this statement.

GRAND RAPIDS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Capital Projects 2019 Construction	Nonmajor Governmental Funds
Revenue:			
Local sources:			
Property taxes	\$ 34,634,083		\$ 25,500,259
Investment income	19,409	\$ 196,688	12,542
Payment from local governmental agencies	22,126,222		
Food service			35,291
GRASP			417,157
Other	5,772,765	1,295,295	243,932
Total local sources	<u>62,552,479</u>	<u>1,491,983</u>	<u>26,209,181</u>
State sources:			
Restricted	43,933,361		394,445
Unrestricted	85,216,698		
Total state sources	<u>129,150,059</u>		<u>394,445</u>
Federal sources:			
Restricted	33,066,831		6,043,246
Unrestricted	22,148		
Total federal sources	<u>33,088,979</u>		<u>6,043,246</u>
Total revenue	<u>\$ 224,791,517</u>	<u>\$ 1,491,983</u>	<u>\$ 32,646,872</u>

The Notes to the Financial Statements are an integral part of this statement.

Total
Governmental
Funds

\$	60,134,342
	228,639
	22,126,222
	35,291
	417,157
	7,311,992
	<hr/>
	90,253,643
	44,327,806
	85,216,698
	<hr/>
	129,544,504
	39,110,077
	22,148
	<hr/>
	39,132,225
	<hr/>
\$	258,930,372

GRAND RAPIDS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Capital Projects 2019 Construction	Nonmajor Governmental Funds
Expenditures:			
Instruction	\$ 118,879,022		
Support services	94,471,730		
Community services	2,137,924		
Food service			\$ 7,298,158
GRASP			328,986
Bond principal maturities			12,505,000
Interest on bonded debt			10,384,581
Capital outlay	1,419,080	\$ 578,458	12,916,353
Other		25,989	1,524,409
Total expenditures	<u>216,907,756</u>	<u>604,447</u>	<u>44,957,487</u>
Other financing sources (uses):			
Transfers from other funds (Note I)	600,472		14,284,511
Transfers to other funds (Note I)	<u>(205,485)</u>	<u>(13,508,946)</u>	<u>(1,170,552)</u>
Total other financing sources (uses)	<u>394,987</u>	<u>(13,508,946)</u>	<u>13,113,959</u>
Net change in fund balances	<u>8,278,748</u>	<u>(12,621,410)</u>	<u>803,344</u>
Fund balances at beginning of year, as restated (Note A)	10,731,001	64,271,958	12,136,953
Fund balances at end of year	<u>\$ 19,009,749</u>	<u>\$ 51,650,548</u>	<u>\$ 12,940,297</u>

The Notes to the Financial Statements are an integral part of this statement.

Total
Governmental
Funds

\$ 118,879,022
94,471,730
2,137,924
7,298,158
328,986
12,505,000
10,384,581
14,913,891
1,550,398

262,469,690

14,884,983
(14,884,983)

(3,539,318)

87,139,912

\$ 83,600,594

This page intentionally left blank.

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

Total net change in fund balances - governmental funds	\$ (3,539,318)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report fixed asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which fixed asset additions of \$22,656,756 exceeded depreciation of \$13,090,686 in the current period.	9,566,070
Net book value of disposed assets not reflected in the governmental funds	(172,369)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments reported as expenditures in the governmental funds.	12,505,000
Decrease in net pension liability	25,820,862
Decrease in other post employment benefits liability	30,975,491
Decrease in deferred outflows pension	(31,529,413)
Increase in deferred outflows other post employment benefits	45,033
Deferred inflows related to pension investment returns and changes in assumptions and revenue in support of pension contributions subsequent to the measurement date are not reported in the governmental funds.	(7,701,743)
Deferred inflows related to OPEB investment returns and changes in assumptions and revenue in support of OPEB contributions subsequent to the measurement date are not reported in the governmental funds.	(19,081,865)
Decrease in other long-term debt and other liabilities	242,544
Accrued interest is recorded in the statement of activities when incurred; it is not reported in the governmental funds until paid.	99,040
Amortization of deferred interest charges on bond refunding	(283,825)
Amortization of bond premiums	2,090,323
Change in net position of governmental activities	\$ 19,035,830

The Notes to the Financial Statements are an integral part of this statement.

GRAND RAPIDS PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	<u>Private-Purpose Trust Funds</u>
Assets:	
Due from other funds (Note I)	\$ 71,903
Total assets	<u>\$ 71,903</u>
Net position	
Restricted for endowments	<u>\$ 71,903</u>

The Notes to the Financial Statements are an integral part of this statement.

GRAND RAPIDS PUBLIC SCHOOLS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021

	Private-Purpose Trust Funds
Revenue	
Investment income	\$ 19
Change in net position	19
Net position at the beginning of year, as restated (Note A)	71,884
Net position at the end of year	\$ 71,903

The Notes to the Financial Statements are an integral part of this statement.

This page intentionally left blank.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For the Grand Rapids Public Schools, this includes general operations, special education services, food service, and other student and supportive service activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt, or the levying of taxes. Grand Rapids Public Schools has no component units.

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

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Major funds are presented individually in the fund-level financial statements. The District's major funds are the General Fund and the Capital Projects 2019 Construction Fund. The nonmajor funds are combined and presented as one column in the fund-level financial statements. Nonmajor funds are grouped by type in the supplementary information section. The financial activities of the District are recorded in the following fund types and individual funds:

Governmental Funds

The General Fund is used to record transactions relating to general operation activities needed to provide a full range of educational programs for students. These programs are funded primarily by the District's share of property taxes that are collected by the City of Grand Rapids, state aid revenue and various grants and awards from other governmental agencies.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Governmental Funds (continued)

The Special Revenue Funds are used to record transactions and funds received for designated purposes which require separate accounting because of legal or regulatory provisions or administrative action. Separate funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. The District maintains full control of these funds. The Special Revenue Funds maintained by the District are Food Service, Grand Rapids Academic Summer Program (GRASP), Houseman Field, Student/School Activity and Public Purpose Trust Funds. Any operating deficit generated by these activities is the responsibility of the General Fund.

The Debt Service Funds are used to record tax revenue and other revenue designated for retirement of bonded indebtedness and the related payments for debt service.

The Capital Project Funds are used to record bond proceeds or other revenue and the disbursement of monies specifically designed for acquiring new school sites, buildings, and equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

The Sinking Fund Capital Projects Fund records capital project activities funded with Sinking Fund millage. For this fund, the District has complied with the applicable provisions of section 1212(1) of the State of Michigan's School Code.

Fiduciary Funds

The Private-Purpose Trust Funds are used to account for assets held by the District in a trustee capacity. The District has certain fiduciary responsibility for its custodial funds. All of the District's fiduciary activities are reported in the separate statement of fiduciary net position and statement of changes in fiduciary net position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District accounts for a nonexpendable trust fund entrusted to the District to provide cash grants for student scholarships. Only the income portion of this trust may be spent. The District also maintains an expendable trust fund to account for funds entrusted to the District for general school needs for Lincoln School. The entire amount of this trust, both the principal and interest, may be spent for the donor-specified purposes.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Basis of Presentation

The District's financial statements include both district-wide statements and fund-level statements.

District-wide Statements - The district-wide statements provide information about the district as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The district-wide statements categorize primary activities as either governmental or business-type activities. All of the District's activities are classified as governmental.

The district-wide statements are prepared using the full accrual, economic resources measurement focus. All assets and deferred outflows along with liabilities and deferred inflows, both current and long-term, are recognized in the Statement of Net Position. The District's net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position.

The district-wide Statement of Activities presents a comparison between direct expenses and program revenues for each of the District's functions. Direct expenses are those that are specifically associated with a service, program or department, and are therefore clearly identifiable to a particular function. Program revenues include charges paid for services, and grants and contributions that are restricted to meeting the operational or capital needs of a specific program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each function is self-supporting, or draws from the general revenues of the District.

Fund-level Statements - Fund-level statements report detailed information about the District at the individual fund level. The focus of these statements is on major funds, rather than fund type. Each major fund is presented separately, with all non-major funds aggregated into a single column. Additional information about non-major funds can be found in the additional information accompanying these statements.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Basis of Presentation (continued)

All governmental fund types are accounted for using a flow of current financial resources measurement focus. Fund-level statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. The Balance Sheet reports current assets, deferred outflows, current liabilities, deferred inflows and fund balance. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. A reconciliation between the two sets of statements is provided as a separate statement.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

The basis of accounting refers to when transactions are recorded in the financial statements. District-wide statements are prepared using the full accrual method of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. The fund-level statements are prepared using the modified accrual basis of accounting. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenue not meeting this definition is classified as a deferred inflow of resources. Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available to meet current expenditures. The District considers revenues available if collected within sixty days after year end for property taxes, state aid, interest, and entitlement funds and grants. Expenditures are recorded on an accrual basis because they are measurable when they are incurred. However, principal and interest on long-term obligations, compensated absences and claims and judgments are recognized when due.

Under the modified accrual basis, the following revenues are considered to be measurable and available to meet current resources: property taxes, state aid, interest income, grants and charges for services. Property taxes are recorded the year the taxes are levied. Under this method, revenue for fiscal year 2021 generally includes property taxes that were levied on July 1, 2020, and substantially collected during the first quarter of the 2020-2021 fiscal year.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position includes a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The District has a deferred charge on refunding reported in the district-wide statement of net position. A deferred charge on refunding results from the difference between 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 debt or refunding debt. The other item is the deferred outflow related to the District's participation in the statewide pension and other post-employment benefits plans, as disclosed in Note H.

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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of these items, including deferred inflows related to pension and revenue in support of pension payment, deferred inflows related to OPEB and revenue in support of OPEB payment, and unavailable revenues from property taxes, grant and categorical state aid payments. The first item arises only under a modified accrual basis of accounting, and is therefore only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, grant and categorical state aid payments that are not collected during the period of availability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria are satisfied or eligibility requirements are met. In subsequent periods, when both revenue recognition criteria and eligibility requirements are met, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

The State of Michigan utilizes a foundation allowance funding approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation allowance is funded from a combination of state and local sources. The School Aid Act and the School Code of Michigan primarily govern revenues from state sources. The state portion of the foundation is provided from the state's School Aid Fund and is recognized as revenue in accordance with state law.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Basis of Accounting (continued)

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 categorical funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year, are recorded as unearned revenue. Other categorical funding is recognized when the appropriation is received.

Grants and Intergovernmental Revenue - The District receives various grants from other governmental agencies to finance specific programs. Federal and state grants and assistance awards are recorded as intergovernmental receivables and revenue when the related expenditures are incurred and funds are received within sixty days after year end.

Cash and investments – Cash is cash, checking and savings deposits. Investments are recorded at fair value based on quoted market prices or estimated fair value, except for the investments in MILAF, which are valued at amortized cost or net asset value (NAV).

Inventories and prepaid costs - Inventories of supplies are stated at the lower of average cost or market on a first-in, first-out basis. Inventory purchases are expensed in the period that the related items are consumed. United States Department of Agriculture Commodities inventory received by the Food Service Fund is recorded as expense in the year received. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund-level financial statements.

Capital Assets – Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost in the district-wide statement of net position. Donated capital assets are recorded at their net acquisition value at date of donation. Capital assets are not included in the fund-level statements.

For assets purchased with proceeds from installment loans, the full cost of the assets is recorded as a current operating expenditure in the year of acquisition. The loans obtained to finance such purchases are recorded as an other financing source in the General Fund.

The District maintains a capitalization threshold of \$5,000 with an asset life of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related asset.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Basis of Accounting (continued)

Depreciation is calculated on all capital assets with the exception of land and construction in progress. Depreciation is computed on the straight-line basis over the following useful lives:

Buildings and improvements	20 – 99 years
Furniture and equipment	5 – 10 years
Vehicles	5 – 10 years

Other Liabilities - The liabilities for employee-compensated absences, unemployment and self-insurance are recorded in the district-wide financial statements. Amounts are recognized in the appropriate governmental fund in fund-level statements when due. The liabilities for employee-compensated absences have been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Interfund Transactions - The District has numerous transactions between funds that include transfers of resources to meet legal and other operating requirements. These transactions are generally reflected as transfers in the accompanying financial statements. Outstanding balances between funds are reported as “due to/from other funds.”

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Basis of Accounting (continued)

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

Net Position – When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District’s policy is to first apply restricted resources.

Fund Balance – In the fund-level financial statements, governmental funds report the following components of fund balance:

- Nonspendable: Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted: Amounts that are legally restricted by outside parties including grantors or contributors, constitutional provisions or enabling legislation for use for a specific purpose. This would include, but is not limited to bonded capital projects funds, debt service funds and food service funds.
- Committed: Amounts that have been formally set aside by the Board of Education for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.
- Assigned: Amounts that are intended to be used for specific purposes expressed by the Board of Education, Superintendent, or designee, who is authorized by board policy approved by the Board of Education to make assignments. This can include but is not limited to the budgeted use of fund balance for the next fiscal year. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Basis of Accounting (continued)

- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the general fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the general fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represents expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first (when appropriate), followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Information relating to the nonmajor special revenue fund balances is summarized below:

	Nonspendable Inventory Endowment	Restricted	Committed	Assigned	Total
Food service	\$ 159,070	\$2,514,696			\$2,673,766
GRASP				\$588,170	588,170
Houseman Field				15,793	15,793
Student/School Activity			\$1,151,310		1,151,310
Public Purpose Trust	258,875	221,658			480,533
Total	<u>\$417,945</u>	<u>\$2,736,354</u>	<u>\$1,151,310</u>	<u>\$603,963</u>	<u>\$4,909,572</u>

Use of Estimates

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

Michigan Public School Accounting Manual

The accompanying financial statements have been prepared on a basis substantially consistent with the Michigan Public School Accounting Manual (Bulletin 1022), which outlines the accounting procedures and policies for school districts required by the Michigan State Board of Education.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Budgets

Formal budgets are adopted at the function level for the General Fund and Special Revenue Funds in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriations action to implement these budgets. Debt service fund budgets are also adopted on an activity level. Budgets are prepared on a basis consistent with generally accepted accounting principles. All budget amendments are approved by the Board of Education. In addition, an unappropriated budget is prepared for the Capital Projects Funds.

Budget requests are presented to the Chief Financial Officer each year. During May and June prior to the fiscal year for which the budgets are being adopted, the proposed budgets are finalized, and the Superintendent recommends their adoption to the Board of Education. A public hearing is held to review the budgets and, prior to July, the budgets are approved by the Board of Education. Budgets for the current year are continually reviewed for required revisions. Major changes are reviewed by the Chief Financial Officer prior to presentation to the Superintendent, the finance committee of the Board of Education and the Board of Education. Budgets for full and multi-funded programs are adjusted as notices of funding changes are received.

Budget to actual comparisons for the General Fund are presented in required supplementary information. The negative budget variances in the General Fund other local revenue, state restricted revenue and federal restricted revenue are related to expenditures in several grant programs being less than budget. State unrestricted revenue was slightly less than budget due to the final adjustment between local property taxes and state unrestricted revenue in the foundation allowance calculation. The collection of federal Medicaid funding was less than anticipated, creating a negative budget variance in federal unrestricted revenue. There is a negative budget variance in the transfers in to General Fund from other funds, resulting from the indirect cost recovery amount transferred to the General Fund from the Food Service Fund.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note A -- Significant Accounting Policies (continued)

Adoption of New Accounting Pronouncement

During the current year, the District adopted GASB Statement No. 84 *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the activities of the Student /School Activities Fund, which were previously reported as fiduciary activities but no longer meet the definition of such and, therefore, are no longer reported in these statements as a fiduciary fund. In addition, the Private Purpose Trust Funds were reviewed. Twenty-two of the trust funds which were previously reported as fiduciary activities but no longer meet the definition of such and, therefore, are no longer reported in these statements as a fiduciary fund.

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

	Governmental Activities	Nonmajor Funds	Fiduciary Funds
Net position/fund balance – June 30, 2020 (as previously reported)	\$(333,417,615)	\$ 10,103,250	\$928,601
Adjustment for GASB Statement No. 84 to change fund type	2,033,703	2,033,703	(856,717)
Net position/fund balance – June 30, 2020 (as restated)	<u>\$(331,383,912)</u>	<u>\$12,136,953</u>	<u>\$ 71,884</u>

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement, originally effective for the District’s financial statements for the year ending June 30, 2021, were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note B -- Cash and Investments

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

The District has approved three banks for the deposit of its funds. Currently, the District has funds on deposit at each of those banks.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level are used for the District's deposits for custodial credit risk. The District's deposits were reflected in the accounts of the banks (without recognition of checks written but not yet cleared or deposits in transit) at \$8,608,297. Of that amount \$550,806 was covered by federal depository insurance and \$8,057,491 was uninsured and uncollateralized. The District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counter-party, 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 policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business using the criteria established in the investment policy. At June 30, 2021 the District held no investment securities that were uninsured and unregistered.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note B -- Cash and Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The District’s investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day maturity. The District’s policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for on-going operations, thereby avoiding the need to sell securities in the open market; and by 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.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The District’s investment policy does not further limit its investment choices.

At June 30, 2021 the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturities</u>	<u>Rating</u>	<u>Rating Organization</u>
Michigan Liquid Asset Fund – MAX Class	\$44,102,740	N/A	AAAm	Standard & Poor’s
Michigan Liquid Asset Fund – Cash Management	313	N/A	AAAm	Standard & Poor’s
PNC money market fund	3,460,632	N/A	A-1	Standard & Poor’s
Fifth Third Securities money market fund	157,026	N/A	AAAm	Standard & Poor’s
Federated Government Securities	778,990	N/A	AAAm	Standard & Poor’s

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note B -- Cash and Investments (continued)

Investment Restrictions

The Michigan Liquid Asset Fund – MAX Class investment may not be redeemed for at least 14 calendar days with the exception of direct investments of funds distributed by the State of Michigan. In addition, redemptions made prior to the 14 day period are subject to a penalty equal to 15 days' interest on the amount so redeemed. The Michigan Liquid Asset Fund – Cash Management investment has no limitations or restrictions on participant withdrawals except for a one day minimum investment period.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. The District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. More than five percent of the District's investments are in Michigan Liquid Asset Fund, and Michigan Cooperative Liquid Assets Securities System which are 61.5%, and 23.7%, respectively, of the District's total investments.

Foreign Currency Risk

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

Fair Value Measurement

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

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

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note B -- Cash and Investments (continued)

Fair Value Measurement (continued)

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

<u>Investment</u>	<u>Balance at June 30, 2021</u>	<u>Quoted Prices (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Debt securities:				
US Treasury notes	\$6,992,736		\$6,992,736	
Federal agency notes	2,237,163		2,237,163	
Equity securities:				
Corporate stock-donated	30,276	\$30,276		
Total investments	<u>\$9,260,175</u>	<u>\$30,276</u>	<u>\$9,229,899</u>	

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of debt securities at June 30, 2021 was determined primarily based on Level 2 inputs. The District estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The District holds shares in an investment pool where the fair value of the investments are measured on a recurring basis using net asset value per share of the investment pool as a practical expedient.

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

<u>Investment</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Michigan CLASS investment pool	\$20,601,212	None	N/A	None

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note B -- Cash and Investments (continued)

Fair Value Measurement (continued)

The valuation method for the Michigan Class investment pool measured at the net asset value (NAV) per share (or its equivalent) is principally based on the use of prices that are quoted in active markets for the respective securities. The Michigan Class investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated ‘A-1’ or better) collateralized bank deposits, repurchase agreements (collateralized at 102% 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.

The valuation method for the Michigan Liquid Asset Fund Term investment portfolio is measured at the net asset value (NAV) per share (or its equivalent) is principally based on the use of prices that are quoted in active markets for the respective securities. The Michigan Liquid Asset Fund Term investment portfolio invests in U.S. treasury obligations, federal agency obligations of the U.S. government or obligations of the State of Michigan, high-grade commercial paper (rated prime at the time of purchase or better), U.S. government or federal agency obligation repurchase agreements, and approved money market funds. The portfolio is designed to provide a fixed rate, fixed term investment with a minimum maturity of 60 days and a maximum maturity of one year. The investment strategy of the portfolio is to match the cash flows required to meet the planned redemptions according to the master construction schedule.

Restricted Assets

The balances for the restricted assets accounts as of June 30, 2021 are as follows:

	Governmental Activities
Unspent bond proceeds and related interest	\$53,464,238
Unspent debt service funds	7,799,697
Unspent sinking funds	171,687
Total restricted assets	\$61,435,622

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note C - Receivables

Receivables as of June 30, 2021 for the District’s individual major funds and the nonmajor funds, and fiduciary funds in the aggregate are as follows:

	General Fund	2019 Construction Fund	Nonmajor Governmental Funds	Fiduciary Funds	Total
State aid	\$22,300,743		\$76,783		\$22,377,526
Accounts receivable	3,986,962	\$960,000	37,695		4,984,657
Interest	128	49,263			49,391
Less allowance for uncollectible accounts					
Total	<u>\$26,287,833</u>	<u>\$1,009,263</u>	<u>\$114,478</u>		<u>\$27,411,574</u>

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenue are as follows:

	Deferred Inflow - Unavailable	Liability - Unearned
Grant and categorical state aid payments received prior to meeting all eligibility requirements		\$8,452,444
Total		<u>\$8,452,444</u>

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note D -- Capital Assets

Information relating to capital assets is summarized below:

	Balance July 1, 2020	Additions	Disposals	Transfers	Balance June 30, 2021
Non-depreciating assets:					
Land	\$ 7,652,636				\$ 7,652,636
Construction in progress	45,501,553	\$15,459,359		\$(40,426,881)	20,534,031
Other capital assets:					
Buildings and additions	321,897,673			38,379,929	360,277,602
Vehicles	2,279,269		\$ 17,410		2,261,859
Furniture and equipment	56,482,528	7,197,397	8,163,961	2,046,952	57,562,916
Subtotal	380,659,470	7,197,397	8,181,371	40,426,881	420,102,377
Accumulated depreciation:					
Buildings and additions	149,699,210	8,038,391			157,737,601
Vehicles	1,940,808	58,236	17,410		1,981,634
Furniture and equipment	25,094,375	4,994,059	7,991,592		22,096,842
Subtotal	176,734,393	13,090,686	8,009,002		181,816,077
Net other capital assets	203,925,077	(5,893,289)	172,369	40,426,881	238,286,300
Net capital assets	<u>\$257,079,266</u>	<u>\$ 9,566,070</u>	<u>\$ 172,369</u>		<u>\$266,472,967</u>

Depreciation expense was charged to activities of the District as follows:

Instruction	\$ 776,669
Support services	678,719
Food service	446,921
Unallocated	<u>11,188,377</u>
Total governmental activities	<u>\$13,090,686</u>

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note E -- Long-Term Debt

Serial and Variable Bonds Payable

Information relating to serial and variable bonds payable is summarized below:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Payments/ Amortization</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
June 5, 2012 Issue: 1.79% serial bonds due in annual installments with a final payment of \$565,000 in 2021	\$ 1,120,000		\$ (555,000)	\$ 565,000	\$ 565,000
March 16, 2016 Issue: 4.0% to 5.0% serial bonds due in annual installments ranging from \$4,310,000 to \$9,410,000 with a final maturity in 2041	97,670,000		(4,215,000)	93,455,000	4,310,000
March 21, 2017 Issue: 5.0% serial bonds due in annual installments ranging from \$3,765,000 to \$5,295,000 with a final maturity in 2029	39,545,000		(3,585,000)	35,960,000	3,765,000
May 14, 2019 Issue: 5.0% serial bonds due in annual installments ranging from \$1,700,000 to \$4,450,000 with a final maturity in 2044	72,250,000		(4,150,000)	71,480,000	4,450,000
	<u>210,585,000</u>		<u>(12,505,000)</u>	<u>198,080,000</u>	<u>13,090,000</u>
Capital lease obligation	1,878,341		(19,737)	1,858,604	19,737
Premium on issuance of March 16, 2016 bonds	15,213,957		(998,885)	14,215,072	
Premium on issuance of March 21, 2017 bonds	4,982,647		(569,445)	4,413,202	
Premium on issuance of May 14, 2019 bonds	11,657,844		(521,993)	11,135,851	
	<u>\$244,317,789</u>		<u>\$(14,615,060)</u>	<u>\$229,702,729</u>	<u>\$13,109,737</u>

At June 30, 2021, the District had deferred outflows of \$2,592,139 related to deferred charges on bond refundings.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note E -- Long-Term Debt (continued)

Serial and Variable Bonds Payable (continued)

Proceeds of the June 5, 2012 serial bonds have been placed in escrow and will be used to acquire certain capital improvements by the prepayment of lease payments due under an existing capital lease. The debt service on the June 5, 2012 serial bonds is being repaid out of the general revenue of the District.

Proceeds of the March 16, 2016 serial bonds were used to advance refund a portion of the District's April 1, 2007 bonds and to finance major construction and renovation projects, as well as security and technology projects, throughout the District. The advance refunding resulted in a difference between the acquisition price and the net carrying amount. This difference is reported as a deferred outflow – deferred interest and is charged to operations through the year 2030 using the straight-line method of amortization. Additionally, the bond premium is reported as an addition to bonds payable and has been allocated to the advance refunding and the building and site construction. The premium for the advance refunding will be credited to interest expense annually through the year 2031 using the straight-line method of amortization. The premium for the building and site construction will be credited to interest expense annually through the year 2041 using the straight-line method of amortization. The debt service on the March 16, 2016 serial bonds is being repaid using property tax revenue obtained through annual debt millage levied by the District.

Proceeds of the March 21, 2017 serial bonds were used to currently refund \$51,910,000 of the March 6, 2007 bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of the March 6, 2007 bonds of \$1,050,974. This difference is reported as a deferred outflow – deferred interest and will be charged to operations through the year 2029 in the amount of \$87,581 using the straight-line method of amortization. Additionally, the bond premium amount of \$6,833,343 is reported as an addition to bonds payable. The premium for the current refunding will be credited to interest expense annually through the year 2029 in the amount of \$569,445 using the straight-line method of amortization. The debt service on the March 21, 2017 serial bonds is being repaid using property tax revenue obtained through annual debt millage levied by the District.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note E -- Long-Term Debt (continued)

Serial and Variable Bonds Payable (continued)

Proceeds of the May 14, 2019 issue will be used to provide approximately \$87 million (net of total issuance costs of approximately \$653,000) of funding for school building and site construction, as well as security and technology projects, throughout the District. The bond premium amount of \$12,266,836 is reported in the accompanying statements as an addition to bonds payable and will be credited to interest expense annually through the year 2044 in the amount of \$521,993 using the straight-line method. The debt service on the May 14, 2019 serial bonds is being repaid using property tax revenue obtained through annual debt millage levied by the District.

In prior years, the District defeased certain 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 basic financial statements. At June 30, 2021, \$81,315,000 of bonds outstanding are considered defeased.

General obligation bonds of the District are backed by its full faith and credit. Qualified bonds are fully guaranteed by the State of Michigan. The District does not have any qualified bonds. At June 30, 2021, the District's legal debt limit for total bonded debt is \$1.05 billion. After reducing this limit for bonded debt currently outstanding, the District's legal debt margin is approximately \$847.4 million at June 30, 2021.

Principal and Interest Payments

Principal and interest payments are recorded as expenditures in the fiscal year in which payment is due. The annual requirements to pay principal and interest on all long-term debt at June 30, 2021 are as follows (fiscal years):

Year Ending June 30	Other Debt		
	Principal	Interest	Total
2022	\$ 13,090,000	\$ 9,769,556	\$ 22,859,556
2023	10,115,000	9,207,000	19,322,000
2024	10,510,000	8,698,750	19,208,750
2025	10,965,000	8,170,750	19,135,750
2026	11,515,000	7,620,000	19,135,000
2027 to 2031	61,560,000	28,971,500	90,531,500
2032 to 2036	30,950,000	16,745,000	47,695,000
2037 to 2041	37,275,000	8,280,000	45,555,000
2042 to 2044	12,100,000	920,000	13,020,000
Total	<u>\$198,080,000</u>	<u>\$98,382,556</u>	<u>\$296,462,556</u>

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note E -- Long-Term Debt (continued)

Capital Lease

The District leases the space in which it conducts its Grand Rapids Public Museum Middle School from the VanAndel Public Museum. The lease is for a period of 99 years, with annual lease payments beginning at \$67,500 for the year ended June 30, 2017 with an annual escalation of this amount equal to the annual percentage increase in the State of Michigan foundation allowance, or 3 percent, if there is no increase in the foundation allowance. The lease also gives the District the option to renew the lease for an additional 30 year period. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the district-wide statement of net position. The lease payment is recorded as an expenditure when payable. At June 30, 2021, this space is the only property under a capital lease with a gross cost of \$1,954,000 and accumulated depreciation of \$95,396.

The future minimum lease obligations and the net present value are as follow (fiscal years):

2022	\$ 73,400
2023	75,235
2024	77,116
2025	79,044
2026	80,230
2027-2031	419,562
Thereafter	<u>14,577,581</u>
Total	15,382,168
Less amount representing interest	<u>13,523,564</u>
Present value of net minimum lease payments	<u><u>\$ 1,858,604</u></u>

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note E -- Long-Term Debt (continued)

Other Long-Term Liabilities

The District is required to recognize certain other long-term liabilities in the district-wide financial statements. Information relating to other long-term liabilities is summarized below:

	Balance July 1, 2020	Additions / Adjustments	Payments	Balance June 30, 2021	Due Within One Year
Compensated absences:					
Vacation	\$1,961,849	\$ 592,905	\$ (801,400)	\$1,753,354	\$292,226
Sick leave	1,830,095	2,603,730	(2,643,650)	1,790,175	
Workers' compensation (see Note F)	187,435	180,944	(143,318)	225,061	225,061
Unemployment (see Note F)	32,158	5,759	(17,777)	20,140	
	<u>\$4,011,537</u>	<u>\$3,383,338</u>	<u>\$(3,606,145)</u>	<u>\$3,788,730</u>	<u>\$517,287</u>

The liabilities for compensated absences, workers' compensation and unemployment will be paid with the District's General Fund resources.

Accumulated Sick Pay Benefits

The District has negotiated contracts with its employees, which provide for payments for accumulated unused sick days to employees eligible for retirement. Payments vary up to a maximum of \$60 per day for each credited sick day as specified in the contracts. Sick leave benefits totaling approximately \$1,790,000 at June 30, 2021 are recorded in the district-wide financial statements as part of the liability for compensated absences.

Note F -- Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employees' injuries (workers' compensation). The District has purchased commercial insurance for employee medical, dental, and vision claims, as well as errors and omissions, foreign travel, board of education personal liability, workers' compensation excess, and athletic accident claims. The District participates in the Middle Cities Risk Management Trust for claims relating to general liability, employers' liability, property, auto, and boiler and machinery. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note F -- Risk Management (continued)

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

The District is partially self-insured for workers' compensation and unemployment claims. The District estimates, by using methods described below, the liabilities for claims that have been incurred through the end of the fiscal year. This estimate includes claims that have been reported, as well as those that have not yet been reported. The portion of these liabilities considered due is recorded in the General Fund. The remaining estimated liabilities are recorded as long-term liabilities in the district-wide financial statements. Management believes such reserves are reasonable estimates of ultimate liabilities. However, these estimates may be more or less than the amounts actually paid when the claims are resolved.

Workers' Compensation

The District is exposed to various risks of loss related to employees' job-related injuries. The District, in an effort to control the rising costs of insurance, has decided to pay the first \$375,000 of each workers' compensation claim. Excess insurance is purchased to pay claims above this amount, to the statutory limit for workers' compensation for the State of Michigan for employee injury and \$1,000,000 for employer's liability. The District pays all claims, settlements, and judgments from its General Fund resources.

The liability presented as of June 30, 2021 has been established by the District's third-party claims administrator. As of June 30, 2021, the District recorded claims reserves of \$225,061 as a long-term liability.

Unemployment

The District is a reimbursing employer for unemployment. The State of Michigan invoices the district in August for the previous calendar year's claims. In the fund-level statements, the District has recorded the liability for the calendar year 2020 claims that were invoiced and paid in August 2021. In the district-wide statements, the additional liability for claims from January 1, 2021 to June 30, 2021 has been recorded. The District believes that any claims incurred but not reported would be insignificant. The District pays all claims from its General Fund resources.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note F -- Risk Management (continued)

Estimated liability

Changes in the estimated liability for uninsured workers' compensation and unemployment during the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Estimated liability, beginning of year	\$235,401	\$327,905
Estimated claims incurred, including changes in estimates	259,059	78,566
Claim payments	<u>(161,095)</u>	<u>(171,070)</u>
Estimated liability, end of year	<u>\$333,365</u>	<u>\$235,401</u>

The estimated claim liabilities at June 30, 2021 and 2020 are included in the balance sheet as follows:

	<u>2021</u>	<u>2020</u>
General Fund	\$ 88,164	\$ 15,808
Long-term liability, district-wide statements	<u>245,201</u>	<u>219,593</u>
Total	<u>\$333,365</u>	<u>\$235,401</u>

Note G -- Lease Revenue

The District, as lessor, has entered into agreements to lease school buildings and facilities to other organizations, with terms extending to fiscal year 2037. In each case, ownership of the property remains with the District during and at the conclusion of the term of the leases. Future minimum lease payments are as follows:

2022	\$ 296,960
2023	184,920
2024	189,787
2025	194,789
2026	189,931
Thereafter	<u>1,033,329</u>
	<u>\$2,089,716</u>

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits

Plan Description

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

The System is administered by the Office of Retirement Services (ORS). MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post-employment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

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

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

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

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

Benefits Provided (continued)

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

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

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

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

Contributions

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

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

GRAND RAPIDS PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

Contributions (continued)

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

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

The range of rates is as follows:

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

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

The District’s required and actual pension contributions to the plan for the year ended June 30, 2021 were \$31,802,262, which include the District’s contributions required for those members with a defined contribution benefit. The District’s required and actual pension contributions include an allocation of \$13,426,073 in revenue received from the State of Michigan and remitted to the System, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2021.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

Contributions (continued)

The District's required and actual OPEB contributions to the plan for the year ended June 30, 2021 were \$8,064,852, which include the District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2021, the District reported a liability of \$373,841,016 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2019, which used updated procedures to roll forward the estimated liability to September 30, 2020. 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, as actuarially determined. At September 30, 2020 and 2019, the District's proportion was 1.088295% and 1.206831%, respectively, representing a change of (9.822050%).

Net OPEB Liability

At June 30, 2021, the District reported a liability of \$54,945,346, for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2021 was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019, which used updated procedures to roll forward the estimated liability to September 30, 2020. 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. At September 30, 2020 and 2019 the District's proportion was 1.025623% and 1.197044%, respectively, representing a change of (14.320099%).

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

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

For the year ended June 30, 2021, the District recognized pension expense of \$43,311,019, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,711,984	\$ (797,909)
Changes in assumptions	41,425,189	
Net difference between projected and actual earnings on pension plan investments	1,570,713	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	202,143	(31,180,584)
The District's contributions to the plan subsequent to the measurement date	26,543,969	
Total	\$75,453,998	\$(31,978,493)

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

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

The \$13,426,073 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2022	\$ 12,106,218
2023	5,993,529
2024	(105,981)
2025	(1,062,230)
Total	\$16,931,536

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

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (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 expense (recovery) of (\$4,575,332).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$(40,939,419)
Changes in assumptions	\$18,116,572	
Net difference between projected and actual earnings on OPEB plan investments	458,580	
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	279,360	(14,716,787)
Employer contributions to the plan subsequent to the measurement date	5,625,126	
Total	\$24,482,638	\$(55,656,206)

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

Year Ended June 30	Amount
2022	\$ (9,129,310)
2023	(8,557,000)
2024	(7,541,666)
2025	(6,351,689)
2026	(5,222,029)
Total	\$(36,801,694)

GRAND RAPIDS PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

Actuarial Assumptions

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

Actuarial cost method		Entry age normal cost actuarial cost method
Investment rate of return - Pension	6.00% - 6.80%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.95%	Net of investment expenses based on the groups
Salary increases	2.75% -11.55%	Including wage inflation of 2.75%
Healthcare cost trend rate - OPEB	7.0%	Year 1 graded to 3.5% year 15, 3.0% year 120
Mortality basis		RP2014 Male and Female Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP2017 from 2006
Cost of living pension adjustments	3.00%	Annual non-compounded for MIP members

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

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

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.0 to 6.80 percent as of September 30, 2019 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity pools	25.0%	5.6%
Private equity pools	16.0%	9.3%
International equity pools	15.0%	7.4%
Fixed income pools	10.5%	0.5%
Real estate and infrastructure pools	10.0%	4.9%
Absolute return pools	9.0%	3.2%
Real return/opportunistic pools	12.5%	6.6%
Short-term investment pools	2.0%	(0.1%)
Total	100.0%	

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

GRAND RAPIDS PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

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

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

	1% Decrease (5.0%–5.8%)	Current Rate (6.0%–6.8%)	1% Increase (7.0%–7.8%)
Net pension liability of the District	\$483,873,779	\$373,841,016	\$282,648,382

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

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

	1% Decrease (5.95%)	Current Rate (6.95%)	1% Increase (7.95%)
Net OPEB liability of the District	\$70,583,541	\$54,945,346	\$41,779,296

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

The following presents the net OPEB liability of the District, calculated using the current healthcare cost trend rate. It also reflects what the District’s net OPEB 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.

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Net OPEB liability of the District	\$41,275,192	\$54,945,346	\$70,493,459

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note H – Pension Plan and Postemployment Benefits (continued)

Pension Plan and OPEB Plan Fiduciary Net Position

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

Payable to the Pension Plan and OPEB Plan

At June 30, 2021, the District reported a payable of \$6,540,270 and \$1,234,626 for the outstanding amount of contributions to the pension and OPEB plans, respectively, required for the year ended June 30, 2021, consisting of pension and OPEB contributions payable plus any other amounts owed to the plans including the UAAL payments for July and August 2021.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note I -- Interfund Receivables, Payables, and Transfers

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

Amounts due to	
General Fund	
Debt Retirement Funds:	
2017 Refunding Bonds	\$ 4,950
Capital Projects Funds:	
2019 Construction Fund	2,594,239
Special Revenue Funds:	
Food Service	793,335
Student / School Activity	982,325
Total due to General Fund	4,374,849
Debt Retirement Funds – Nonmajor Funds	
General Fund	5,407
Capital Projects Funds – Nonmajor Funds	
General Fund	2,134,532
Special Revenue Funds - Nonmajor Funds	
General Fund	1,433,517
Trust Funds	
General Fund	71,903
Total	\$8,020,208

Interfund balances represent routine and temporary cash flow assistance from other funds until amounts are transferred from fund investment accounts.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note I-- Interfund Receivables, Payables, and Transfers (continued)

Information relating to interfund transfers is summarized below:

	Transfers in:		
	General Fund	Other Nonmajor Governmental Funds	Total
Transfers out:			
General Fund		\$ 205,485	\$ 205,485
Capital Projects 2019 Construction		13,508,946	13,508,946
Other Nonmajor Governmental Funds	\$600,472	570,080	1,170,552
Total	<u>\$600,472</u>	<u>\$14,284,511</u>	<u>\$14,884,983</u>

Transfers provided funding for the excess cost of operating Houseman Field and provided funding for debt service, as well as indirect costs for operating the food service program. The transfer from the Capital Projects 2019 Construction Fund provided funding for projects that were ongoing within the 2016 Capital Projects Technology, Construction and Security Funds.

Note J -- Contingencies

In the normal course of activities, the District is a party in various legal actions and subject to certain asserted and unasserted claims and assessments. Although some actions have been brought for large amounts, the District has not experienced significant losses or cost. Based on consultation with legal counsel, the District is of the opinion that the outcome of any pending actions will not have a material adverse effect on the financial position of the District.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note K -- Commitments

Construction was in process as of June 30, 2021 on several major renovations of school buildings in the District. Information relating to commitments for these projects is summarized below:

Project	Total Contracts	Remaining Commitment at June 30, 2021
CA Frost Elementary	\$ 23,695	\$ 23,695
Congress Elementary	107,941	105,943
Ken-O-Sha Elementary	67,040	66,417
Mulick Elementary	115,941	113,943
North Park Montessori	58,625	58,003
Shawmut Hills Elementary	81,841	79,843
Union High School	22,603,364	2,703,403

As of June 30, 2021 the District had several other outstanding contract commitments totaling \$54,797.

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note L – Tax Abatements

The District receives reduced property tax revenues as a result of Commercial Rehabilitation Act agreements, Industrial Facilities Tax exemptions (PA 198 of 1974), Brownfield Redevelopment agreements, Neighborhood Enterprise Zone agreements, Obsolete Properties Rehabilitation Act agreements, New Personal Property agreements (PA 328), Payment in Lieu of Taxes (PA 326 of 1966) agreements, Ad Valorem extension agreements, Ad Valorem Tool and Die agreements, Ad Valorem Agriculture agreements, and Air and Water Pollution agreements granted by the City of Grand Rapids within the boundaries of the District. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities. Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. Other agreements are intended to promote economic development in specific areas.

For the fiscal year ended June 30, 2021, the District's property tax revenues were reduced by \$7,939,138 under these programs.

The District is reimbursed for lost revenue caused by tax abatements on the operating millage of non-homestead properties, from the State of Michigan under the school aid formula. The District received approximately \$7,030,000 in reimbursements from the State of Michigan. The District is not reimbursed for lost revenue from the sinking fund or debt service millages. There are no abatements made by the District.

This page intentionally left blank.

REQUIRED SUPPLEMENTAL INFORMATION

This page intentionally left blank.

GRAND RAPIDS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenue:				
Local sources:				
Property taxes	\$ 32,655,000	\$ 34,300,000	\$ 34,634,083	\$ 334,083
Investment income	80,000	18,000	19,409	1,409
Payments from local governmental agencies	21,420,000	22,011,000	22,126,222	115,222
Other	8,149,687	7,150,491	5,772,765	(1,377,726)
Total local sources	<u>62,304,687</u>	<u>63,479,491</u>	<u>62,552,479</u>	<u>(927,012)</u>
State sources:				
Restricted	45,487,579	44,483,982	43,933,361	(550,621)
Unrestricted	78,142,100	85,241,000	85,216,698	(24,302)
Total state sources	<u>123,629,679</u>	<u>129,724,982</u>	<u>129,150,059</u>	<u>(574,923)</u>
Federal sources:				
Restricted	25,887,562	44,267,197	33,066,831	(11,200,366)
Unrestricted	30,000	30,000	22,148	(7,852)
Total federal sources	<u>25,917,562</u>	<u>44,297,197</u>	<u>33,088,979</u>	<u>(11,208,218)</u>
Total revenue	<u>211,851,928</u>	<u>237,501,670</u>	<u>224,791,517</u>	<u>(12,710,153)</u>
Expenditures:				
Instruction	112,656,065	126,469,616	118,879,022	7,590,594
Support services	99,004,786	105,926,308	94,471,730	11,454,578
Community services	4,536,531	3,301,753	2,137,924	1,163,829
Payments to other public schools				
Capital outlay	1,410,600	2,107,806	1,419,080	688,726
Total expenditures	<u>217,607,982</u>	<u>237,805,483</u>	<u>216,907,756</u>	<u>20,897,727</u>
Other financing sources (uses):				
Transfers from other funds	744,900	654,834	600,472	(54,362)
Transfers to other funds	(69,000)	(209,000)	(205,485)	3,515
Total other financing sources (uses)	<u>675,900</u>	<u>445,834</u>	<u>394,987</u>	<u>(50,847)</u>
Net change in fund balances	<u>(5,080,154)</u>	<u>142,021</u>	<u>8,278,748</u>	<u>8,136,727</u>
Fund balances at beginning of year	10,731,001	10,731,001	10,731,001	
Fund balances at end of year	<u>\$ 5,650,847</u>	<u>\$ 10,873,022</u>	<u>\$ 19,009,749</u>	<u>\$ 8,136,727</u>

The Notes to the Financial Statements are an integral part of this statement.

GRAND RAPIDS PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM
FOR THE PLAN YEAR ENDED SEPTEMBER 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of net pension liability (%)	1.08829%	1.20683%	1.23533%
District's proportionate share of net pension liability	\$ 373,841,016	\$ 399,661,878	\$ 371,363,022
District's covered payroll	\$ 91,513,934	\$ 105,026,809	\$ 105,272,446
District's proportionate share of net pension liability as a percentage of its covered payroll	408.51%	380.53%	352.76%
Plan fiduciary net position as a percentage of total pension liability	59.49%	60.08%	62.12%

This schedule is to be built prospectively. Until a full 10 year trend is compiled, the schedule will show information for those years for which data is available, beginning with the Plan's fiscal year ended September 30, 2014.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1.24286%	1.25721%	1.28950%	1.27525%
\$ 322,077,024	\$ 313,664,456	\$ 314,961,612	\$ 280,892,825
\$ 104,116,904	\$ 106,030,863	\$ 107,761,376	\$ 107,103,354
309.34%	295.82%	292.28%	262.26%
63.96%	63.01%	62.92%	66.15%

GRAND RAPIDS PUBLIC SCHOOLS
SCHEDULE OF DISTRICT CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM
(AMOUNTS DETERMINED AS OF JUNE 30 OF EACH YEAR)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contributions	\$ 30,836,485	\$ 30,459,877	\$ 32,722,887
Contributions in relation to statutorily required contributions	30,836,485	30,459,877	32,722,887
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 89,290,688	\$ 90,890,180	\$ 105,815,232
Contributions as a percentage of covered payroll	34.53%	33.51%	30.92%

This schedule is to be built prospectively. Until a full 10 year trend is compiled, the schedule will show information for those years for which data is available, beginning with the fiscal year ended June 30, 2015.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 31,690,726	\$ 30,422,546	\$ 29,481,660	\$ 23,280,156
31,690,726	30,422,546	29,481,660	23,581,519
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (301,363)</u>
\$ 104,453,405	\$ 110,194,656	\$ 104,923,104	\$ 107,318,010
30.34%	27.61%	28.10%	21.97%

GRAND RAPIDS PUBLIC SCHOOLS
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM
 FOR THE PLAN YEAR ENDED JUNE 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of net OPEB liability (%)	1.02562%	1.19704%	1.23140%
District's proportionate share of net OPEB liability	\$ 54,945,346	\$ 85,920,837	\$ 97,883,616
District's covered payroll	\$ 91,513,934	\$ 105,026,809	\$ 105,272,446
District's proportionate share of net OPEB liability as a percentage of its covered payroll	60.04%	81.81%	92.98%
Plan fiduciary net position as a percentage of total OPEB liability	59.76%	48.67%	43.10%

This schedule is to be built prospectively. Until a full 10 year trend is compiled, the schedule will show information for those years for which data is available, beginning with the Plan's fiscal year ended September 30, 2018.

2017

1.24324%

\$ 110,094,965

\$ 104,116,904

105.74%

36.53%

GRAND RAPIDS PUBLIC SCHOOLS
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contributions	\$ 7,430,548	\$ 7,303,571	\$ 8,311,813
Contributions in relation to statutorily required contributions	7,430,548	7,303,571	8,311,813
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 89,290,688	\$ 90,890,180	\$ 105,815,232
Contributions as a percentage of covered payroll	8.32%	8.04%	7.86%

This schedule is to be built prospectively. Until a full 10 year trend is compiled, the schedule will show information for those years for which data is available, beginning with the fiscal year ended June 30, 2018.

2018

\$ 7,544,382

7,544,382

\$

\$ 104,453,405

7.22%

GRAND RAPIDS PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Pension Information

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

Benefit changes

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

Changes in Assumptions

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

2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.

2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points.

The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

Covered Payroll

The employers' covered payroll to be reported in the required supplementary information is defined by GASB 82, Pension Issues - an amendment to GASB Statements No. 67, No. 68, and No. 73 as payroll on which contributions to a pension plan are based; and by GASB 85, Omnibus 2017, as payroll on which contributions to the OPEB plan are based. For the District, covered payroll represents payroll on which contributions to both plans are based.

OPEB Information

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

Benefit changes

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

Changes in Assumptions

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

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

2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points.

The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points.

The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.

This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2018.

Covered Payroll

The employers' covered payroll to be reported in the required supplementary information is defined by GASB 82, Pension Issues - an amendment to GASB Statements No. 67, No. 68, and No. 73 as payroll on which contributions to a pension plan are based; and by GASB 85, Omnibus 2017, as payroll on which contributions to the OPEB plan are based. For the District, covered payroll represents payroll on which contributions to both plans are based.

OTHER SUPPLEMENTAL INFORMATION

This page intentionally left blank.

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 4,114,922		\$ 1,126	\$ 4,116,048
Restricted assets		\$ 7,799,698	302,973	8,102,671
Receivables:				
State aid receivable	76,783			76,783
Accounts receivable	37,695			37,695
Total receivables	114,478			114,478
Due from other governmental agencies	1,445,501			1,445,501
Inventory	159,070			159,070
Due from other funds	1,433,517	5,407	2,134,532	3,573,456
Total assets	<u>\$ 7,267,488</u>	<u>\$ 7,805,105</u>	<u>\$ 2,438,631</u>	<u>\$ 17,511,224</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 498,263		\$ 2,208,061	\$ 2,706,324
Other liabilities	83,993			83,993
Due to other funds	1,775,660	\$ 4,950		1,780,610
Total liabilities	<u>2,357,916</u>	<u>4,950</u>	<u>2,208,061</u>	<u>4,570,927</u>
Fund balances				
Nonspendable				
Inventory	159,070			159,070
Endowment	258,875			258,875
Restricted				
Capital projects			173,986	173,986
Debt service		7,800,155		7,800,155
Special revenue	2,736,354			2,736,354
Committed				
Student /school activity	1,151,310			1,151,310
Capital projects			48	48
Assigned				
Capital projects			56,536	56,536
Special revenue	603,963			603,963
Total fund balances	<u>4,909,572</u>	<u>7,800,155</u>	<u>230,570</u>	<u>12,940,297</u>
Total liabilities and fund balances	<u>\$ 7,267,488</u>	<u>\$ 7,805,105</u>	<u>\$ 2,438,631</u>	<u>\$ 17,511,224</u>

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Food Service	GRASP	Houseman Field
Assets			
Cash and investments	\$ 1,974,335		\$ 2,000
Receivables:			
State aid receivable	76,783		
Accounts receivable	412	\$ 30,642	
Total receivables	77,195	30,642	
Due from other governmental agencies	1,445,501		
Inventory	159,070		
Due from other funds		560,202	18,186
Total assets	\$ 3,656,101	\$ 590,844	\$ 20,186
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 105,007	\$ 2,674	\$ 4,393
Other liabilities	83,993		
Due to other funds	793,335		
Total liabilities	982,335	2,674	4,393
Fund balances			
Nonspendable			
Inventory	159,070		
Endowment			
Restricted	2,514,696		
Committed			
Assigned		588,170	15,793
Total fund balances	2,673,766	588,170	15,793
Total liabilities and fund balances	\$ 3,656,101	\$ 590,844	\$ 20,186

<u>Student / School Activity</u>	<u>Public Purpose Trust</u>	<u>Total</u>
\$ 2,138,587		\$ 4,114,922
		76,783
6,641		37,695
<u>6,641</u>		<u>114,478</u>
		1,445,501
		159,070
	\$ 855,129	1,433,517
<u>\$ 2,145,228</u>	<u>\$ 855,129</u>	<u>\$ 7,267,488</u>

\$ 11,593	\$ 374,596	\$ 498,263
		83,993
982,325		1,775,660
<u>993,918</u>	<u>374,596</u>	<u>2,357,916</u>

		159,070
	258,875	258,875
	221,658	2,736,354
1,151,310		1,151,310
		603,963
<u>1,151,310</u>	<u>480,533</u>	<u>4,909,572</u>
<u>\$ 2,145,228</u>	<u>\$ 855,129</u>	<u>\$ 7,267,488</u>

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2021

	2012 Refunding Bonds	2016 Voted Debt and Refunding Bonds	2017 Refunding Bonds	2019 Voted Debt Bonds
Assets				
Restricted assets		\$ 3,645,528	\$ 2,046,763	\$ 2,107,407
Due from other funds	\$ 4,316	96		995
Total assets	<u>\$ 4,316</u>	<u>\$ 3,645,624</u>	<u>\$ 2,046,763</u>	<u>\$ 2,108,402</u>
Liabilities and fund balances				
Liabilities				
Due to other funds			\$ 4,950	
Total liabilities			4,950	
Fund balances				
Restricted	\$ 4,316	\$ 3,645,624	2,041,813	\$ 2,108,402
Total fund balances	<u>4,316</u>	<u>3,645,624</u>	<u>2,041,813</u>	<u>2,108,402</u>
Total liabilities and fund balances	<u>\$ 4,316</u>	<u>\$ 3,645,624</u>	<u>\$ 2,046,763</u>	<u>\$ 2,108,402</u>

Total

\$ 7,799,698
5,407
\$ 7,805,105

\$ 4,950
4,950

7,800,155
7,800,155

\$ 7,805,105

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2021

	Unrestricted General Purpose	Strategic Facilities Plan	2012 Sinking Fund	2016 Technology Fund
Assets				
Cash and investments	\$ 1,078	\$ 48		
Restricted assets			\$ 171,687	
Due from other funds	55,458		2,299	
Total assets	<u><u>\$ 56,536</u></u>	<u><u>\$ 48</u></u>	<u><u>\$ 173,986</u></u>	<u><u>\$</u></u>
Liabilities and fund balances				
Liabilities				
Accounts payable				
Total liabilities				
Fund balances				
Restricted			\$ 173,986	
Committed		\$ 48		
Assigned	\$ 56,536			
Total fund balances	<u><u>56,536</u></u>	<u><u>48</u></u>	<u><u>173,986</u></u>	
Total liabilities and fund balances	<u><u>\$ 56,536</u></u>	<u><u>\$ 48</u></u>	<u><u>\$ 173,986</u></u>	<u><u>\$</u></u>

2016 Construction Fund	2016 Security Fund	Total
		\$ 1,126
\$ 131,286		302,973
2,075,857	\$ 918	2,134,532
<u>\$ 2,207,143</u>	<u>\$ 918</u>	<u>\$ 2,438,631</u>
<u>\$ 2,207,143</u>	<u>\$ 918</u>	<u>\$ 2,208,061</u>
2,207,143	918	2,208,061
		173,986
		48
		56,536
		<u>230,570</u>
<u>\$ 2,207,143</u>	<u>\$ 918</u>	<u>\$ 2,438,631</u>

This page intentionally left blank.

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenue:				
Local sources:				
Property taxes		\$ 25,499,311	\$ 948	\$ 25,500,259
Investment income	\$ 2,345	10,029	168	12,542
Food service	35,291			35,291
GRASP	417,157			417,157
Other	203,789		40,143	243,932
Total local sources	<u>658,582</u>	<u>25,509,340</u>	<u>41,259</u>	<u>26,209,181</u>
State sources - restricted	394,445			394,445
Federal sources - restricted	6,043,246			6,043,246
Total revenue	<u>7,096,273</u>	<u>25,509,340</u>	<u>41,259</u>	<u>32,646,872</u>
Expenditures:				
Food service	7,298,158			7,298,158
GRASP	328,986			328,986
Bond principal maturities		12,505,000		12,505,000
Interest on bonded debt		10,384,581		10,384,581
Capital outlay			12,916,353	12,916,353
Other	669,414	14,030	840,965	1,524,409
Total expenditures	<u>8,296,558</u>	<u>22,903,611</u>	<u>13,757,318</u>	<u>44,957,487</u>
Other financing sources (uses):				
Transfer from General Fund	62,560		142,925	205,485
Transfer from Capital Projects Fund		570,080	13,508,946	14,079,026
Transfer to General Fund	(600,472)			(600,472)
Transfer to Debt Service Funds			(570,080)	(570,080)
Total other financing sources (uses)	<u>(537,912)</u>	<u>570,080</u>	<u>13,081,791</u>	<u>13,113,959</u>
Net change in fund balances	<u>(1,738,197)</u>	<u>3,175,809</u>	<u>(634,268)</u>	<u>803,344</u>
Fund balances at beginning of year, as restated	6,647,769	4,624,346	864,838	12,136,953
Fund balances at end of year	<u>\$ 4,909,572</u>	<u>\$ 7,800,155</u>	<u>\$ 230,570</u>	<u>\$ 12,940,297</u>

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2021

	Food Service	GRASP	Houseman Field
Revenue:			
Local sources:			
Investment income	\$ 1,013	\$ 127	
Sales	34,141		
Admissions and class fees		417,157	\$ 7,032
Other	1,150		
Total local sources	<u>36,304</u>	<u>417,284</u>	<u>7,032</u>
State sources - restricted	394,445		
Federal sources - restricted	6,043,246		
Total revenue	<u>6,473,995</u>	<u>417,284</u>	<u>7,032</u>
Expenditures:			
School services			
Salaries	2,102,492	145,349	1,695
Benefits	1,504,143	95,625	813
Nonsalaries	3,575,737	88,012	67,084
Payments to other public schools	115,786		
Total expenditures	<u>7,298,158</u>	<u>328,986</u>	<u>69,592</u>
Other financing sources (uses):			
Transfer from General Fund			62,560
Transfer to General Fund	(600,472)		
Total other financing sources (uses)	<u>(600,472)</u>		<u>62,560</u>
Net change in fund balances	<u>(1,424,635)</u>	<u>88,298</u>	
Fund balances at beginning of year, as restated	4,098,401	499,872	15,793
Fund balances at end of year	<u>\$ 2,673,766</u>	<u>\$ 588,170</u>	<u>\$ 15,793</u>

<u>Student / School Activity</u>	<u>Public Purpose Trust</u>	<u>Total</u>
\$ 318	\$ 887	\$ 2,345
		34,141
		424,189
195,707	1,050	197,907
<u>196,025</u>	<u>1,937</u>	<u>658,582</u>
		394,445
		6,043,246
<u>196,025</u>	<u>1,937</u>	<u>7,096,273</u>
		2,249,536
		1,600,581
221,701	378,121	4,330,655
		115,786
<u>221,701</u>	<u>378,121</u>	<u>8,296,558</u>
		62,560
		(600,472)
		(537,912)
<u>(25,676)</u>	<u>(376,184)</u>	<u>(1,738,197)</u>
1,176,986	856,717	6,647,769
<u>\$ 1,151,310</u>	<u>\$ 480,533</u>	<u>\$ 4,909,572</u>

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2021

	2012 Refunding Bonds	2016 Voted Debt and Refunding Bonds	2017 Refunding Bonds	2019 Voted Debt Bonds
Revenue:				
Local sources:				
Property taxes		\$ 10,209,029	\$ 6,390,103	\$ 8,900,179
Investment income		5,741	1,162	3,126
Total local sources		<u>10,214,770</u>	<u>6,391,265</u>	<u>8,903,305</u>
Total revenue		<u>10,214,770</u>	<u>6,391,265</u>	<u>8,903,305</u>
Expenditures:				
Bond principal maturities	\$ 555,000	4,215,000	3,585,000	4,150,000
Interest on bonded debt	15,081	4,883,500	1,977,250	3,508,750
Other		536	12,994	500
Total expenditures	<u>570,081</u>	<u>9,099,036</u>	<u>5,575,244</u>	<u>7,659,250</u>
Other financing sources:				
Transfer from Capital Projects Fund	<u>570,080</u>			
Total other financing sources	<u>570,080</u>			
Net change in fund balances	<u>(1)</u>	<u>1,115,734</u>	<u>816,021</u>	<u>1,244,055</u>
Fund balances at beginning of year	4,317	2,529,890	1,225,792	864,347
Fund balances at end of year	<u>\$ 4,316</u>	<u>\$ 3,645,624</u>	<u>\$ 2,041,813</u>	<u>\$ 2,108,402</u>

Total

\$ 25,499,311
10,029
25,509,340

25,509,340

12,505,000
10,384,581
14,030
22,903,611

570,080
570,080

3,175,809

4,624,346

\$ 7,800,155

GRAND RAPIDS PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2021

	Unrestricted General Purpose	Strategic Facilities Plan	2012 Sinking Fund	2016 Technology Fund
Revenue:				
Local sources:				
Property taxes			\$ 948	
Investment income	\$ 8	\$ 74	86	
Other		21,293		
Total revenue	<u>8</u>	<u>21,367</u>	<u>1,034</u>	
Expenditures:				
Capital outlay			182,472	\$ 712,764
Other			47,050	
Total expenditures			<u>229,522</u>	<u>712,764</u>
Other financing sources (uses):				
Transfers from General Fund		142,925		
Transfers from (to) Capital Projects Fund				712,764
Transfers to Debt Service Fund		(570,080)		
Total other financing uses		<u>(427,155)</u>		<u>712,764</u>
Net change in fund balances	<u>8</u>	<u>(405,788)</u>	<u>(228,488)</u>	
Fund balances at beginning of year	56,528	405,836	402,474	
Fund balances at end of year	<u>\$ 56,536</u>	<u>\$ 48</u>	<u>\$ 173,986</u>	<u>\$</u>

2016 Construction Fund	2016 Security Fund	Total
		\$ 948
		168
\$ 18,850		40,143
<u>18,850</u>		<u>41,259</u>
11,661,949	\$ 359,168	12,916,353
793,915		840,965
<u>12,455,864</u>	<u>359,168</u>	<u>13,757,318</u>
12,437,014	359,168	142,925
		13,508,946
		(570,080)
<u>12,437,014</u>	<u>359,168</u>	<u>13,081,791</u>
		(634,268)
		864,838
<u>\$</u>	<u>\$</u>	<u>\$ 230,570</u>

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF REVENUE - BUDGET AND ACTUAL
 GENERAL FUND (GENERAL PROGRAMS)
 YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	Actual (Over)/Under Budget
Local sources			
Property taxes	\$ 34,300,000	\$ 34,634,083	\$ (334,083)
Investment income	18,000	19,409	(1,409)
Payments from local governmental agencies:			
County special education tax	11,116,000	11,116,223	(223)
County enhancement millage	3,700,000	3,807,822	(107,822)
Services to other governmental agencies	7,195,000	7,202,177	(7,177)
Other revenue:			
Rental of facilities	230,000	252,136	(22,136)
Other	707,000	770,353	(63,353)
Total local sources	<u>57,266,000</u>	<u>57,802,203</u>	<u>(536,203)</u>
State sources			
Restricted			
Special education	8,984,000	9,283,404	(299,404)
Other	17,500,000	17,715,473	(215,473)
Total restricted state sources	<u>26,484,000</u>	<u>26,998,877</u>	<u>(514,877)</u>
Unrestricted	85,241,000	85,216,698	24,302
Total state sources	<u>111,725,000</u>	<u>112,215,575</u>	<u>(490,575)</u>
Federal sources			
Restricted	140,000	161,079	(21,079)
Unrestricted	30,000	22,148	7,852
	<u>170,000</u>	<u>183,227</u>	<u>(13,227)</u>
Total revenue	<u>\$ 169,161,000</u>	<u>\$ 170,201,005</u>	<u>\$ (1,040,005)</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF REVENUE - BUDGET AND ACTUAL
 GENERAL FUND (GRANTS)
 YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over)/Under Budget</u>
Local sources			
Other revenue	\$ 5,742,259	\$ 4,181,429	\$ 1,560,830
State sources			
Restricted	17,999,982	16,934,484	1,065,498
Federal sources			
Restricted	44,127,197	32,905,752	11,221,445
Unrestricted			
Total revenue	<u>\$ 67,869,438</u>	<u>\$ 54,021,665</u>	<u>\$ 13,847,773</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF REVENUE - BUDGET AND ACTUAL
 GENERAL FUND (ATHLETICS)
 YEAR ENDED JUNE 30, 2021

	Budget	Actual	Actual (Over)/Under Budget
Local sources			
Other revenue	\$ 471,232	\$ 568,847	\$ (97,615)
Total revenue	\$ 471,232	\$ 568,847	\$ (97,615)

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND (GENERAL PROGRAMS)
 YEAR ENDED JUNE 30, 2021

	Budget	Actual	Actual (Over)/Under Budget
Instruction			
Basic programs			
Elementary			
Salaries	\$ 22,464,295	\$ 22,209,136	\$ 255,159
Benefits and payroll taxes	17,590,326	17,425,643	164,683
Nonsalaries	2,448,963	2,046,153	402,810
Total elementary	<u>42,503,584</u>	<u>41,680,932</u>	<u>822,652</u>
Secondary			
Salaries	18,040,878	17,730,864	310,014
Benefits and payroll taxes	13,935,956	13,722,169	213,787
Nonsalaries	2,790,734	2,149,890	640,844
Total secondary	<u>34,767,568</u>	<u>33,602,923</u>	<u>1,164,645</u>
Other basic programs			
Salaries	470,000	446,965	23,035
Benefits and payroll taxes	459,672	542,059	(82,387)
Nonsalaries		646	(646)
Total other basic programs	<u>929,672</u>	<u>989,670</u>	<u>(59,998)</u>
Total basic programs	<u>78,200,824</u>	<u>76,273,525</u>	<u>1,927,299</u>
Added needs			
Salaries	7,077,550	7,083,856	(6,306)
Benefits and payroll taxes	5,606,111	5,569,704	36,407
Nonsalaries	1,662,500	1,526,691	135,809
Total added needs	<u>14,346,161</u>	<u>14,180,251</u>	<u>165,910</u>
Total instruction	92,546,985	90,453,776	2,093,209
Support services			
Pupil services			
Salaries	2,021,760	1,884,440	137,320
Benefits and payroll taxes	1,589,675	1,505,686	83,989
Nonsalaries	10,612,069	10,659,679	(47,610)
Total pupil services	<u>14,223,504</u>	<u>14,049,805</u>	<u>173,699</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND (GENERAL PROGRAMS)
 YEAR ENDED JUNE 30, 2021

	Budget	Actual	Actual (Over)/Under Budget
Support services (continued)			
Instructional staff services			
Salaries	\$ 3,356,439	\$ 3,329,180	\$ 27,259
Benefits and payroll taxes	2,529,514	2,429,474	100,040
Nonsalaries	630,474	541,792	88,682
Total instructional staff services	<u>6,516,427</u>	<u>6,300,446</u>	<u>215,981</u>
General administration			
Salaries	753,600	712,135	41,465
Benefits and payroll taxes	519,058	478,482	40,576
Nonsalaries	434,150	264,944	169,206
Total general administration	<u>1,706,808</u>	<u>1,455,561</u>	<u>251,247</u>
School administration			
Salaries	7,701,794	7,432,874	268,920
Benefits and payroll taxes	5,729,217	5,416,460	312,757
Nonsalaries	347,821	287,322	60,499
Total school administration	<u>13,778,832</u>	<u>13,136,656</u>	<u>642,176</u>
Fiscal services			
Salaries	1,512,450	1,449,331	63,119
Benefits and payroll taxes	1,129,986	1,057,720	72,266
Nonsalaries	1,736,786	1,524,852	211,934
Total fiscal services	<u>4,379,222</u>	<u>4,031,903</u>	<u>347,319</u>
Operations and maintenance			
Salaries	4,895,185	4,131,864	763,321
Benefits and payroll taxes	3,746,058	3,108,038	638,020
Nonsalaries			
Utilities	4,449,400	4,298,277	151,123
Repairs	1,352,300	1,110,938	241,362
Other	2,987,775	2,719,832	267,943
Total operations and maintenance	<u>17,430,718</u>	<u>15,368,949</u>	<u>2,061,769</u>
Pupil transportation			
Nonsalaries	9,292,755	8,245,794	1,046,961
Total pupil transportation	<u>9,292,755</u>	<u>8,245,794</u>	<u>1,046,961</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND (GENERAL PROGRAMS)
 YEAR ENDED JUNE 30, 2021

	Budget	Actual	Actual (Over)/Under Budget
Support services (continued)			
Staff and personnel services			
Salaries			
Planning, research and evaluation	\$ 204,000	\$ 201,261	\$ 2,739
Communications	426,750	392,295	34,455
Personnel services	1,278,800	1,182,115	96,685
Information services	1,651,000	1,597,324	53,676
Benefits and payroll taxes			
Planning, research and evaluation	154,017	147,269	6,748
Communications	308,446	275,693	32,753
Personnel services	924,859	829,732	95,127
Information services	1,255,901	1,172,043	83,858
Nonsalaries			
Planning, research and evaluation	42,100	35,134	6,966
Communications	621,150	583,839	37,311
Personnel services	502,415	498,258	4,157
Information services	2,152,605	1,881,035	271,570
Total staff and personnel services	<u>9,522,043</u>	<u>8,795,998</u>	<u>726,045</u>
Total support services	<u>76,850,309</u>	<u>71,385,112</u>	<u>5,465,197</u>
Community services			
Salaries	2,200	900	1,300
Benefits and payroll taxes	6,204	1,370	4,834
Nonsalaries	23,800	13,555	10,245
Total community services	<u>32,204</u>	<u>15,825</u>	<u>16,379</u>
Capital outlay	75,000	71,610	3,390
Transfer to athletics	1,468,691	1,492,842	(24,151)
Expenses redistributed	(1,508,376)	(1,101,921)	(406,455)
Total expenditures	<u>\$ 169,464,813</u>	<u>\$ 162,317,244</u>	<u>\$ 7,147,569</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND (GRANTS)
 YEAR ENDED JUNE 30, 2021

	Budget	Actual	Actual (Over)/Under Budget
Instruction			
Basic programs			
Elementary			
Salaries	\$ 1,820,208	\$ 1,709,341	\$ 110,867
Benefits and payroll taxes	1,265,819	1,230,535	35,284
Nonsalaries	5,387,328	3,998,595	1,388,733
Total elementary	<u>8,473,355</u>	<u>6,938,471</u>	<u>1,534,884</u>
Secondary			
Salaries	473,047	160,134	312,913
Benefits and payroll taxes	258,206	105,331	152,875
Nonsalaries	4,580,700	4,237,755	342,945
Total secondary	<u>5,311,953</u>	<u>4,503,220</u>	<u>808,733</u>
Other basic programs			
Salaries	3,444,117	3,057,666	386,451
Benefits and payroll taxes	2,392,536	2,181,828	210,708
Nonsalaries	463,333	251,808	211,525
Total other basic programs	<u>6,299,986</u>	<u>5,491,302</u>	<u>808,684</u>
Total basic programs	<u>20,085,294</u>	<u>16,932,993</u>	<u>3,152,301</u>
Added needs			
Salaries	7,199,816	6,280,732	919,084
Benefits and payroll taxes	5,219,194	4,644,386	574,808
Nonsalaries	1,418,327	567,135	851,192
Total added needs	<u>13,837,337</u>	<u>11,492,253</u>	<u>2,345,084</u>
Total instruction	<u>33,922,631</u>	<u>28,425,246</u>	<u>5,497,385</u>
Support services			
Pupil services			
Salaries	3,898,065	3,450,179	447,886
Benefits and payroll taxes	2,711,577	2,394,988	316,589
Nonsalaries	1,418,629	1,279,692	138,937
Total pupil services	<u>8,028,271</u>	<u>7,124,859</u>	<u>903,412</u>
Instructional staff services			
Salaries	2,996,464	2,423,845	572,619
Benefits and payroll taxes	1,944,522	1,577,504	367,018
Nonsalaries	4,870,622	2,189,781	2,680,841
Total instructional staff services	<u>9,811,608</u>	<u>6,191,130</u>	<u>3,620,478</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND (GRANTS)
 YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over)/Under Budget</u>
Support services (continued)			
School administration			
Salaries	\$ 99,600	\$ 100,037	\$ (437)
Benefits and payroll taxes	65,327	65,621	(294)
Total school administration	<u>164,927</u>	<u>165,658</u>	<u>(731)</u>
Fiscal services			
Nonsalaries	34,575	34,572	3
Total fiscal services	<u>34,575</u>	<u>34,572</u>	<u>3</u>
Operations and maintenance			
Salaries	1,963,739	1,791,286	172,453
Benefits and payroll taxes	1,344,637	1,232,195	112,442
Nonsalaries			
Repairs	200,000	275,907	(75,907)
Other	1,660,387	1,960,238	(299,851)
Total operations and maintenance	<u>5,168,763</u>	<u>5,259,626</u>	<u>(90,863)</u>
Pupil transportation			
Nonsalaries	1,247,110	599,009	648,101
Total pupil transportation	<u>1,247,110</u>	<u>599,009</u>	<u>648,101</u>
Staff and personnel services			
Salaries			
Planning, research and evaluation	49,618	48,337	1,281
Personnel services	58,850	40,071	18,779
Information services	387,260	375,530	11,730
Benefits and payroll taxes			
Planning, research and evaluation	35,858	34,907	951
Personnel services	36,195	26,632	9,563
Information services	257,409	248,924	8,485
Nonsalaries			
Planning, research and evaluation	140,251	66,975	73,276
Communications	100,000	185,000	(85,000)
Personnel services	324,495	2,350	322,145
Information services	1,290,886	621,349	669,537
Total staff and personnel services	<u>2,680,822</u>	<u>1,650,075</u>	<u>1,030,747</u>
Total support services	<u>27,136,076</u>	<u>21,024,929</u>	<u>6,111,147</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND (GRANTS)
 YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over)/Under Budget</u>
Community services			
Salaries	\$ 328,327	\$ 263,918	\$ 64,409
Benefits and payroll taxes	221,689	178,056	43,633
Nonsalaries	<u>2,719,533</u>	<u>1,680,125</u>	<u>1,039,408</u>
Total community services	3,269,549	2,122,099	1,147,450
Facility acquisition / building improvements	2,032,806	1,347,470	685,336
Expenses redistributed	1,508,376	1,101,921	406,455
Total expenditures	<u><u>\$ 67,869,438</u></u>	<u><u>\$ 54,021,665</u></u>	<u><u>\$ 13,847,773</u></u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND (ATHLETICS)
 YEAR ENDED JUNE 30, 2021

	Budget	Actual	Actual (Over)/Under Budget
Support services			
Fiscal services			
Nonsalaries	\$ 40,000	\$ 38,529	\$ 1,471
Total fiscal services	40,000	38,529	1,471
Operations and maintenance			
Nonsalaries		290	(290)
Total operations and maintenance		290	(290)
Pupil transportation			
Nonsalaries	89,500	96,708	(7,208)
Total pupil transportation	89,500	96,708	(7,208)
Student activities			
Salaries	904,325	936,472	(32,147)
Benefits and payroll taxes	509,198	501,798	7,400
Nonsalaries	396,900	487,892	(90,992)
Total student activities	1,810,423	1,926,162	(115,739)
Total support services	1,939,923	2,061,689	(121,766)
Athletics transfer from general programs	(1,468,691)	(1,492,842)	24,151
Total expenditures	<u>\$ 471,232</u>	<u>\$ 568,847</u>	<u>\$ (97,615)</u>

Level of detail presented is greater than the approved budget.

GRAND RAPIDS PUBLIC SCHOOLS
SCHEDULE OF BONDED DEBT
DEBT SERVICE FUNDS
JUNE 30, 2021

Description of issue	Issue of 2012	Issue of 2016
Date of issue	June 5, 2012	March 16, 2016
Amount of original issue	\$4,830,000	\$45,415,000
Principal maturity	November 1	May 1
Interest maturity	November 1 and May 1	November 1 and May 1
Interest rates on outstanding bonds	1.79%	4.0% to 5.0%

Maturity of Debt	Principal	Interest	Principal	Interest
Year ending June 30:				
2022	\$ 565,000	\$ 5,056	\$ 2,460,000	\$ 1,831,500
2023			2,610,000	1,708,500
2024			2,710,000	1,578,000
2025			2,855,000	1,442,500
2026			3,010,000	1,299,750
2027			3,160,000	1,149,250
2028			3,335,000	991,250
2029			3,505,000	824,500
2030			6,475,000	649,250
2031			6,510,000	325,500
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				

Totals	<u>\$ 565,000</u>	<u>\$ 5,056</u>	<u>\$ 36,630,000</u>	<u>\$ 11,800,000</u>
--------	-------------------	-----------------	----------------------	----------------------

Issue of 2016		Issue of 2017		Issue of 2019	
March 16, 2016		March 21, 2017		May 14, 2019	
\$77,100,000		\$45,760,000		\$75,630,000	
May 1		May 1		November 1	
November 1 and May 1		November 1 and May 1		November 1 and May 1	
4.0% to 5.0%		5.00%		5.00%	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 1,850,000	\$ 2,841,250	\$ 3,765,000	\$ 1,798,000	\$ 4,450,000	\$ 3,293,750
1,850,000	2,748,750	3,955,000	1,609,750	1,700,000	3,140,000
1,850,000	2,656,250	4,150,000	1,412,000	1,800,000	3,052,500
1,850,000	2,563,750	4,360,000	1,204,500	1,900,000	2,960,000
1,925,000	2,471,250	4,580,000	986,500	2,000,000	2,862,500
1,975,000	2,375,000	4,810,000	757,500	2,100,000	2,760,000
2,050,000	2,276,250	5,045,000	517,000	2,200,000	2,652,500
2,100,000	2,173,750	5,295,000	264,750	2,300,000	2,540,000
2,800,000	2,068,750			2,450,000	2,421,250
2,900,000	1,928,750			2,550,000	2,296,250
3,050,000	1,783,750			2,650,000	2,166,250
3,150,000	1,631,250			2,800,000	2,030,000
3,275,000	1,473,750			2,900,000	1,887,500
3,375,000	1,310,000			3,050,000	1,738,750
3,500,000	1,141,250			3,200,000	1,582,500
3,625,000	966,250			3,350,000	1,418,750
3,750,000	785,000			3,500,000	1,247,500
3,875,000	597,500			3,600,000	1,070,000
4,000,000	403,750			3,700,000	887,500
4,075,000	203,750			3,800,000	700,000
				3,900,000	507,500
				4,050,000	308,750
				4,150,000	103,750
<u>\$ 56,825,000</u>	<u>\$ 34,400,000</u>	<u>\$ 35,960,000</u>	<u>\$ 8,550,000</u>	<u>\$ 68,100,000</u>	<u>\$ 43,627,500</u>

Totals

<u>Principal</u>	<u>Interest</u>
\$ 13,090,000	\$ 9,769,556
10,115,000	9,207,000
10,510,000	8,698,750
10,965,000	8,170,750
11,515,000	7,620,000
12,045,000	7,041,750
12,630,000	6,437,000
13,200,000	5,803,000
11,725,000	5,139,250
11,960,000	4,550,500
5,700,000	3,950,000
5,950,000	3,661,250
6,175,000	3,361,250
6,425,000	3,048,750
6,700,000	2,723,750
6,975,000	2,385,000
7,250,000	2,032,500
7,475,000	1,667,500
7,700,000	1,291,250
7,875,000	903,750
3,900,000	507,500
4,050,000	308,750
4,150,000	103,750
<u>\$ 198,080,000</u>	<u>\$ 98,382,556</u>

This page intentionally left blank.

This page intentionally left blank.

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF REVENUE, EXPENDITURES AND FUND BALANCES
 TRUST FUNDS
 YEAR ENDED JUNE 30, 2021

	Net Position <u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Net Position <u>June 30, 2021</u>
Nonexpendable public purpose trust funds				
Principal accounts - endowment:				
Mary Amberg Award Fund	\$ 525			\$ 525
Central High School Scholarship Award of the Class of 1926	1,400			1,400
Emma J. Cole Fund	1,500			1,500
Mary Croninger Dutcher Voice and String Instrument Fund	53,949			53,949
Kathy French Scholarship Fund	8,436			8,436
Hugh H. Hayes Memorial Award Fund	500			500
Elwood F. Demmon - Albert Jennings Scholarship Fund	5,533			5,533
Marian L. Jennings Scholarship Fund	1,023			1,023
Anne H. Kerr French Scholarship Fund	1,000			1,000
Peter H. Moll Travel Award Fund	1,555			1,555
Loretta Ortt Trust Fund	23,819			23,819
Ottawa Hills High School Scholarship Award of the Class of 1976	710			710
Olga Perschbacher Trust	12,400			12,400
Mary R. Powers Fund	3,889			3,889
Edna L. and Katheryn Pugsley Elementary School Trust	87,875			87,875
Union High School Bookstore Award for Excellence	10,000			10,000
Gustave A. Wolf Fund	15,000			15,000
Walter Wood Memorial Fund	29,761			29,761
Total nonexpendable trust funds	<u>258,875</u>			<u>258,875</u>
Expendable trust funds				
Principal accounts - expendable:				
Board of Education Trust Fund	15,354	\$ 4	\$ 775	14,583
Ralph G. Conger Fund	801		50	751
Myrtle Freeman Trust	411,468	104	374,596	36,976
Newcomer Award Fund	10,419	502	100	10,821
Total principal accounts	<u>438,042</u>	<u>610</u>	<u>375,521</u>	<u>63,131</u>

GRAND RAPIDS PUBLIC SCHOOLS
 DETAILS OF REVENUE, EXPENDITURES AND FUND BALANCES
 TRUST FUNDS
 YEAR ENDED JUNE 30, 2021

	Net Position June 30, 2020	Increases	Decreases	Net Position June 30, 2021
Income accounts of endowment funds:				
Mary Amberg Award Fund	\$ 141			\$ 141
Central High School Scholarship Award of the Class of 1926	139		\$ 50	89
Emma J. Cole Fund	10,996	\$ 3		10,999
Mary Croninger Dutcher Voice and String Instrument Fund	27,428	22		27,450
Kathy French Scholarship Fund	3,606	4		3,610
Hugh H. Hayes Memorial Award Fund	21			21
Elwood F. Demmon - Albert Jennings Scholarship Fund	2,803	2	150	2,655
Marian L. Jennings Scholarship Fund	74	550	600	24
Anne H. Kerr French Scholarship Fund	1,069			1,069
Peter H. Moll Travel Award Fund	543			543
Loretta Ortt Trust Fund	20,721	12		20,733
Ottawa Hills High School Scholarship Award of the Class of 1976	178			178
Olga Perschbacher Trust	46,320	680	500	46,500
Mary R. Powers Fund	631	1	100	532
Edna L. and Katheryn Pugsley Elementary School Trust	31,150	32		31,182
Union High School Bookstore Award for Excellence	2,221	3	150	2,074
Gustave A. Wolf Fund	3,554	6	850	2,710
Walter Wood Memorial Fund	8,205	12	200	8,017
Total income accounts	<u>159,800</u>	<u>1,327</u>	<u>2,600</u>	<u>158,527</u>
Total expendable trust funds	<u>597,842</u>	<u>1,937</u>	<u>378,121</u>	<u>221,658</u>
Total public purpose trust funds	<u>\$ 856,717</u>	<u>\$ 1,937</u>	<u>\$ 378,121</u>	<u>\$ 480,533</u>
Private purpose trust funds				
Principal accounts - endowment:				
James Henry Schnoor and Minnie Schnoor Memorial Scholarship Fund	\$ 14,028			\$ 14,028
Principal accounts - expendable:				
Lincoln School Trust	53,284	\$ 14		53,298
Income accounts of endowment funds:				
James Henry Schnoor and Minnie Schnoor Memorial Scholarship Fund	4,572	5		4,577
Total private purpose trust funds	<u>\$ 71,884</u>	<u>\$ 19</u>		<u>\$ 71,903</u>

GRAND RAPIDS PUBLIC SCHOOLS
PROPERTY TAX DATA
JUNE 30, 2021

	Balance July 1, 2020	Assessments	Cash Collections	Prior Year Assessment Adjustments	Balance June 30, 2021
General Fund					
Delinquent taxes:					
2020		\$ 34,634,083	\$ 34,634,083		
2019	\$ 3,652		103,621	\$ 99,969	
2018	2,848		31,681	28,833	
2017	2,723		9,918	7,195	
2016	2,699		3,091	392	
2015	2,690		2,818	128	
2014	6,009		6,009		
Interest and penalties assessed at the time of collection					
Total General Fund	<u>20,621</u>	<u>34,634,083</u>	<u>34,791,221</u>	<u>136,517</u>	
Debt Service Fund					
Delinquent taxes:					
2020		23,503,192	23,503,192		
2019	123,355		142,882	19,527	
2018	18,595		32,879	14,284	
2017	1,976		3,248	1,272	
2016			2,633	2,633	
2015	2,540		404	(2,136)	
Interest and penalties assessed at the time of collection					
Total Debt Service Fund	<u>146,466</u>	<u>23,503,192</u>	<u>23,685,238</u>	<u>35,580</u>	
Sinking Fund					
Delinquent taxes:					
2020					
2019					
2018					
2017					
2016	632		632		
2015					
Interest and penalties assessed at the time of collection					
Total Sinking Fund	<u>632</u>		<u>632</u>		
Total property taxes receivable	<u>\$ 167,719</u>	<u>\$ 58,137,275</u>	<u>\$ 58,477,091</u>	<u>\$ 172,097</u>	
OTHER INFORMATION					
	Primary Residence (PRE)	Non-PRE	TIFA Districts	Renaissance Zone	
Taxable value of property in the City of Grand Rapids	<u>\$ 2,497,367,697</u>	<u>\$ 2,642,560,392</u>	<u>\$ 531,931,627</u>	<u>\$ 15,423,124</u>	
Tax levy (mills)					
General Fund		18.0000			
Debt Service	4.8500	4.8500			
Total tax levy	<u>4.8500</u>	<u>22.8500</u>			
Official student enrollment					<u>15,226</u>

GRAND RAPIDS PUBLIC SCHOOLS
TEN YEAR SUMMARY OF TAX ASSESSMENTS AND COLLECTIONS
JUNE 30, 2021

Assessed valuation and school taxes:

	Assessed Valuation of Property (A)			School Tax Rate Per \$1,000 of Assessed Valuation		
	PRE	Non-PRE	Total	Operating (Mills)	Debt Service (Mills)	Sinking Fund (Mills)
	2011	1,990,736,516	2,213,381,909	4,204,118,425	18.0000 (C)	2.36
2012	1,891,128,285	2,196,941,509	4,088,069,794	18.0000 (C)	2.60	1.00
2013	1,898,530,618	2,143,921,397	4,042,452,015	18.0000 (C)	2.60	1.00
2014	1,907,224,073	2,174,820,521	4,082,044,594	18.0000 (C)	2.60	1.00
2015	1,945,900,130	2,177,917,494	4,123,817,624	18.0000 (C)	2.80	1.00
2016	1,982,044,722	2,142,526,641	4,124,571,363	18.0000 (D)	4.75	0.9949
2017	2,077,657,402	2,229,262,979	4,306,920,381	18.0000 (C)	4.25	
2018	2,210,554,582	2,353,605,120	4,564,159,702	18.0000 (C)	4.30	
2019	2,348,785,773	2,488,524,375	4,837,310,148	18.0000 (C)	4.85	
2020	2,497,367,697	2,642,560,392	5,139,928,089	18.0000 (C)	4.85	

Levy and collections (B):

Year ended June 30	Total Levy for All School Purposes	Collection of Current Year's Levy	Collection of Prior Years' Levies	Total Collections
2012	39,684,576	39,671,588	295,914	39,967,502
2013	43,503,248	43,481,435	233,526	43,714,961
2014	42,621,415	42,301,295	295,538	42,596,833
2015	43,366,325	43,366,325	1,020,220	44,386,545
2016	44,479,989	44,212,610	133,345	44,345,955
2017	51,922,241	51,922,241	313,802	52,236,043
2018	50,458,215	50,354,767	106,634	50,461,401
2019	50,763,484	50,666,810	217,604	50,884,414
2020	55,060,160	54,933,153	160,244	55,093,397
2021	58,137,275	58,137,275	339,816	58,477,091

- (A) The assessed valuations shown above represent the state-equalized amounts for General Fund purposes.
- (B) The amounts shown for tax collections are exclusive of collections of trailer fees and interest and penalties, except insofar as penalties added to tax sale redemption accounts have been collected.
- (C) In addition to these mills levied locally on non-homestead property, an additional 6 mills for homestead and non-homestead property are levied by the State of Michigan.
- (D) In addition to these mills levied locally on non-homestead property, an additional 6 mills for homestead and non-homestead property are levied by the State of Michigan. The sinking fund millage has been reduced by 0.0051 mills, attributable to Headlee Amendment rollbacks.

This page intentionally left blank.