



**COMSTOCK PARK
PUBLIC SCHOOLS
Kent County, Michigan**

Comprehensive Annual Financial Report

For the year ended June 30, 2021

COMSTOCK PARK PUBLIC SCHOOLS
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For the year ended June 30, 2021

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FINANCIAL SECTION



INDEPENDENT AUDITOR’S REPORT

October 26, 2021

The Board of Education
Comstock Park 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 Comstock Park Public Schools (the “District”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note K to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities for the fiscal year ended June 30, 2021. Our opinion is not modified in respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021 on our consideration of Comstock Park Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Comstock Park Public Schools' internal control over financial reporting and compliance.

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

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

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

Overview of the Financial Statements

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

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

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

District-wide Statements

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

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

- Over time, increases or decreases in the District’s net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District’s overall health, one should consider additional non-financial factors such as changes in the District’s property tax-base and the condition of school buildings and other facilities.



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis
June 30, 2021

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

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

New Accounting Pronouncement Implemented

The District implemented Governmental Accounting Standard Board (GASB) Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. It is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. See Note K for additional details.

Condensed District-wide Financial Information

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

	<u>2021</u>	<u>2020</u>
Assets		
Current assets	\$ 10,556,968	\$ 7,967,397
Net capital assets	<u>34,059,232</u>	<u>36,269,841</u>
Total Assets	<u>44,616,200</u>	<u>44,237,238</u>
Deferred Outflows of Resources	<u>11,640,507</u>	<u>14,038,920</u>
Liabilities		
Current liabilities	12,257,131	11,719,364
Long-term liabilities	40,748,608	43,784,818
Net pension liability	36,843,699	36,641,162
Net OPEB liability	<u>5,627,517</u>	<u>7,851,888</u>
Total Liabilities	<u>95,476,955</u>	<u>99,997,232</u>
Deferred Inflows of Resources	<u>6,766,477</u>	<u>6,647,956</u>
Net Position		
Net investment in capital assets	(14,121,736)	(14,749,572)
Restricted	1,691,665	937,859
Unrestricted (deficit)	<u>(33,556,654)</u>	<u>(34,557,317)</u>
Total Net Position	<u>\$ (45,986,725)</u>	<u>\$ (48,369,030)</u>



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis
June 30, 2021

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

	2021	2020
Program Revenues		
Charges for services	\$ 123,866	\$ 307,602
Operating grants	9,368,878	8,075,171
General Revenues		
Property taxes	7,584,618	7,123,777
State school aid, unrestricted	11,918,401	11,670,948
Interest earnings	5,867	90,807
Other	431,139	346,020
	29,432,769	27,614,325
Expenses		
Instruction	14,904,895	14,980,038
Supporting services	9,258,272	8,417,626
Community services	108,868	78,532
Food service	981,149	859,353
Other	112,250	217,890
Interest on long-term debt	1,833,793	2,080,821
	27,199,227	26,634,260
Increase in net position	2,233,542	980,065
Net Position, Beginning of Year, as restated (Note K)	(48,220,267)	(49,349,095)
Net Position, End of Year	\$ (45,986,725)	\$ (48,369,030)

Financial Analysis of the District as a Whole

Total revenues exceeded expenses by \$2,233,542, increasing total net position from a deficit of \$48,220,267, as restated, to a deficit of \$45,986,725. Unrestricted net assets increased by \$1,000,663 to a deficit of \$33,556,654 at June 30, 2021. The District's net pension liability, including deferred outflows and inflows of resources, increased by \$1,447,497 during the fiscal year. In addition, the District's net OPEB liability, including outflows and inflows of resources, decreased by \$1,070,803 during the fiscal year.

The District's financial position is the product of many factors. In past years, the District's budget was offset by one-time revenues or the elimination of programs and personnel to balance its budget. As the District continues to decline in enrollment, it has become increasingly difficult to balance budgets. However, the District was able to achieve a sizeable operating surplus this year. An increase in federal revenues provided by the CARES funding, combined with the results of long-term budget cuts contributed to the surplus. It is important to note that the District anticipates limited increases in per-pupil funding, along with exponential increases to the state pension system in future years. The District continues to work with employee groups to reduce future obligations to ensure the viability of the District.



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

The District's total revenues increased by \$1,818,444. Property taxes and state aid accounted for 66% of the District's revenue. Another 32% came from state and federal aid for specific programs and the remainder from fees charged for services and miscellaneous sources.

The total cost of all programs and services increased by \$564,967. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students, amounting to 74 percent of total costs. The District's administrative and business activities accounted for 10 percent of total costs. Operation and maintenance expenses accounted for 8 percent.

- The cost of all governmental activities this year was \$27.2 million.
- Some of the cost was financed by the users of the District's programs (\$123,866).
- The federal and state governments subsidized certain programs with grants and contributions (\$9.4 million).
- The balance of the District's costs (\$17.7 million) were financed by District and State taxpayers and District net assets.
- This portion of governmental activities was primarily financed with \$7.6 million in property taxes and \$11.9 million of unrestricted state aid based on the state-wide education aid formula and investment earnings.
- Although the primary source of unrestricted revenue is tied to student enrollment, the District continues to creatively look for revenue enhancement. The District continues to be fiscally responsible by aligning its organizational structure and staffing, with student enrollment. Reducing costs, while maintain excellent educational programming, is a top priority. Cost reductions will be recognized by the addition of contracted services, utilization of governmental reimbursement programs where possible, and bidding for the best pricing. The administration will continue to push these and other cost saving programs for the next fiscal year.

Fund Financial Statements

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

The District utilizes one kind of fund:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. Reconciliations between the district-wide financial statements and the fund financial statements are provided separately.



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis
June 30, 2021

Financial Analysis of the District's Funds

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

Major Fund

General Fund

The General Fund is our primary operating fund. The General Fund had total revenues of \$22,839,305, and total expenditures of \$21,424,521. It ended the fiscal year with a fund balance of \$5,941,733, up from \$4,526,949 as of June 30, 2020.

Capital Projects Fund

The district has one Capital Projects Fund incorporated into the financial statements of the District. The Building and Site (Sinking) Fund had revenues of \$457,146 and expenditures of \$194,319, with an ending fund balance of \$1,129,402, up from \$866,575 at June 30, 2020.

Nonmajor Funds

Special Revenue Fund

The District operates two Special Revenue Funds, the Food Service Fund and the Student/School Activity Fund. Total revenues were \$1,140,440, and total expenditures were \$1,061,092. Ending fund balanced totaled \$427,415 at June 30, 2021. Of this total fund balance, \$288,680 is attributed to the Food Service Fund and \$138,735 is attributed to the Student/School Activity Fund.

Debt Service Funds

The District operates seven Debt Service Funds. Total revenues were \$4,995,878, total financing sources of \$12,024,004 (including \$5,944,004 from the school bond loan fund and \$6,080,000 from refinancing debt), total expenditures were \$16,826,728. Ending fund balances totaled \$408,592, up from \$215,438 at June 30, 2020.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget three times. These budget amendments fell into two categories:

- Changes made to account for the preliminary and final student enrollment that determines the amount of foundation grant to be received through the State School Aid during the fiscal year.
- Final changes made in June for adjustments in appropriations to prevent budget overruns.



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

Although the District's final budget for the General Fund anticipated that revenues would exceed expenditures by \$1,259,684, the actual results for the year show an excess of revenues over expenditures of \$1,414,784.

State of Michigan, Unrestricted Aid

The State of Michigan aid, unrestricted, is determined by the following variables:

- State of Michigan State Aid Act per student foundation allowance.
- Student Enrollment – blended at 90% of the current year fall count and 10% of the prior year spring count. In fiscal year 2021, the state implemented a super blend formula, whereby enrollment was calculated using 75% of the 90/10 blend from fiscal year 2020, and 25% of the 90/10 from fiscal year 2021.
- The District's non-homestead property tax levy.

Per Student Foundation Allowance

The State of Michigan sets the per student foundation allowance annually. The District's foundation allowance for 20-2021 was \$8,111 per student. The foundation allowance for 2021-2022 is budgeted at \$8,311 which is a \$200 increase per pupil. This figure is a conservative estimate, as the State of Michigan had yet to settle its School Aid Budget at the time of the initial 2021-2022 budget.

Student Enrollment

The District's student enrollment for the fall count of 2020-2021 was 1,771 students, which was a significant decrease from prior years. The 2020-2021 original budget assumed a student enrollment of 1,811. Although the actual enrollment came in 40 students lower than projected, the overall enrollment fell 68 students from 1,839 during fall count in 2019-20.

Non-homestead Levy

The District levies 18 mills of property taxes for operations (General Fund) on non-homestead properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021, the District had a \$74.2 million investment in a broad range of capital assets, including land, school buildings, athletic facilities, vehicles, furniture, equipment, and administrative offices.



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

At June 30, 2021, the District's investment in capital assets (net of accumulated depreciation), was \$34,059,232. Net capital asset purchases totaled \$153,933 for the fiscal year with net accumulated depreciation increasing \$2,294,652, leaving a net decrease in the book value of capital assets of \$2,210,609. Additional information regarding capital assets can be found in Note E of the Notes to the Basic Financial Statements.

Land	\$	650,554
Construction in progress		6,796
Land improvements		1,138,163
Buildings and improvements		31,845,746
Furniture and equipment		413,279
Vehicles		4,694
		<hr/>
Net Capital Assets	\$	<u>34,059,232</u>

Long-Term Obligations

At year end, the District had \$50.1 million in general obligation bonds and other long-term debt outstanding – a net decrease of \$2,919,424 from last year. The District continued to pay down its debt, retiring \$8.8 million of outstanding bonds, including \$5.9 million that was refunded. Debt added for the refunding amounted to \$6.1 million.

The District's bond rating for General Obligation, Unlimited Tax debt is "AA" with a stable outlook by Standard & Poors. The District's other obligations include severance pay and accumulated sick leave. There is more detailed information about our long-term liabilities in Note F of the Notes to the Basic Financial Statements.

Factors Bearing on the District's Future

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

- A new two-year labor agreement was approved in May of 2021 for certified and support staff. The new labor agreement provides steps for all certified staff, with certified staff on steps 1-10 receiving \$2,000/1,500 in years one and two, steps 11-20 \$1,500/1,500 and steps 21-28 receiving \$1,000/1,500 respectively.
- Health insurance contributions for certified staff were increased to the hard cap in 2020-2021. This change is permanent and brings contributions for all groups to the hard cap.
- Support staff received a 3.0 percent increase on schedule effective both years.



COMSTOCK PARK PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

- The Board of Education and administration considered many factors when setting the District's 2021-2022 fiscal year budget. The Board of Education adopted a budget projecting an annual operating deficit of \$1,354,812 for fiscal year 2021-2022. Declining student enrollment continues to be the primary critical factor impacting the budget. In addition, the State of Michigan had not projected a clear picture of their budget and foundation allowance by the time budgets were finalized in June. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2021-2022 fiscal year budget was adopted in June 2021, based on an estimate of students that would be enrolled in October 2021. Approximately three-fourths of total General Fund revenue is received from the foundation allowance and other State sources. Under State law, a school district cannot access additional property tax revenue for general operations. As a result, funding is heavily dependent on the State's ability to fund local school operations. Additionally, Kent County voters did approve a county wide 10-year Enhancement Millage which will provide Comstock Park Public Schools with approximately \$460,000 in additional General Fund revenue in fiscal year 2021-2022.
- Based on early enrollment data which is collected in May throughout the District and using past trend data, the District budgeted for 1,723 students for the 2021 fall count. This reflects an approximate 53 student decrease from the prior October count. Once the preliminary student count and related pupil funding is validated in October, State law requires a school district to amend the budget and make adjustments if actual District resources were not sufficient to fund original appropriations.
- Since a school district's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue estimating conference to estimate revenues. The District's budget reflects an increase in per pupil funding and categorical funding of approximately \$200 per pupil. This is a preliminary estimate, as the three branches of State government were still trying to reach an agreement on the School Aid Budget when the district's 2021-22 budget was approved by the Board of Education.
- The COVID-19 pandemic has left school districts around the State with a great deal of uncertainty regarding funding and pupil membership. The District will continue to monitor enrollment throughout the school year in order to ensure that projected revenues meet the approved amount of appropriations. The Board of Education will adopt mid-year and final amendments as necessary to provide appropriate oversight on the District's appropriations.
- Kent County continues to have a healthy economy and Comstock Park's proximity to a variety of employers continues to make it an attractive place to live. Taxable value growth in Kent County increased by 4.75% and continues to have a positive impact on Act 18 and enhancement millage rates, as well as sinking and debt fund revenues.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Comstock Park Public Schools, 101 School St. NE, Comstock Park, Michigan, 49321.

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BASIC FINANCIAL STATEMENTS

COMSTOCK PARK PUBLIC SCHOOLS
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash	\$ 3,535
Cash equivalents, deposits and investments (Note B)	6,486,755
Accounts receivable	690
Due from employees	31,959
Due from other governmental units (Note C)	4,003,586
Inventory	15,165
Deposits	6,222
Prepaid expenses	9,056
Capital assets not being depreciated (Note E)	657,350
Capital assets being depreciated, net (Note E)	33,401,882
	44,616,200
Deferred Outflows of Resources	
Loss on advance bond refundings, net	1,430,881
Deferred pension amounts	7,672,914
Deferred OPEB amounts	2,536,712
	11,640,507
Liabilities	
Accounts payable	265,298
Due to other governmental units	1,151,843
Accrued interest payable	273,744
Salaries payable	973,370
Unearned revenue	259,315
Long-term liabilities (Note F):	
Due within one year	9,333,561
Due in more than one year	40,748,608
Net pension liability	36,843,699
Net OPEB liability	5,627,517
	95,476,955
Deferred Inflows of Resources	
Deferred pension amounts	1,830,291
Deferred OPEB amounts	4,936,186
	6,766,477
Net Position	
Net investment in capital assets	(14,121,736)
Restricted for:	
Capital outlay	1,129,402
Debt service	134,848
Food service	288,680
Student/school activity	138,735
Unrestricted (deficit)	(33,556,654)
	\$ (45,986,725)

See accompanying notes to basic financial statements.

COMSTOCK PARK PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 14,904,895	\$ 61,162	\$ 7,716,959	\$ (7,126,774)
Supporting services	9,258,272	50,223	24,112	(9,183,937)
Community services	108,868	-	-	(108,868)
Food service	981,149	12,481	1,032,954	64,286
Other	112,250	-	-	(112,250)
Interest on long-term debt	1,833,793	-	594,853	(1,238,940)
Total Governmental Activities	\$ 27,199,227	\$ 123,866	\$ 9,368,878	(17,706,483)
General Revenues				
Taxes:				
				2,728,340
				4,411,551
				444,727
				11,918,401
				5,867
				431,139
				<u>19,940,025</u>
				Change in Net Position
				2,233,542
				Net Position - Beginning of Year,
				as restated (Note K)
				<u>(48,220,267)</u>
				Net Position - End of Year
				<u>\$ (45,986,725)</u>

See accompanying notes to basic financial statements.

COMSTOCK PARK PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General</u>	<u>Building and Site Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets				
Cash	\$ 3,535	\$ -	\$ -	\$ 3,535
Cash equivalents, deposits, and investments (Note B)	4,690,824	1,159,736	636,195	6,486,755
Accounts receivable	216	-	474	690
Due from employees	31,959	-	-	31,959
Due from other funds (Note D)	-	-	13,116	13,116
Due from other governmental units	3,707,923	-	295,663	4,003,586
Inventory	-	-	15,165	15,165
Deposits	6,222	-	-	6,222
Prepaid expenditures	9,056	-	-	9,056
Total Assets	<u>\$ 8,449,735</u>	<u>\$ 1,159,736</u>	<u>\$ 960,613</u>	<u>\$ 10,570,084</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 136,289	\$ 30,334	\$ 98,675	\$ 265,298
Due to other funds (Note D)	9,466	-	3,650	13,116
Due to other governmental units	1,151,843	-	-	1,151,843
Salaries payable	973,370	-	-	973,370
Unearned revenue	237,034	-	22,281	259,315
Total Liabilities	<u>2,508,002</u>	<u>30,334</u>	<u>124,606</u>	<u>2,662,942</u>
Fund Balances (Note A)				
Nonspendable	15,278	-	15,165	30,443
Restricted	-	1,129,402	821,831	1,951,233
Unassigned	5,926,455	-	(989)	5,925,466
Total Fund Balances	<u>5,941,733</u>	<u>1,129,402</u>	<u>836,007</u>	<u>7,907,142</u>
Total Liabilities and Fund Balances	<u>\$ 8,449,735</u>	<u>\$ 1,159,736</u>	<u>\$ 960,613</u>	<u>\$ 10,570,084</u>

See accompanying notes to basic financial statements.

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

Total governmental fund balances		\$ 7,907,142
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$74,225,207, and accumulated depreciation is \$40,165,975.		34,059,232
Bond refunding losses are not expensed but are amortized over the life of the new bond issue.		1,430,881
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$ (48,380,000)	
Bond premium	(1,100,248)	
State school bond loan	(1,002)	
Capital lease	(130,599)	
Severance pay	(27,000)	
Accumulated sick/vacation leave	<u>(443,320)</u>	(50,082,169)
Accrued interest is not included as a liability in governmental funds.		(273,744)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(36,843,699)	
Deferred outflows	7,672,914	
Deferred inflows	<u>(1,830,291)</u>	(31,001,076)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(5,627,517)	
Deferred outflows	2,536,712	
Deferred inflows	<u>(4,936,186)</u>	(8,026,991)
Total net position - governmental activities		<u><u>\$ (45,986,725)</u></u>

See accompanying notes to basic financial statements.

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

	General	Building and Site Capital Projects	Nonmajor	Total
Revenues				
Local sources	\$ 3,179,833	\$ 445,563	\$ 4,520,094	\$ 8,145,490
State sources	15,841,867	11,583	168,643	16,022,093
Federal sources	2,129,512	-	1,447,581	3,577,093
Interdistrict sources	1,688,093	-	-	1,688,093
Total Revenues	<u>22,839,305</u>	<u>457,146</u>	<u>6,136,318</u>	<u>29,432,769</u>
Expenditures				
Current:				
Instruction	12,895,833	-	-	12,895,833
Supporting services	8,468,631	-	105,033	8,573,664
Community services	8,579	-	-	8,579
Food service	-	-	956,059	956,059
Capital outlay	-	194,319	-	194,319
Debt service:				
Principal repayment	42,144	-	14,785,874	14,828,018
Interest and fiscal charges	9,334	-	1,930,474	1,939,808
Bond issuance costs	-	-	77,426	77,426
Underwriter's discount	-	-	32,954	32,954
Total Expenditures	<u>21,424,521</u>	<u>194,319</u>	<u>17,887,820</u>	<u>39,506,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,414,784</u>	<u>262,827</u>	<u>(11,751,502)</u>	<u>(10,073,891)</u>
Other Financing Sources				
Proceeds from school bond loan fund	-	-	5,944,004	5,944,004
Proceeds from refinancing debt	-	-	6,080,000	6,080,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>12,024,004</u>	<u>12,024,004</u>
Net Change in Fund Balances	1,414,784	262,827	272,502	1,950,113
Fund Balances, Beginning of Year, as restated (Note K)	<u>4,526,949</u>	<u>866,575</u>	<u>563,505</u>	<u>5,957,029</u>
Fund Balances, End of Year	<u>\$ 5,941,733</u>	<u>\$ 1,129,402</u>	<u>\$ 836,007</u>	<u>\$ 7,907,142</u>

See accompanying notes to basic financial statements.

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

Net change in fund balances - total governmental funds		\$ 1,950,113
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:		
Capital outlays	\$ 153,933	
Depreciation expense	<u>(2,364,542)</u>	(2,210,609)
Bond premium is amortized over the life of the new bond issue on the Statement of Activities.		152,630
Losses on advanced bond refundings are amortized over the life of the new bond issue on the Statement of Activities.		(118,406)
Proceeds from the sale of bonds or loans are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.		(12,024,004)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:		
Repayment of general obligation bonds	8,840,000	
Repayment of state school bond loan	5,946,081	
Repayment of capital leases	<u>42,144</u>	14,828,225
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.		69,714
In the Statement of Net Position, early retirement incentive, severance pay and sick/accumulated vacation pay and are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits earned (\$115,973) exceeded the amounts used/paid (\$78,546).		(37,427)
The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.		(1,447,497)
The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.		<u>1,070,803</u>
Total changes in net position - governmental activities		<u>\$ 2,233,542</u>

See accompanying notes to basic financial statements.

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 3,059,104	\$ 3,140,949	\$ 3,179,833	\$ 38,884
State sources	13,768,007	15,391,934	15,841,867	449,933
Federal sources	993,284	2,244,481	2,129,512	(114,969)
Interdistrict sources	2,190,000	2,173,675	1,688,093	(485,582)
Total Revenues	20,010,395	22,951,039	22,839,305	(111,734)
Expenditures				
Current:				
Instruction:				
Basic programs	8,137,632	9,371,653	9,469,007	(97,354)
Added needs	3,714,282	3,602,295	3,426,826	175,469
Supporting services:				
Pupil services	1,588,205	1,648,885	1,732,317	(83,432)
Instructional staff services	520,669	734,014	647,535	86,479
General administrative services	428,030	460,206	452,207	7,999
School administrative services	1,328,688	1,326,827	1,315,171	11,656
Business services	374,085	356,998	355,578	1,420
Operation and maintenance services	1,567,976	1,797,457	1,748,348	49,109
Pupil transportation services	1,482,255	1,357,078	1,289,294	67,784
Central services	903,777	435,182	443,374	(8,192)
Other supporting services	-	522,091	484,807	37,284
Community services	13,225	27,021	8,579	18,442
Debt service	51,652	51,648	51,478	170
Total Expenditures	20,110,476	21,691,355	21,424,521	266,834
Excess (Deficiency) of Revenues Over Expenditures	(100,081)	1,259,684	1,414,784	155,100
Fund Balances, Beginning of Year	4,526,949	4,526,949	4,526,949	-
Fund Balances, End of Year	\$ 4,426,868	\$ 5,786,633	\$ 5,941,733	\$ 155,100

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note A – Summary of Significant Accounting Policies

Comstock Park Public Schools (the “District”) was organized under the School Code of the State of Michigan and services a population of approximately 1,771 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

The District’s significant accounting policies are described below.

1. Reporting Entity

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

2. District-wide and Fund Financial Statements

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

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

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

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

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

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

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

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

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

Governmental Funds

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

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

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

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

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

For capital project activities funded with sinking fund millage, the District has complied with the applicable provisions of Section 1212 (I) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

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

4. Budgets and Budgetary Accounting

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Comstock Park Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

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

5. Encumbrances

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

6. Investments

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

7. Inventories/Prepaid Items

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

8. Capital Assets

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

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

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

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

9. Long-term Obligations

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

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

10. Early Retirement Incentive/Severance Pay/Accumulated Sick Leave and Vacation Pay

Early retirement incentive, severance pay, and accumulated sick leave and vacation pay at June 30, 2021 have been computed and recorded in the basic financial statements of the District. Employees who leave the District are entitled to reimbursement for a portion of their unused sick and vacation days, and may be entitled to an early retirement incentive, depending on their age and years of service. At June 30, 2021, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for severance pay and accumulated sick leave and vacation pay amounted to \$27,000 and \$443,320 respectively.

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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

12. Postemployment Benefits Plan Other Than Pensions

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

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

13. Deferred Outflows/Inflows of Resources

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

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

14. Net Position

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

15. Fund Balance

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

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts.
- Assigned – resources that are constrained by the government’s *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes.
- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

The following policy has been adopted by the Board of Education in order to address the implication of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The policy is created to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing.

- Committed fund balance - The Board of Education, by formal action, may commit fund balance for a specific purpose. Amendments or modifications to the committed fund balance must also be approved by formal action of the Board. Committed fund balance does not lapse at year end.
- Assigned fund balance – The Board of Education delegates authority to assign fund balance for a specific purpose to the Superintendent or designee.
- Minimum fund balance – The Board of Education intends to maintain a fund balance of 12% of the District’s General Fund annual operating expenditures.

16. Interfund Activity

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

17. Estimates

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

Note B – Cash Equivalents and Investments

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

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.

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- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district in Michigan.

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

Statement of Net Position:
Governmental activities

\$ 6,486,755

Cash Equivalents

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

1. Huntington National Bank
2. Mercantile Bank

Cash equivalents consist of bank public funds checking and money market accounts.

June 30, 2021 balances are detailed as follows:

Cash equivalents

\$ 1,376,127

Custodial Credit Risk Related to Cash Equivalents

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District cash equivalents is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was \$1,376,127, and the bank balance was \$1,568,878. Of the bank balance, \$527,596 was covered by federal depository insurance and \$1,041,282 was uninsured and uncollateralized.

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Investments

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

Surplus Funds Investment Pool Account:	
Michigan Liquid Asset Fund Plus (MILAF+)	<u>\$ 5,110,628</u>

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF is not regulated or registered with the Securities Exchange Commission and reported the same value of the pool shares as the fair value of the District's investment at June 30, 2021. The MILAF fund is rated AAAM by Standard & Poor's rating agency.

Custodial Credit Risk Related to Investments

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

Credit Risk Related to Investments

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

Interest Rate Risk

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investments in a single issuer, so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

Foreign Currency Risk

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note C – State School Aid/Property Taxes

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

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2020 and October 2020. The 2020-21 "Foundation Allowance" for Comstock Park Public Schools was \$8,111 for 1,823 "Full Time Equivalent" students, generating \$15,569,829 in state aid payments to the District of which \$2,835,947 was paid to the District in July and August 2021 and is included in "Due From Other Governmental Units" of the General Fund at June 30, 2021.

Property taxes for the District are levied July 1 (the tax lien date) by the Charter Townships of Alpine and Plainfield and the City of Walker, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The County of Kent, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 32 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

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

The District levied 9.95 mills in 2020 for debt service purposes and 0.9801 mills for building and site purposes, applied on all taxable property in the District.

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

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

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

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

For the year ended June 30, 2021, the District’s property tax revenues were reduced by approximately \$70,749 under these agreements.

Note D – Due From/To Other Funds/Interfund Transfers

Amounts due from (to) other funds, representing interfund receivables and payables for year-end expenditure allocations not reimbursed at June 30, 2021 are detailed as follows:

	Due From	Due To
Major Fund		
General Fund:		
Special Revenue Fund:		
Food Service Fund	\$ -	\$ 9,466
Nonmajor Funds		
Special Revenue Fund:		
Food Service Fund:		
General Fund	9,466	-
Debt Service Funds:		
2017(SBLF) Debt Fund		
2019 Debt Fund	3,650	-
2019 Debt Fund		
2017(SBLF) Debt Fund	-	3,650
Total Nonmajor Funds	13,116	3,650
Total All Funds	\$ 13,116	\$ 13,116

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Note E – Capital Assets

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

	<u>Balances July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances June 30, 2021</u>
Capital assets not being depreciated:				
Land	\$ 650,554	\$ -	\$ -	\$ 650,554
Construction In Progress	45,736	6,796	45,736	6,796
Total capital assets not being depreciated	<u>696,290</u>	<u>\$ 6,796</u>	<u>\$ 45,736</u>	<u>657,350</u>
Capital assets being depreciated:				
Land improvements	4,326,093	\$ -	\$ -	4,326,093
Buildings and improvements	62,430,734	21,750	-	62,452,484
Furniture and equipment	4,897,306	171,123	15,000	5,053,429
Vehicles	1,790,741	-	54,890	1,735,851
Total capital assets being depreciated	<u>73,444,874</u>	<u>\$ 192,873</u>	<u>\$ 69,890</u>	<u>73,567,857</u>
Less accumulated depreciation for:				
Land improvements	2,885,352	\$ 302,578	\$ -	3,187,930
Buildings and improvements	28,678,706	1,928,032	-	30,606,738
Furniture and equipment	4,569,398	85,752	15,000	4,640,150
Vehicles	1,737,867	48,180	54,890	1,731,157
Total accumulated depreciation	<u>37,871,323</u>	<u>\$ 2,364,542</u>	<u>\$ 69,890</u>	<u>40,165,975</u>
Net capital assets, being depreciated	<u>35,573,551</u>			<u>33,401,882</u>
Net Capital Assets	<u>\$ 36,269,841</u>			<u>\$ 34,059,232</u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 1,814,786
Supporting services	432,238
Food service	18,444
Athletics	99,074
	<u>\$ 2,364,542</u>

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note F – Long-term Obligations

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

	Debt Outstanding July 1, 2020	Debt Added	Debt Retired	Debt Outstanding June 30, 2021
General obligation bonds:				
May 18, 2011 - Series A	\$ 8,950,000	\$ -	\$ 1,325,000	\$ 7,625,000
August 12, 2012	1,015,000	-	345,000	670,000
January 28, 2015	7,230,000	-	1,000,000	6,230,000
September 19, 2017 - Series A	8,905,000	-	-	8,905,000
September 19, 2017 - Series B	19,170,000	-	6,170,000	13,000,000
December 4, 2019	5,870,000	-	-	5,870,000
June 10, 2021	-	6,080,000	-	6,080,000
Bond premium	1,252,878	-	152,630	1,100,248
State school bond loan	3,079	5,944,004	5,946,081	1,002
Capital lease	172,743	-	42,144	130,599
Severance pay	24,600	2,400	-	27,000
Accumulated sick/vacation leave	408,293	113,573	78,546	443,320
	<u>\$ 53,001,593</u>	<u>\$12,139,977</u>	<u>\$15,059,401</u>	<u>\$ 50,082,169</u>

The District is required to obtain loans from the Michigan School Bond Loan Fund (the “Fund”) for the payment of annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year the District obtained a loan amount of \$5,944,004 from the Fund and on June 10, 2021 the District issued \$6,080,000 in general obligation bonds to advance refund the total borrowed amount. At June 30, 2021, the District owed the Fund a total of \$1,002.

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Long-term obligations outstanding at June 30, 2021 is comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$15,000K 2011A:				
Annual maturities of \$1,325K to \$1,650K	May 1, 2026	6.0 - 6.30	\$ 7,625,000	\$ 1,325,000
\$3,890K 2012 Refunding:				
Annual maturities of \$330K to \$340K	May 1, 2023	3.00	670,000	340,000
\$10,650K 2015 Refunding:				
Annual maturities of \$410K to \$1,000K	May 1, 2029	5.00	6,230,000	1,000,000
\$8,905K 2017A Refunding:				
Annual maturities of \$820K to \$1,050K	May 1, 2041	3.00 - 4.00	8,905,000	-
\$19,170K 2017B Refunding:				
Annual maturities of \$6,390K to \$6,610K	May 1, 2023	2.55 - 2.75	13,000,000	6,390,000
\$5,870K 2019 Refunding:				
Annual maturities of \$735K to \$1,305K	May 1, 2032	2.5 - 2.75	5,870,000	-
\$6,080K 2021 Refunding:				
Annual maturities of \$220K to \$1,985K	November 1, 2031	.25 - 1.95	6,080,000	-
Bond premium			1,100,248	152,632
Capital Lease				
\$3,354 Postage Meter January 10, 2019:				
Annual maturities of \$630 to \$763	October 10, 2023	14.46	2,119	630
\$218,976 Copier Lease March 7, 2019:				
Annual maturities of \$44,299 to \$47,028	March 7, 2024	5.99	128,480	44,299
Other Obligations				
State school bond loan			1,002	-
Severance pay			27,000	2,000
Accumulated sick/vacation leave			443,320	79,000
			\$ 50,082,169	\$ 9,333,561

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The annual requirements to pay principal and interest on long-term bonds and capital leases outstanding are as follows:

Year Ended June 30	Principal	Interest	Total
2022	\$ 9,099,929	\$ 1,700,700	\$ 10,800,629
2023	9,337,754	1,404,077	10,741,831
2024	2,907,916	1,076,840	3,984,755
2025	2,935,000	922,597	3,857,597
2026	3,005,000	766,248	3,771,248
2027	3,100,000	590,289	3,690,289
2028	3,165,000	524,219	3,689,219
2029	1,965,000	461,561	2,426,561
2030	1,805,000	402,029	2,207,029
2031	1,305,000	361,888	1,666,888
2032	980,000	336,711	1,135,338
2033	820,000	315,338	1,340,738
2034	1,050,000	290,738	1,340,738
2035	1,030,000	259,238	1,289,238
2036	1,025,000	218,038	1,243,038
2037	1,015,000	177,038	1,192,038
2038	1,010,000	136,438	1,146,438
2039	1,000,000	96,038	1,096,038
2040	985,000	63,538	1,048,538
2041	970,000	31,525	1,001,525
	<u>\$ 48,510,599</u>	<u>\$ 10,135,086</u>	<u>\$ 58,645,685</u>

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note G – Retirement Plan

Plan Description

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

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

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

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

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

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

Benefits Provided

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

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

COMSTOCK PARK PUBLIC SCHOOLS
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Pension Reform 2010

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

Pension Reform 2012

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

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

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

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

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

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

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

Pension Reform of 2017

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

Regular Retirement

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

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

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

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

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

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

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

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

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

A Basic Plan member may retire at:

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

There is no mandatory retirement age.

Early Retirement

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

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

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

Deferred Retirement

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

Non-Duty Disability Benefit

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

Duty Disability Benefit

A member who becomes totally and permanently disabled as a result of a duty-related cause, who has not met the age and service requirement for a regular pension, and who is in receipt of weekly workers' compensation is eligible for a duty disability pension computed in the same manner as an age and service pension (but based upon a minimum of 10 years of service) upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board.

COMSTOCK PARK PUBLIC SCHOOLS
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An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Pension Payment Options

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

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

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

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

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

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

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

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

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

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

Survivor Benefit

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

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

Postemployment Adjustments

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

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

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

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Contributions and Funded Status

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

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

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

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

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2021, inclusive of the MSPERS UAAL Stabilization, totaled \$3,068,287.

MPSERS Plan Net Pension Liability (in thousands)

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

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Proportionate Share of Reporting Unit's Net Pension Liability

At June 30, 2021, the District reported a liability of \$36,843,699 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2019. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. At September 30, 2020 the District's proportion was 0.10725628%, which was a decrease from 0.11064276% at September 30, 2019.

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

For the year ended June 30, 2021, the District recognized pension expense of \$4,479,345. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 562,941	\$ 78,637
Changes of assumptions	4,082,637	—
Net difference between projected and actual earnings on pension plan investments	154,801	—
Changes in proportion and differences between District contributions and proportionate share of contributions	—	1,751,654
District contributions subsequent to the measurement date*	2,872,535	—
Total	\$ 7,672,914	\$ 1,830,291

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

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

Year ended June 30	Amount
2022	\$ 1,435,016
2023	932,151
2024	457,261
2025	145,660

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Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

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

Notes:

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

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Long-Term Expected Rate of Return on Investments

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

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

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

Rate of Return

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

Discount Rate

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 5.8%/5.8%/5.0%	Current Single Discount Rate Assumption 6.8%/6.8%/6.0%	1% Increase 7.8%/7.8%/7.0%
District's proportionate share of the net pension liability	\$ 47,687,918	\$ 36,843,699	\$ 27,856,258

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

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

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

Payables to the pension plan totaling \$431,254 at June 30, 2021 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note H – Other Postemployment Benefits

Plan Description

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

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

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

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

COMSTOCK PARK PUBLIC SCHOOLS
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Benefits Provided

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

Retiree Healthcare Reform of 2012

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

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

Contributions and Funded Status

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

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

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

OPEB Contribution Rates:

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

Required contributions to the OPEB plan from the District were \$704,570 for the year ended September 30, 2020.

Net OPEB Liability (in thousands)

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

Proportionate Share of Reporting Unit's Net OPEB Liability

At June 30, 2021, the District reported a liability of \$5,627,517 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2020 the District's proportion was 0.10504455%, which was a decrease from 0.10939208% at September 30, 2019.

COMSTOCK PARK PUBLIC SCHOOLS
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized an OPEB credit of \$366,644. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 4,193,026
Changes of assumptions	1,855,504	—
Net difference between projected and actual earnings on OPEB plan investments	46,968	—
Changes in proportion and differences between District contributions and proportionate share of contributions	9,614	743,160
District contributions subsequent to the measurement date*	624,626	—
Total	\$ 2,536,712	\$ 4,936,186

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

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

Year ended June 30	Amount
2022	\$ (833,064)
2023	(767,607)
2024	(620,948)
2025	(450,192)
2026	(352,289)

Actuarial Assumptions

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

COMSTOCK PARK PUBLIC SCHOOLS
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June 30, 2021

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

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

Notes:

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

COMSTOCK PARK PUBLIC SCHOOLS
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Long-Term Expected Rate of Return on Investments

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

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

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

Rate of Return

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

Discount Rate

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

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
District's proportionate share of the net OPEB liability	\$ 7,229,185	\$ 5,627,517	\$ 4,279,047

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 4,227,416	\$ 5,627,517	\$ 7,219,959

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$75,871 at June 30, 2021 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note I – Risk Management and Benefits

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for property loss, errors and omissions, workers' compensation, health benefits, and dental and vision benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage in fiscal 2020-21, and as of year ended June 30, 2021, there were no material pending claims against the District.

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2021

Note J – Stewardship, Compliance, and Accountability

The District has an unrestricted net position deficit of \$33,556,654 and a total net position deficit of \$45,986,725, as of June 30, 2021. These deficit net positions result primarily from the net pension liability of \$31,001,076 and the net OPEB liability of \$8,026,991 (net of deferred outflows and inflows of resources related to the pension OPEB plan).

Note K – New Accounting Pronouncement Adopted

Governmental Accounting Standards Board (GASB) Statement No. 84 *Fiduciary Activities*, was adopted by the District during the fiscal year ended June 30, 2021. This Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. It is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. Changes in fund balance and net position required by the Statement increased the beginning balance by \$148,763 at July 1, 2020.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
District's proportion of the net pension liability	0.10725628%	0.11064276%	0.11532870%
District's proportionate share of the net pension liability	\$ 36,843,699	\$ 36,641,162	\$ 34,669,889
District's covered-employee payroll	\$ 9,285,935	\$ 9,538,150	\$ 9,502,423
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	396.77%	384.15%	364.85%
Plan fiduciary net position as a percentage of the total pension liability	59.72%	60.31%	62.12%

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

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

<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
0.11897903%	0.12062253%	0.12494743%	0.12161282%
\$ 30,832,525	\$ 30,094,334	\$ 30,518,443	\$ 26,787,052
\$ 9,938,436	\$ 10,150,705	\$ 10,445,903	\$ 10,454,683
310.24%	296.48%	292.16%	256.22%
63.96%	63.01%	62.92%	66.15%

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

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
District's proportion of the net OPEB liability	0.10504455%	0.10939208%
District's proportionate share of the net OPEB liability	\$ 5,627,517	\$ 7,851,888
District's covered-employee payroll	\$ 9,285,935	\$ 9,538,150
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	60.60%	82.32%
Plan fiduciary net position as a percentage of the total OPEB liability	59.44%	48.46%

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

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

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
0.11179103%	0.11867668%
\$ 8,886,215	\$ 10,509,379
\$ 9,502,423	\$ 9,938,436
93.52%	105.74%
43.10%	36.53%

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

	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018
Contractually required contribution	\$ 3,068,287	\$ 2,965,383	\$ 2,959,647	\$ 2,930,841
Contributions in relation to the contractually required contribution	<u>3,068,287</u>	<u>2,965,383</u>	<u>2,959,647</u>	<u>2,930,841</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 8,828,269	\$ 9,301,977	\$ 9,573,051	\$ 9,709,669
Contributions as a percentage of covered employee payroll	34.76%	31.88%	30.92%	30.18%

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

<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
\$ 3,140,006	\$ 3,101,846	\$ 3,305,687
<u>3,140,006</u>	<u>3,101,846</u>	<u>3,305,687</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,994,417	\$ 10,177,353	\$ 10,517,355
31.42%	30.48%	31.43%

COMSTOCK PARK PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District's OPEB Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2021

	Year Ended June 30, 2021	Year Ended June 30, 2020
Contractually required contribution	\$ 704,570	\$ 732,165
Contributions in relation to the contractually required contribution	<u>704,570</u>	<u>732,165</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 8,828,269	\$ 9,301,977
Contributions as a percentage of covered employee payroll	7.98%	7.87%

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

<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
\$ 749,170	\$ 710,478
<u>749,170</u>	<u>710,478</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 9,573,051	\$ 9,709,669
7.83%	7.32%

COMSTOCK PARK PUBLIC SCHOOLS
Notes to Required Supplementary Information
June 30, 2021

Note A – Net Pension Liability and Contributions

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

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

Note B – Net OPEB Liability and Contributions

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

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

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

COMSTOCK PARK PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 3,535	\$ 3,535
Cash equivalents, deposits and investments	4,690,824	3,680,342
Accounts receivable	216	1,324
Due from employees	31,959	32,912
Due from other governmental units	3,707,923	2,908,294
Deposits	6,222	13,701
Prepaid expenditures	9,056	4,803
	Total Assets	Total Assets
	\$ 8,449,735	\$ 6,644,911
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 136,289	\$ 144,431
Due to other funds	9,466	5,537
Due to other governmental units	1,151,843	952,947
Salaries payable	973,370	959,202
Unearned revenue	237,034	55,845
	Total Liabilities	Total Liabilities
	2,508,002	2,117,962
Fund Balances		
Nonspendable	15,278	18,504
Unassigned	5,926,455	4,508,445
	Total Fund Balances	Total Fund Balances
	5,941,733	4,526,949
	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances
	\$ 8,449,735	\$ 6,644,911

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

	<u>2021</u>	<u>2020</u>
Local sources:		
Property taxes:		
Current property taxes	\$ 2,713,850	\$ 2,527,690
Interest on delinquent taxes	14,490	5,340
	<u>2,728,340</u>	<u>2,533,030</u>
Interest earnings:		
Interest on deposits and investments	3,974	49,911
Revenue from student activities:		
Athletic admissions and fees	19,268	45,274
Tournament fees	2,625	3,566
Pay to participate	28,330	21,459
	<u>50,223</u>	<u>70,299</u>
Other local revenue:		
Tuition	-	365
Preschool fees	61,162	73,086
Transportation fees	2,187	3,677
Beverage consortium commissions	1,654	3,390
Universal service fund	24,992	23,688
Rental of school facilities	143,517	147,502
Donations	19,878	27,617
Gain on sale of fixed assets	3,700	-
Reimbursements	120,078	(2,295)
Miscellaneous	20,128	17,176
	<u>397,296</u>	<u>294,206</u>
Total local sources	<u>3,179,833</u>	<u>2,947,446</u>
State sources:		
State aid	15,331,794	15,137,498
Early literacy coaches	42,425	-
Special education - transportation	400,516	406,485
Special education - itinerant reimbursement	66,759	47,732
Bus driver safety	373	645
Total state sources	<u>15,841,867</u>	<u>15,592,360</u>
Federal sources:		
Title I	336,683	334,432
Title IIA	56,102	63,324
Title III	25,644	18,917
Title IV	13,137	32,384
CARES funding	1,262,315	-
I.D.E.A. program	431,930	467,728
Impact Aid	469	-
Medicaid - outreach	3,232	6,942
Total federal sources	<u>2,129,512</u>	<u>923,727</u>
Interdistrict sources:		
Enhancement millage	458,967	442,015
Special education - county	1,025,956	1,033,410
Special education - tuition	90,014	171,420
Medicaid fee for service	113,156	120,165
Total interdistrict sources	<u>1,688,093</u>	<u>1,767,010</u>
Total Revenues	<u><u>\$ 22,839,305</u></u>	<u><u>\$ 21,230,543</u></u>

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

	2021	2020
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 2,300,071	\$ 2,301,674
Employee benefits	1,647,735	1,563,649
Purchased services	402,891	72,134
Supplies	64,421	44,301
Capital outlay	267,071	71,429
	<u>4,682,189</u>	<u>4,053,187</u>
Middle school:		
Salaries	1,106,178	1,134,602
Employee benefits	789,902	777,967
Purchased services	107,613	51,694
Supplies	22,079	19,931
Capital outlay	1,633	39,522
	<u>2,027,405</u>	<u>2,023,716</u>
High school:		
Salaries	1,407,204	1,353,981
Employee benefits	978,711	880,528
Purchased services	178,272	154,729
Supplies	48,145	33,081
Capital outlay	6,138	37,694
Miscellaneous	160	-
	<u>2,618,630</u>	<u>2,460,013</u>
Preschool:		
Salaries	475	437
Employee benefits	240	220
Purchased services	71,999	68,470
Supplies	759	779
Miscellaneous	-	125
	<u>73,473</u>	<u>70,031</u>
Summer school:		
Salaries	43,761	2,200
Employee benefits	4,468	964
Purchased services	18,143	-
Supplies	938	-
	<u>67,310</u>	<u>3,164</u>
Total basic programs	<u>9,469,007</u>	<u>8,610,111</u>
Added needs:		
Special education:		
Salaries	903,900	887,431
Employee benefits	621,550	617,978
Purchased services	39,456	20,451
Supplies	9,637	6,891
Payments to other school districts	327,852	358,378
Miscellaneous	343	-
	<u>1,902,738</u>	<u>1,891,129</u>

(Continued)

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

	2021	2020
Compensatory education:		
Salaries	\$ 829,318	\$ 1,053,447
Employee benefits	611,554	716,335
Purchased services	42,691	600
Supplies	40,525	5,015
	<u>1,524,088</u>	<u>1,775,397</u>
Total added needs	<u>3,426,826</u>	<u>3,666,526</u>
Total instruction	12,895,833	12,276,637
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	231,931	217,797
Employee benefits	151,341	138,615
Purchased services	210	-
Supplies	1,532	1,964
	<u>385,014</u>	<u>358,376</u>
Physical therapy services:		
Purchased services	65,088	57,829
Supplies	93,944	1,514
Payments to other school districts	48,041	37,759
	<u>207,073</u>	<u>97,102</u>
Psychological services:		
Salaries	821	-
Employee benefits	401	-
Purchased services	11,699	120
Supplies	4,928	202
Payments to other school districts	126,585	183,742
	<u>144,434</u>	<u>184,064</u>
Speech pathology services:		
Salaries	1,208	1,046
Employee benefits	579	500
Purchased services	235	170
Supplies	1,657	1,001
Payments to other school districts	301,181	284,752
	<u>304,860</u>	<u>287,469</u>
Social worker services:		
Salaries	7,579	-
Employee benefits	5,558	-
Purchased services	30,344	450
Supplies	100	-
Payments to other school districts	291,694	254,592
	<u>335,275</u>	<u>255,042</u>
Teacher consultants:		
Payments to other school districts	-	16

(Continued)

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

	2021	2020
Other pupil services:		
Salaries	\$ 211,193	\$ 187,118
Employee benefits	144,358	118,078
Purchased services	110	-
	<u>355,661</u>	<u>305,196</u>
Total pupil services	1,732,317	1,487,265
Instructional staff services:		
Professional staff development:		
Salaries	93,764	69,610
Employee benefits	54,485	40,401
Purchased services	27,039	28,130
Supplies	7,115	5,625
	<u>182,403</u>	<u>143,766</u>
Instruction related technology:		
Capital outlay	122,738	-
Supervision/direction of instruction:		
Salaries	192,441	186,748
Employee benefits	148,722	134,615
Purchased services	390	2,149
Supplies	801	309
Dues and fees	40	35
	<u>342,394</u>	<u>323,856</u>
Total instructional staff services	647,535	467,622
General administrative services:		
Board of education:		
Purchased services	69,989	62,677
Supplies	1,357	4,850
Miscellaneous	16,127	15,566
	<u>87,473</u>	<u>83,093</u>
Executive administration:		
Salaries	205,000	194,353
Employee benefits	144,658	129,040
Purchased services	10,567	12,089
Supplies	528	172
Miscellaneous	3,981	3,162
	<u>364,734</u>	<u>338,816</u>
Total general administrative services	452,207	421,909
School administrative services:		
Office of the principal:		
Salaries	761,176	749,011
Employee benefits	546,111	526,786
Purchased services	3,628	6,326
Supplies	1,096	1,332
Miscellaneous	3,160	3,380
Total school administrative services	<u>1,315,171</u>	<u>1,286,835</u>

(Continued)

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

	2021	2020
Business services:		
Fiscal services:		
Salaries	\$ 150,036	\$ 142,427
Employee benefits	95,190	93,378
Purchased services	56,880	53,620
Miscellaneous	2,220	770
	304,728	291,170
Internal services:		
Salaries	19,691	19,590
Employee benefits	13,598	13,859
	33,289	33,449
Other business services:		
Purchased services	1,132	1,132
Miscellaneous	16,429	10,055
	17,561	11,187
Total business services	355,578	335,806
Operation and maintenance services:		
Operation and maintenance:		
Salaries	207,281	111,558
Employee benefits	121,504	80,837
Purchased services	963,490	791,666
Supplies	385,974	333,939
Capital outlay	7,919	24,868
Miscellaneous	963	855
	1,687,131	1,343,723
Security services:		
Security officer	61,217	56,034
Capital outlay	-	134,259
	61,217	190,293
Total operation and maintenance services	1,748,348	1,534,016
Pupil transportation services:		
Pupil transportation:		
Salaries	384,323	399,387
Employee benefits	238,823	255,410
Purchased services	24,113	44,475
Supplies	100,473	96,457
Capital outlay	37,800	-
Miscellaneous	637	812
Payments to other school districts	503,125	543,095
Total pupil transportation services	1,289,294	1,339,636

(Continued)

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

	2021	2020
Central services:		
Staff/personnel services:		
Salaries	\$ 96,924	\$ 79,665
Benefits	66,384	54,583
Purchased services	5,261	7,300
	168,569	141,548
Technology services:		
Purchased services	251,980	162,571
Supplies	14,790	2,960
Capital outlay	7,445	52,423
Miscellaneous	590	159
	274,805	218,113
Total central services	443,374	359,661
Other supporting services:		
Athletics:		
Salaries	162,512	142,316
Employee benefits	84,704	77,809
Purchased services	196,106	156,949
Supplies	19,610	19,701
Capital outlay	8,810	-
Miscellaneous	13,065	10,936
Total other supporting services	484,807	407,711
Total supporting services	8,468,631	7,640,461
Community services:		
Community recreation:		
Supplies	6,261	1,221
Non-public school pupils:		
Purchased services	1,626	-
Payments to other districts	320	2,437
	1,946	2,437
Welfare activities:		
Supplies	372	-
Total community services	8,579	3,658
Debt service:		
Principal repayment	42,144	39,797
Interest and fiscal charges	9,334	11,851
Total debt service	51,478	51,648
Total Expenditures	\$ 21,424,521	\$ 19,972,404

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NONMAJOR GOVERNMENTAL FUNDS

COMSTOCK PARK PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

	Special Revenue	Special Revenue	Debt Service	
	Food Service	Student/School Activity	2011(A)	2012
Assets				
Cash equivalents, deposits and investments	\$ 249,820	\$ 139,075	\$ 43,587	\$ 12,765
Accounts receivable	474	-	-	-
Due from other funds	9,466	-	-	-
Due from other gov't units	63,145	-	232,518	-
Inventory	15,165	-	-	-
Total Assets	\$ 338,070	\$ 139,075	\$ 276,105	\$ 12,765
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 27,109	\$ 340	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	22,281	-	-	-
Total Liabilities	49,390	340	-	-
Fund Balances				
Nonspendable	15,165	-	-	-
Restricted	273,515	138,735	276,105	12,765
Unassigned	-	-	-	-
Total Fund Balances	288,680	138,735	276,105	12,765
Total Liabilities and Fund Balances	\$ 338,070	\$ 139,075	\$ 276,105	\$ 12,765

Debt Service					
2015	2017(A)	2017(B)	2019	2021 SBLF Refunding	Total
\$ 44,337	\$ 10,641	\$ 62,083	\$ 2,661	\$ 71,226	\$ 636,195
-	-	-	-	-	474
-	-	3,650	-	-	13,116
-	-	-	-	-	295,663
-	-	-	-	-	15,165
<u>\$ 44,337</u>	<u>\$ 10,641</u>	<u>\$ 65,733</u>	<u>\$ 2,661</u>	<u>\$ 71,226</u>	<u>\$ 960,613</u>
\$ -	\$ -	\$ -	\$ -	\$ 71,226	\$ 98,675
-	-	-	3,650	-	3,650
-	-	-	-	-	22,281
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,650</u>	<u>71,226</u>	<u>124,606</u>
-	-	-	-	-	15,165
44,337	10,641	65,733	-	-	821,831
-	-	-	(989)	-	(989)
<u>44,337</u>	<u>10,641</u>	<u>65,733</u>	<u>(989)</u>	<u>-</u>	<u>836,007</u>
<u>\$ 44,337</u>	<u>\$ 10,641</u>	<u>\$ 65,733</u>	<u>\$ 2,661</u>	<u>\$ 71,226</u>	<u>\$ 960,613</u>

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

	Special Revenue	Special Revenue	Debt Service	
	Food Service	Student/School Activity	2011(A)	2012
Revenues				
Local sources:				
Property taxes	\$ -	\$ -	\$1,108,430	\$ 310,361
Interest earnings	-	-	261	73
Food sales	12,481	-	-	-
Other local sources	-	95,005	-	-
Total local sources	12,481	95,005	1,108,691	310,434
State sources	51,057	-	29,544	8,272
Federal sources	981,897	-	465,684	-
Total Revenues	1,045,435	95,005	1,603,919	318,706
Expenditures				
Current:				
Food service	956,059	-	-	-
Support services	-	105,033	-	-
Debt service:				
Principal repayment	-	-	1,325,000	345,000
Interest and fiscal charges	-	-	550,150	30,599
Bond issuance costs	-	-	-	-
Underwriter's discount	-	-	-	-
Total Expenditures	956,059	105,033	1,875,150	375,599
Excess (Deficiency) of Revenues Over Expenditures	89,376	(10,028)	(271,231)	(56,893)
Other Financing Sources				
Proceeds from school bond loan fund	-	-	485,627	45,602
Proceeds from refinancing debt	-	-	-	-
Total Other Financing Sources	-	-	485,627	45,602
Net Change in Fund Balances	89,376	(10,028)	214,396	(11,291)
Fund Balances, Beginning of Year, as restated (Note K)	199,304	148,763	61,709	24,056
Fund Balances, End of Year	\$ 288,680	\$ 138,735	\$ 276,105	\$ 12,765

Debt Service					
2015	2017(A)	2017(B)	2019	2021 SBLF Refunding	Total
\$ 1,108,430	\$ 266,023	\$ 1,551,801	\$ 66,506	\$ -	\$ 4,411,551
263	64	380	16	-	1,057
-	-	-	-	-	12,481
-	-	-	-	-	95,005
1,108,693	266,087	1,552,181	66,522	-	4,520,094
29,544	7,091	41,362	1,773	-	168,643
-	-	-	-	-	1,447,581
1,138,237	273,178	1,593,543	68,295	-	6,136,318
-	-	-	-	-	956,059
-	-	-	-	-	105,033
1,000,000	-	6,170,000	-	5,945,874	14,785,874
362,000	315,838	490,215	157,926	23,746	1,930,474
-	-	-	-	77,426	77,426
-	-	-	-	32,954	32,954
1,362,000	315,838	6,660,215	157,926	6,080,000	17,887,820
(223,763)	(42,660)	(5,066,672)	(89,631)	(6,080,000)	(11,751,502)
190,389	38,911	5,106,557	76,918	-	5,944,004
-	-	-	-	6,080,000	6,080,000
190,389	38,911	5,106,557	76,918	6,080,000	12,024,004
(33,374)	(3,749)	39,885	(12,713)	-	272,502
77,711	14,390	25,848	11,724	-	563,505
<u>\$ 44,337</u>	<u>\$ 10,641</u>	<u>\$ 65,733</u>	<u>\$ (989)</u>	<u>\$ -</u>	<u>\$ 836,007</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 8,439	\$ 12,481	\$ 4,042
State sources	46,384	51,057	4,673
Federal sources	<u>975,000</u>	<u>981,897</u>	<u>6,897</u>
Total Revenues	<u>1,029,823</u>	<u>1,045,435</u>	<u>15,612</u>
Expenditures			
Current:			
Food service	<u>977,198</u>	<u>956,059</u>	<u>21,139</u>
Net Change in Fund Balances	52,625	89,376	36,751
Fund Balances, Beginning of Year	<u>199,304</u>	<u>199,304</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 251,929</u></u>	<u><u>\$ 288,680</u></u>	<u><u>\$ 36,751</u></u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	<u>\$ 175,000</u>	<u>\$ 95,005</u>	<u>\$ (79,995)</u>
Expenditures			
Current:			
Other student/school activity	<u>119,681</u>	<u>105,033</u>	<u>14,648</u>
Net Change in Fund Balances	55,319	(10,028)	(65,347)
Fund Balances, Beginning of Year, as restated (Note K)	<u>148,763</u>	<u>148,763</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 204,082</u></u>	<u><u>\$ 138,735</u></u>	<u><u>\$ (65,347)</u></u>

SPECIAL REVENUE FUND

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

Student/School Activity – to account for monies held for the benefit of the District’s students.

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

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 249,820	\$ 138,050
Accounts receivable	474	1,772
Due from other funds	9,466	5,537
Due from other gov't units	63,145	86,200
Inventory	15,165	14,451
Total Assets	\$ 338,070	\$ 246,010
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 27,109	\$ 30,465
Due to other gov't units	-	160
Unearned revenue	22,281	16,081
Total Liabilities	49,390	46,706
Fund Balances		
Nonspendable	15,165	14,451
Restricted	273,515	184,853
Total Fund Balances	288,680	199,304
Total Liabilities and Fund Balances	\$ 338,070	\$ 246,010

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

	2021	2020
Revenues		
Local sources:		
Food sales:		
Children's lunches	\$ 1,576	\$ 101,797
Adult lunches	868	1,897
Milk sales	44	486
Ala carte	8,966	29,184
Banquets	1,027	3,123
Total local sources	<u>12,481</u>	<u>136,487</u>
State sources	51,057	31,052
Federal sources	981,897	774,405
Total Revenues	<u>1,045,435</u>	<u>941,944</u>
Expenditures		
Current:		
Food service:		
Salaries	267,555	240,393
Employee benefits	183,709	164,396
Purchased services	90,352	84,265
Supplies	404,203	361,301
Capital outlay	10,240	11,749
Miscellaneous	-	1,769
Total Expenditures	<u>956,059</u>	<u>863,873</u>
Net Change in Fund Balances	89,376	78,071
Fund Balances, Beginning of Year	<u>199,304</u>	<u>121,233</u>
Fund Balances, End of Year	<u>\$ 288,680</u>	<u>\$ 199,304</u>

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

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 139,075	\$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	340	-
Fund Balances		
Restricted	138,735	-
Total Liabilities and Fund Balances	\$ 139,075	\$ -

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

	2021	2020
Revenues		
Local sources:		
Revenue from student activities	\$ 95,005	\$ -
Expenditures		
Current:		
Other student/school activity	105,033	-
Net Change in Fund Balances	(10,028)	-
Fund Balances, Beginning of Year, as restated (Note K)	148,763	-
Fund Balances, End of Year	\$ 138,735	\$ -

DEBT SERVICE FUNDS

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

COMSTOCK PARK PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2021

	2011(A)	2012	2015
Assets			
Cash equivalents, deposits and investments	\$ 43,587	\$ 12,765	\$ 44,337
Due from other funds	-	-	-
Due from other gov't units	232,518	-	-
	\$ 276,105	\$ 12,765	\$ 44,337
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
	-	-	-
Total Liabilities			
	-	-	-
Fund Balances			
Restricted	276,105	12,765	44,337
	\$ 276,105	\$ 12,765	\$ 44,337
Total Liabilities and Fund Balances			

2017(A)	2017(B)	2019	2021 SBLF Refunding	Totals	
				2021	2020
\$ 10,641	\$ 62,083	\$ 2,661	\$ 71,226	\$ 247,300	\$ 215,438
-	3,650	-	-	3,650	-
-	-	-	-	232,518	-
<u>\$ 10,641</u>	<u>\$ 65,733</u>	<u>\$ 2,661</u>	<u>\$ 71,226</u>	<u>\$ 483,468</u>	<u>\$ 215,438</u>
\$ -	\$ -	\$ -	\$ 71,226	\$ 71,226	\$ -
-	-	3,650	-	3,650	-
-	-	3,650	71,226	74,876	-
10,641	65,733	(989)	-	408,592	215,438
<u>\$ 10,641</u>	<u>\$ 65,733</u>	<u>\$ 2,661</u>	<u>\$ 71,226</u>	<u>\$ 483,468</u>	<u>\$ 215,438</u>

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

	2011(A)	2012	2015
Revenues			
Local sources:			
Property taxes:			
Current property taxes	\$ 1,101,552	\$ 308,435	\$ 1,101,552
Industrial facilities taxes	3,279	918	3,279
Delinquent and other property taxes	410	115	410
Interest on delinquent taxes	3,189	893	3,189
	<u>1,108,430</u>	<u>310,361</u>	<u>1,108,430</u>
Interest earnings:			
Interest on deposits and investments	261	73	263
State sources:			
Personal property tax loss reimbursement	29,544	8,272	29,544
Federal sources:			
QSCB interest subsidy	465,684	-	-
	<u>1,603,919</u>	<u>318,706</u>	<u>1,138,237</u>
Total Revenues			
	<u>1,603,919</u>	<u>318,706</u>	<u>1,138,237</u>
Expenditures			
Debt service:			
Principal repayment	1,325,000	345,000	1,000,000
Interest and fiscal charges:			
Interest expense	548,900	30,449	361,500
Paying agent fees	1,250	150	500
Bond issuance costs	-	-	-
Underwriter's discount	-	-	-
	<u>1,875,150</u>	<u>375,599</u>	<u>1,362,000</u>
Total Expenditures			
	<u>1,875,150</u>	<u>375,599</u>	<u>1,362,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(271,231)</u>	<u>(56,893)</u>	<u>(223,763)</u>
Other Financing Sources (Uses)			
Refunding bonds issued	-	-	-
Proceeds from school bond loan fund	485,627	45,602	190,389
Proceeds from refinancing debt	-	-	-
Payment to escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>485,627</u>	<u>45,602</u>	<u>190,389</u>
Total Other Financing Sources (Uses)			
	<u>485,627</u>	<u>45,602</u>	<u>190,389</u>
Net Change in Fund Balances	214,396	(11,291)	(33,374)
Fund Balances, Beginning of Year	61,709	24,056	77,711
Fund Balances, End of Year	<u>\$ 276,105</u>	<u>\$ 12,765</u>	<u>\$ 44,337</u>

2017(A)	2017(B)	2019	2021 SBLF Refunding	Totals	
				2021	2020
\$ 264,373	\$ 1,542,172	\$ 66,093	\$ -	\$ 4,384,177	\$ 4,151,300
787	4,590	197	-	13,050	14,027
98	574	25	-	1,632	2,266
765	4,465	191	-	12,692	7,339
<u>266,023</u>	<u>1,551,801</u>	<u>66,506</u>	<u>-</u>	<u>4,411,551</u>	<u>4,174,932</u>
64	380	16	-	1,057	28,786
7,091	41,362	1,773	-	117,586	113,333
-	-	-	-	465,684	532,944
<u>273,178</u>	<u>1,593,543</u>	<u>68,295</u>	<u>-</u>	<u>4,995,878</u>	<u>4,849,995</u>
-	6,170,000	-	5,945,874	14,785,874	2,655,000
315,838	489,715	157,426	23,746	1,927,574	2,080,832
-	500	500	-	2,900	3,649
-	-	-	77,426	77,426	70,427
-	-	-	32,954	32,954	29,057
<u>315,838</u>	<u>6,660,215</u>	<u>157,926</u>	<u>6,080,000</u>	<u>16,826,728</u>	<u>4,838,965</u>
<u>(42,660)</u>	<u>(5,066,672)</u>	<u>(89,631)</u>	<u>(6,080,000)</u>	<u>(11,830,850)</u>	<u>11,030</u>
-	-	-	-	-	5,870,000
38,911	5,106,557	76,918	-	5,944,004	-
-	-	-	6,080,000	6,080,000	-
-	-	-	-	-	(5,767,463)
-	-	-	-	-	8,729
-	-	-	-	-	(8,729)
<u>38,911</u>	<u>5,106,557</u>	<u>76,918</u>	<u>6,080,000</u>	<u>12,024,004</u>	<u>102,537</u>
(3,749)	39,885	(12,713)	-	193,154	113,567
14,390	25,848	11,724	-	215,438	101,871
<u>\$ 10,641</u>	<u>\$ 65,733</u>	<u>\$ (989)</u>	<u>\$ -</u>	<u>\$ 408,592</u>	<u>\$ 215,438</u>

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CAPITAL PROJECTS FUND

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

COMSTOCK PARK PUBLIC SCHOOLS
Building and Site Capital Projects Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash equivalents, deposits and investments	\$ 1,159,736	\$ 866,575
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 30,334	\$ -
Fund Balances		
Restricted	1,129,402	866,575
Total Liabilities and Fund Balances	\$ 1,159,736	\$ 866,575

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

	2021	2020
Revenues		
Local sources:		
Property taxes:		
Current property taxes	\$ 442,031	\$ 413,500
Industrial facilities taxes	1,285	1,358
Delinquent and other property taxes	161	226
Interest on delinquent taxes	1,250	731
	444,727	415,815
Interest earnings:		
Interest on deposits and investments	836	12,110
Total Local Sources	445,563	427,925
State sources:		
Personal property tax loss reimbursement	11,583	11,288
Total Revenues	457,146	439,213
Expenditures		
Capital outlay:		
Facilities acquisition:		
Buildings and improvements	194,319	249,673
Net Change in Fund Balances	262,827	189,540
Fund Balances, Beginning of Year	866,575	677,035
Fund Balances, End of Year	\$ 1,129,402	\$ 866,575