

School District of the City of Wyandotte

Financial Statements

June 30, 2021



Table of Contents

<u>Section</u>		<u>Page</u>
1	Members of the Board of Education and Administration	1 – 1
2	Independent Auditors' Report	2 – 1
3	Management's Discussion and Analysis	3 – 1
4	Basic Financial Statements	
	District-wide Financial Statements	
	Statement of Net Position	4 – 1
	Statement of Activities	4 – 3
	Fund Financial Statements	
	Governmental Funds	
	Balance Sheet	4 – 4
	Reconciliation of the Balance Sheet of	
	Governmental Funds to the Statement of Net Position	4 – 6
	Statement of Revenues, Expenditures and Changes in Fund Balances	4 – 7
	Reconciliation of the Statement of Revenues, Expenditures and	
	Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 – 9
	Notes to the Financial Statements	4 – 10
5	Required Supplementary Information	
	Budgetary Comparison Schedule – General Fund	5 – 1
	Budgetary Comparison Schedule – Josephine Brighton Work Skills Center Fund	5 – 3
	Budgetary Comparison Schedule – Madison Special Education Fund	5 – 4
	Schedule of the School District's Proportionate Share of the Net Pension Liability	5 – 5
	Schedule of the School District's Pension Contributions	5 – 6
	Schedule of the School District's Proportionate Share of the Net OPEB Liability	5 – 7
	Schedule of the School District's OPEB Contributions	5 – 8

Section

Page

6

Other Supplementary Information

Nonmajor Governmental Funds

Combining Balance Sheet

6 – 1

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

6 – 2

General Fund

Comparative Balance Sheet

6 – 3

School District of the City of Wyandotte
Members of the Board of Education and Administration
June 30, 2021

Members of the Board of Education

Dana Browning – President

Robert Kirby – Vice President

Cynthia Kinney – Treasurer

Theresa Crnkovich – Secretary

Kathleen Kane– Trustee

Patrick Sutka – Trustee

Michael Swiecki – Trustee

Administration

Catherine M. Cost, Ed.D. – Superintendent



800.968.0010 | yeoandyeo.com

Independent Auditors' Report

Management and the Board of Education
School District of the City of Wyandotte
Wyandotte, Michigan

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 the School District of the City of Wyandotte, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School 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.

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

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

Opinions

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

Adoption of New Accounting Standard

As described in Note 1 to the financial statements, during the year ended June 30, 2021, the School District adopted GASB Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of the City of Wyandotte's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

Prior Year Supplementary Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the School District of the City of Wyandotte's basic financial statements for the year ended June 30, 2020, which are not presented with the accompanying basic financial statements and we expressed unmodified opinions on the respective basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the School District of the City of Wyandotte's basic financial statements as a whole. The 2020 information in the comparative supplementary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2020 information in the comparative supplementary schedule is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2021 on our consideration of the School District of the City of Wyandotte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of the City of Wyandotte's 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 the School District of the City of Wyandotte's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 22, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

The School District of the City of Wyandotte ("the District"), a K-12 School District located in Wayne County, Michigan, complies with the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. The management's discussion and analysis, a requirement of GASB 34, is intended to be the District management's discussion and analysis of the financial results for the fiscal year ended June 30, 2021.

Generally accepted accounting principles (GAAP), according to GASB 34, require the reporting of two types of financial statements: district-wide financial statements and fund financial statements.

Fund Financial Statements

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Debt Fund, Capital Projects Fund, and Special Revenue Funds which are comprised of: Cafeteria Fund, Student and School Activities Fund, Josephine Brighton Work Skills Center and Madison Special Education Center.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

District-Wide Financial Statements

The district-wide financial statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, whether they are "currently available" or not. For example, assets that are restricted for use in the Debt Fund solely for the payment of long-term principal and interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the statement of net assets of the district-wide financial statements.

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

Summary of Net Position

The following is a comparative summary of net position at June 30, 2021 and June 30, 2020.

Net Position Summary

	June 30,	
	2021	2020
Assets		
Current assets	\$ 27,153,682	\$ 21,669,916
Capital assets, net book value	44,864,263	49,582,215
Total assets	<u>72,017,945</u>	<u>71,252,131</u>
Deferred Outflows of Resources		
Deferred amount of pension expense related to net pension liability	31,861,757	39,955,465
Deferred amount of OPEB expense related to net OPEB liability	11,121,466	9,696,187
Deferred amount on debt refunding	21,261	44,104
Total deferred outflows of resources	<u>43,004,484</u>	<u>49,695,756</u>
Total assets and deferred outflows of resources	<u>115,022,429</u>	<u>120,947,887</u>
Liabilities		
Current liabilities	8,377,341	7,517,160
Long-term liabilities	205,320,788	208,039,749
Total liabilities	<u>213,698,129</u>	<u>215,556,909</u>
Deferred Inflows of Resources		
Deferred amount of net pension liability	5,705,345	9,411,376
Deferred amount of net OPEB liability	16,327,622	11,135,129
Total liabilities and deferred inflows of resources	<u>235,731,096</u>	<u>236,103,414</u>
Net Position		
Net investment in capital assets	1,343,196	4,413,920
Restricted for debt service	4,819,821	4,905,281
Restricted for capital projects	936,149	-
Unrestricted	(127,807,833)	(124,474,728)
Total net position	<u>\$ (120,708,667)</u>	<u>\$ (115,155,527)</u>

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

Analysis of Financial Position

During the fiscal year ended June 30, 2021, the District's net position decreased by \$6,272,643. A few of the significant factors affecting net assets during the year are discussed below:

A. General Fund Operations

The District's General Fund revenue exceeded expenditures by \$2,800,113 for the fiscal year ended June 30, 2021. See the section entitled Results of Operations for further discussion of General Fund operations.

B. Debt, Principal Payments

The District made principal payments on bonded, long-term debt obligations as follows:

Outstanding Bonds (Not including School Improvement and Energy Conservation Bonds):

Principal Balance, June 30, 2020	\$36,845,000
Debt issued	0
Principal Payments	<u>(1,125,000)</u>
Principal Balance, June 30, 2021	<u><u>\$35,720,000</u></u>

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

C. Net Investment in Capital Assets

The District's net investment in capital assets decreased by \$4,717,952 during the fiscal year. This is summarized as follows:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Capital assets	\$114,238,579	\$639,496	\$715,805	\$114,162,270
Less: accumulated depreciation	<u>(64,656,364)</u>	<u>(5,289,241)</u>	<u>(647,598)</u>	<u>(69,298,007)</u>
Net investment	<u>\$49,582,215</u>	<u>(\$4,649,745)</u>	<u>\$ 68,207</u>	<u>\$ 44,864,263</u>

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

Results of Operations

The following is a comparative summary of operations for June 30, 2021 and June 30, 2020.

Revenues

	2021	2020
General revenues		
Property taxes levied for general operations	\$ 3,565,832	\$ 3,497,626
Property taxes levied for debt services	2,315,489	3,385,177
Property taxes levied for sinking fund	936,149	-
State of Michigan unrestricted foundation aid	30,536,314	29,675,782
Enhancement millage	1,913,575	2,035,776
Interest on investments	2,380	44,491
Other general revenues	115,727	590,638
Total general revenues	<u>39,385,466</u>	<u>39,229,490</u>
Operating grants and contributions		
Instruction	36,921,162	37,415,149
Supporting services	2,756,707	34,692
Food services	<u>1,766,688</u>	<u>1,475,633</u>
Total operating grants and contributions	<u>41,444,557</u>	<u>38,925,474</u>
Charges for services		
Instruction	-	306
Supporting services	688,931	887,250
Food services	12,764	373,776
Community services	<u>623,255</u>	<u>-</u>
Total charges for services	<u>1,324,950</u>	<u>1,261,332</u>
Total revenue	<u>82,154,973</u>	<u>79,416,296</u>

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>
Expenses		
Instruction	\$ 42,998,339	\$ 43,926,053
Supporting services	35,626,823	36,239,120
Student and school activities	612,230	-
Food services	1,787,932	2,574,549
Community services	591,426	717,708
Interest and fiscal charges on long-term debt	1,521,625	1,463,088
Depreciation - unallocated	<u>5,289,241</u>	<u>5,316,870</u>
 Total expenses	 <u>88,427,616</u>	 <u>90,237,388</u>
 Increase (decrease) in net position	 (6,272,643)	 (10,821,092)
 Beginning net position	 <u>(114,436,024)</u>	 <u>(104,334,435)</u>
 Ending net position	 <u>\$ (120,708,667)</u>	 <u>\$ (115,155,527)</u>

The State of Michigan's Foundation payment to school districts is determined with the following variables:

- a. State of Michigan State Aid Act per student foundation allowance
- b. Student Enrollment - blended at 90% of the current year's fall count and 10% of the prior year's spring count.
- c. The District's non-homestead tax levy reduced by Tax Increment Finance Authority (TIFA) capture.

Per Student, Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. The District's foundation allowance was \$8,111 per student for the 2020-2021 school year.

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

Student Enrollment

The following chart summarizes fall student enrollments (non-blended) for the past five years; expressed as Full Time Equivalents (FTE):

	<u>General Ed</u>	<u>Center Program</u>	<u>Total</u>	<u>Increase/Decrease From Prior Year</u>
2020-21	3,958.91	645.43	4,604.34	(83.61)
2019-20	4,046.08	641.87	4,687.95	(108.13)
2018-19	4,153.84	642.24	4,796.08	21.79
2017-18	4,096.00	678.29	4,774.29	71.70
2016-17	4,014.08	688.51	4,702.59	60.65

Subsequent to year-end June 30, 2021, preliminary student enrollment counts for 2021-22 indicate that enrollment will be consistent as compared with 2020-2021.

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

2. Property Taxes Levied for General Operations (General Fund Non-Homestead Taxes)

The District levies 18 mills of property taxes for General Fund operations on non-homestead (business) properties. In 2006 the rate was reduced to 17.9190 due to the Headlee millage reduction fraction. In 2014 the full 18 mills were restored for a period of ten years, thru 2025. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the state equalized value, which is theoretically, 50 percent of the market value.

The District's non-homestead property tax revenue for the 2020-2021 fiscal year was \$3,565,832. Non-homestead tax revenue remained the same as prior year. The numbers reported in these financial statements are the last figures reported to the Michigan Department of Education.

Most of the District's non-homestead property is located in a TIFA district where the tax on any increase in valuation over the base year is "captured" in the TIFA.

The following summarizes the District's non-homestead property tax collections for the past five years:

<u>Fiscal Year</u>	<u>Non-Homestead Tax-Levy</u>	<u>% Increase (Decrease) From Prior Year</u>
2020-2021	\$3,557,264	0.0%
2019-2020	3,527,294	0.0%
2018-2019	3,536,455	0.0%
2017-2018	3,536,171	1.9%
2016-2017	3,471,072	(1.2%)

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

3. Debt Fund Property Taxes

The District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2020-2021, the District's debt millage levy was 4.0 mills which generated revenue of \$2,315,489.

4. Sinking Fund Property Taxes

The District's sinking fund levy, which is used to pay for certain building and site improvements throughout the District, is based on the taxable valuation of all properties including homestead and non-homestead.

For 2020-2021, the District's sinking fund millage levy was 1.75 mills which generated revenue of \$936,149.

5. Cafeteria Sales (School Lunch Program)

The District's Cafeteria Fund balance increased by \$253,430. Transfers from the General Fund in the amount of \$32 were necessary to cover an excess of expenditures over revenue at June 30, 2021.

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

General Fund Budget - Actual Revenues and Expenditures

General Fund Revenue - 5-Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Revenues Original Budget</u>	<u>Revenues Final Budget</u>	<u>Revenues Final Actual</u>	<u>Variance Revenues Actual vs. Original Budget</u>	<u>Variance Revenues Actual vs. Final Budget</u>
2020-2021	\$ 45,369,264	\$ 52,884,198	\$ 53,215,294	17.29%	0.63%
2019-2020	45,876,206	46,577,293	50,112,401	9.23%	7.59%
2018-2019	45,877,062	47,830,699	51,057,347	11.29%	6.75%
2017-2018	43,900,694	46,951,439	47,458,900	8.11%	1.08%
2016-2017	41,344,979	45,644,809	45,759,074	10.68%	0.25%

General Fund Expenditures - 5-Year Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Expenditures Original Budget</u>	<u>Expenditures Final Budget</u>	<u>Expenditures Final Actual</u>	<u>Variance Expenditures Actual vs. Original Budget</u>	<u>Variance Expenditures Actual vs. Final Budget</u>
2020-2021	\$ 46,680,589	\$ 50,039,786	\$ 50,406,079	7.98%	0.73%
2019-2020	49,035,897	50,439,127	49,071,308	0.07%	-2.71%
2018-2019	47,211,351	48,322,883	49,621,598	5.11%	2.69%
2017-2018	44,169,504	45,461,652	46,083,472	4.33%	1.37%
2016-2017	42,414,160	42,861,981	42,941,537	1.24%	0.19%

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2021**

Original Budget vs. Final Budget Revision

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

The District amends its budget as necessary during the school year. For the fiscal year June 30, 2021, the budget was amended in June, 2021. The June 2021 budget amendment was the only amended and final budget for the fiscal year.

Revenue

Total revenues original budget	\$45,369,264	
Total revenues final budget	<u>52,884,198</u>	
Increase in budgeted revenues	<u>\$7,514,934</u>	<u>16.56%</u>

The District's actual General Fund revenues differed from the final amended budget by \$331,096, a variance of 0.73% from final budget.

Expenditures

The District's budget for expenditures changed as follows during the year:

Total expenditures original budget	\$46,680,589	
Total expenditures final budget	<u>50,039,786</u>	
Increase in budgeted expenditures	<u>\$ 3,359,197</u>	<u>7.20%</u>

The District's final actual General Fund expenditures were \$366,293 greater than the final budget, a variance of 0.78%

Contacting the District's Financial Management

The financial report is intended to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or would like additional information, contact the Business Office, School District of the City of Wyandotte.

BASIC FINANCIAL STATEMENTS

School District of the City of Wyandotte
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash	\$ 16,244,691
Taxes receivable	42,056
Due from other governmental units	10,817,376
Inventory	40,600
Investments	10
Prepaid items	8,949
Capital assets not being depreciated	1,142,111
Capital assets - net of accumulated depreciation	<u>43,722,152</u>
 Total assets	 <u>72,017,945</u>
 Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	31,861,757
Deferred amount relating to the net OPEB liability	11,121,466
Deferred amount on debt refunding	<u>21,261</u>
 Total deferred outflows of resources	 <u>43,004,484</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Statement of Net Position
June 30, 2021

	Governmental Activities
Liabilities	
Accounts payable	320,657
State aid anticipation note payable	398,353
Due to other governmental units	1,481,710
Accrued expenditures	1,001,456
Accrued payroll and related liabilities	4,374,936
Unearned revenue	800,229
Long-term liabilities	
Debt due within one year	2,154,153
Debt due in more than one year	42,333,906
Net pension liability	139,026,282
Net OPEB liability	<u>21,806,447</u>
Total liabilities	<u>213,698,129</u>
 Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	5,705,345
Deferred amount relating to the net OPEB liability	<u>16,327,622</u>
Total deferred inflows of resources	<u>22,032,967</u>
 Net Position	
Net investment in capital assets	1,343,196
Restricted for	
Debt service	4,819,821
Capital projects	936,149
Unrestricted (deficit)	<u>(127,807,833)</u>
Total net position	<u>\$ (120,708,667)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	\$ 42,998,339	\$ -	\$ 36,921,162	\$ (6,077,177)
Supporting services	35,626,823	688,931	2,756,707	(32,181,185)
Student and school activities	612,230	-	-	(612,230)
Food services	1,787,932	12,764	1,766,688	(8,480)
Community services	591,426	623,255	-	31,829
Interest and fiscal charges on long-term debt	1,521,625	-	-	(1,521,625)
Depreciation - unallocated	5,289,241	-	-	(5,289,241)
Total governmental activities	<u>\$ 88,427,616</u>	<u>\$ 1,324,950</u>	<u>\$ 41,444,557</u>	<u>(45,658,109)</u>
General revenues				
Property taxes, levied for general purposes				3,565,832
Property taxes, levied for debt service				2,315,489
Property taxes, levied for sinking fund				936,149
State aid - unrestricted				30,536,314
Enhancement millage				1,913,575
Interest and investment earnings				2,380
Other				<u>115,727</u>
Total general revenues				<u>39,385,466</u>
Change in net position				(6,272,643)
Net position - beginning, as restated				<u>(114,436,024)</u>
Net position - ending				<u>\$ (120,708,667)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 12,201,391	\$ -	\$ -	\$ 3,312,772	\$ 730,528	\$ 16,244,691
Taxes receivable	42,056	-	-	-	-	42,056
Due from other funds	-	346,293	1,656,120	1,758,758	1,193,519	4,954,690
Due from other governmental units	10,669,278	76,325	-	-	71,773	10,817,376
Inventory	22,883	-	-	-	17,717	40,600
Investments	-	-	-	-	10	10
Prepaid items	7,329	1,620	-	-	-	8,949
Total assets	\$ 22,942,937	\$ 424,238	\$ 1,656,120	\$ 5,071,530	\$ 2,013,547	\$ 32,108,372
Liabilities						
Accounts payable	\$ 281,639	\$ 8,915	\$ 8,839	\$ -	\$ 21,264	\$ 320,657
State aid anticipation note payable	398,353	-	-	-	-	398,353
Due to other funds	4,954,690	-	-	-	-	4,954,690
Due to other governmental units	963,336	-	518,374	-	-	1,481,710
Accrued expenditures	1,872	-	-	-	-	1,872
Accrued payroll and related liabilities	2,820,689	415,323	1,128,907	-	10,017	4,374,936
Unearned revenue	765,898	-	-	-	34,331	800,229
Total liabilities	10,186,477	424,238	1,656,120	-	65,612	12,332,447

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances						
Non-spendable						
Inventory	22,883	-	-	-	17,717	40,600
Prepaid items	7,329	1,620	-	-	-	8,949
Restricted for						
Food service	-	-	-	-	262,090	262,090
Debt service	-	-	-	5,071,530	-	5,071,530
Capital projects	-	-	-	-	936,149	936,149
Committed						
Student and school activities					730,528	730,528
Capital projects					1,451	1,451
Assigned						
Budgeted excess expenditures over revenues	410,464	-	-	-	-	410,464
Unassigned	<u>12,315,784</u>	<u>(1,620)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,314,164</u>
Total fund balances	<u>12,756,460</u>	<u>-</u>	<u>-</u>	<u>5,071,530</u>	<u>1,947,935</u>	<u>19,775,925</u>
Total liabilities and fund balances	<u>\$ 22,942,937</u>	<u>\$ 424,238</u>	<u>\$ 1,656,120</u>	<u>\$ 5,071,530</u>	<u>\$ 2,013,547</u>	<u>\$ 32,108,372</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021

Total fund balances for governmental funds \$ 19,775,925

Total net position for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated	1,142,111
Capital assets - net of accumulated depreciation	43,722,152

Certain liabilities are not due and payable in the current period and are not reported in the funds.

Accrued interest	(251,709)
July and August contractual insurance benefits	(747,875)

Deferred outflows (inflows) of resources

Deferred outflows of resources resulting from debt refunding	21,261
Deferred outflows of resources resulting from the net pension liability	31,861,757
Deferred outflows of resources resulting from the net OPEB liability	11,121,466
Deferred inflows of resources resulting from the net pension liability	(5,705,345)
Deferred inflows of resources resulting from the net OPEB liability	(16,327,622)

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.

Net pension liability	(139,026,282)
Net OPEB liability	(21,806,447)
Compensated absences	(336,705)
Retiree life insurance benefits	(51,000)
Bonds payable	(41,640,715)
Act 18 settlement payable	(558,026)
Premium on bonds	<u>(1,901,613)</u>

Net position of governmental activities **\$ (120,708,667)**

School District of the City of Wyandotte
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Local sources	\$ 4,479,690	\$ 103,230	\$ 94,768	\$ 2,316,339	\$ 1,573,218	\$ 8,567,245
State sources	41,402,825	2,041,642	5,421,980	-	103,236	48,969,683
Federal sources	4,680,681	-	-	-	1,766,688	6,447,369
Interdistrict sources	2,652,098	4,224,861	11,293,717	-	-	18,170,676
 Total revenues	 53,215,294	 6,369,733	 16,810,465	 2,316,339	 3,443,142	 82,154,973
Expenditures						
Current						
Education						
Instruction	29,721,786	2,886,299	6,473,026	-	-	39,081,111
Supporting services	19,059,106	3,558,280	9,776,949	-	-	32,394,335
Student and school activities	-	-	-	-	612,230	612,230
Food services	-	-	-	-	1,630,340	1,630,340
Community services	539,297	-	-	-	-	539,297
Intergovernmental payments	33,000	-	-	-	-	33,000
Facilities acquisition	-	-	-	-	196,549	196,549
Capital outlay	582,540	-	-	-	-	582,540
Debt service						
Principal	425,000	-	-	1,150,000	-	1,575,000
Interest and other expenditures	45,350	-	-	1,559,151	-	1,604,501
 Total expenditures	 50,406,079	 6,444,579	 16,249,975	 2,709,151	 2,439,119	 78,248,903
 Excess (deficiency) of revenues over expenditures	 2,809,215	 (74,846)	 560,490	 (392,812)	 1,004,023	 3,906,070

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General Fund	Josephine Brighton Work Skills Center Fund	Madison Special Education Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)						
Transfers in	287,644	178,077	-	296,714	198,032	960,467
Transfers out	<u>(296,746)</u>	<u>(103,231)</u>	<u>(560,490)</u>	<u>-</u>	<u>-</u>	<u>(960,467)</u>
Total other financing sources (uses)	<u>(9,102)</u>	<u>74,846</u>	<u>(560,490)</u>	<u>296,714</u>	<u>198,032</u>	<u>-</u>
Net change in fund balances	2,800,113	-	-	(96,098)	1,202,055	3,906,070
Fund balances - beginning, as restated	<u>9,956,347</u>	<u>-</u>	<u>-</u>	<u>5,167,628</u>	<u>745,880</u>	<u>15,869,855</u>
Fund balances - ending	<u>\$ 12,756,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,071,530</u>	<u>\$ 1,947,935</u>	<u>\$ 19,775,925</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
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	\$ 3,906,070
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(5,289,241)
Capital outlay	639,496
Disposal of capital assets (net book value)	(68,207)
Expenses are recorded when incurred in the statement of activities.	
Interest	10,638
Benefit claims	(12,626)
Compensated absences	(44,295)
Retiree life insurance benefits	1,000
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	(6,326,467)
Net change in the deferrals of resources related to the net pension liability	(4,387,677)
The statement of net position reports the OPEB liability and deferred outflows of resources and deferred inflows related to the OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in OPEB liability	6,902,602
Net change in the deferrals of resources related to the OPEB liability	(3,767,214)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as financing sources or expenditures in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Act 18 settlement net change	516,040
Repayments of long-term debt	1,575,000
Amortization of premiums	95,081
Amortization of gain on debt defeasance	<u>(22,843)</u>
Change in net position of governmental activities	\$ <u>(6,272,643)</u>

See Accompanying Notes to the Financial Statements

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the School District of the City of Wyandotte (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Madison Special Education and Josephine Brighton Work Skills Center Funds – These funds are Special Revenue Funds, which operate center programs for Wayne County RESA.

Debt Service Fund – Debt Service Fund is used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Additionally, the School District reports the following fund types:

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. The School District's Special Revenue Fund includes the Cafeteria Fund and Student/School Activity Fund.

Capital Projects Fund – The Building and Site Fund and Sinking Fund are used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The funds are kept open until the purpose for which the fund was created has been accomplished.

Sinking Fund - The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction, or repair of school buildings.

Assets, Liabilities and Net Position or Equity

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2021, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Fund	
Sinking Fund	4.00000
	1.75000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. All of the School District's tax roll lies within Wayne County.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

District as collected by the assessing municipality. Real property taxes uncollected as of March 1 are purchased by the County of Wayne and remitted to the School District.

Investments – Investments are stated at fair value.

Inventories – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Equipment and furniture	5-20 years
Buses and other vehicles	5-15 years

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

Compensated Absences – The liability for compensated absences reported in the district-wide statements consists of unpaid and accumulated vacation balances. The liability has been calculated using the vesting method, in which vacation amounts for both employees who are currently eligible to receive termination payments and other employees who expect to become eligible in the future to receive such payments upon termination are included.

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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension – 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 (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions – 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 (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred amounts on bond refundings are included in the district-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports

deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education or by an official or body to which the Board of Education delegates authority. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Use of Estimates

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

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria includes the following: (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally will report

fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Upcoming Accounting and Reporting Changes

Statement No. 87, *Leases* increases the usefulness of the School District's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the School District's leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the year ending June 30, 2023.

Statement No. 93, *Replacement of Interbank Offered Rates* establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.. This Statement is effective for the year ending June 30, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for the year ending June 30, 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This Statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This Statement is effective for the year ending June 30, 2023.

The School District is evaluating the impact that the above GASBs will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations.

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Basic programs	\$ 22,976,163	\$ 23,677,932	\$ 701,769
Added needs	5,976,607	6,043,854	67,247
Pupil transportation services	461,971	559,884	97,913
Central	1,904,306	2,293,864	389,558
Athletic activities	845,557	863,345	17,788
Capital outlay	423,652	582,540	158,888
Transfers out	296,715	296,746	31
Madison Special Education Fund			
Instructional staff	4,158	13,995	9,837
School administration	764,724	852,900	88,176
Josephine Brighton Work Skills Center Fund			
Added needs	2,669,561	2,886,299	216,738
Instructional staff	-	44,978	44,978
Operations and maintenance	406,100	425,879	19,779

Compliance - Sinking Funds

The Capital Project Fund records capital project activities funded with Sinking Fund millage. For this fund, management believes the School District has complied, in all material respects, with the applicable provisions of § 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2004-4.

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

	Governmental Activities
Cash	\$ 16,244,691
Investments	10
	<u>\$ 16,244,701</u>

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 16,242,201
Investments in securities, mutual funds, and similar vehicles	10
Petty cash and cash on hand	<u>2,490</u>
Total	<u>\$ 16,244,701</u>

Interest rate risk – In accordance with its investment policy, the School District manages its exposure to declines in fair values by limiting the investment option.

Credit risk – State statutes authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District has no investment policy that would further limit its investment choices.

Concentration of credit risk – The School District has no policy that would limit the amount that may be invested with any one issuer.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, \$15,955,331 of the School District's bank balance of \$16,840,025 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, all of the School District's investments of \$10 were exposed to custodial credit risk.

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

As of June 30, 2021, the net asset value of the School District's investment in MILAF + Portfolio was \$10. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,142,101	\$ -	\$ -	\$ 1,142,101
Construction in progress	10	-	-	10
Total capital assets not being depreciated	1,142,111	-	-	1,142,111
Capital assets being depreciated				
Buildings and additions	92,221,610	447,995	175,392	92,494,213
Equipment and furniture	20,306,337	162,565	436,871	20,032,031
Buses and other vehicles	568,521	28,936	103,542	493,915
Total capital assets being depreciated	113,096,468	639,496	715,805	113,020,159
Less accumulated depreciation for				
Buildings and additions	52,134,790	2,364,382	113,373	54,385,799
Equipment and furniture	12,100,957	2,885,841	432,245	14,554,553
Buses and other vehicles	420,617	39,018	101,980	357,655
Total accumulated depreciation	64,656,364	5,289,241	647,598	69,298,007
Net capital assets being depreciated	48,440,104	(4,649,745)	68,207	43,722,152
Net capital assets	\$ 49,582,215	\$ (4,649,745)	\$ 68,207	\$ 44,864,263

Depreciation expense was not charged to activities, as the School District considers its assets to impact multiple activities and allocation is not practical.

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,193,519
General Fund	Debt Service Fund	1,758,758
General Fund	Madison Special Education Fund	1,656,120
General Fund	Josephine Brighton Work Skills Center Fund	346,293
		<u>\$ 4,954,690</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Interfund transfers consist of the following:

	Transfers Out			
	<u>General Fund</u>	<u>Madison Special Education Fund</u>	<u>Josephine Brighton Work Skills Center</u>	<u>Total</u>
Transfers in				
General Fund	\$ -	\$ 287,644	\$ -	\$ 287,644
Josephine Brighton Work Skills Center	-	178,077	-	178,077
Debt Service Fund	296,714	-	-	296,714
Nonmajor Governmental Funds	<u>32</u>	<u>94,769</u>	<u>103,231</u>	<u>198,032</u>
	<u>\$ 296,746</u>	<u>\$ 560,490</u>	<u>\$ 103,231</u>	<u>\$ 960,467</u>

Transfers from the General Fund to the Debt Service Fund and nonmajor governmental funds were made to cover the costs of the School District programs that were in excess of revenues generated from those activities. Transfers between the Madison Special Education Fund and the Josephine Brighton Work Skills Center Fund and General Fund were to cover indirect costs charged to the respective programs. Transfers between Josephine Brighton Work Skills Center Fund and Madison Special Education Fund and Nonmajor Governmental Funds were to cover costs associated with the use of School District buildings.

Note 6 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Food service deposits	\$ 34,331
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>765,898</u>
Total	<u>\$ 800,229</u>

Note 7 - Leases

The School District leases copiers under non-cancelable operating leases. Total costs for such leases were \$140,100 for the year. The future minimum lease payments for these leases are as follows:

Year ending June 30,	
2022	\$ 140,100
2023	<u>140,100</u>
Total	<u>\$ 280,200</u>

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Note 8 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th. The School District is required to pledge 100% of their state school aid, October through August, or until the note is repaid, whichever is longer. The State has discretion to accelerate repayment terms if they have cause for concern. If the note is in default status, there is a penalty interest rate that may apply.

Short-term debt activity for the year was as follows:

	Beginning Balance	Proceeds	Repayments	Ending Balance
State aid anticipation note	<u>\$ 285,714</u>	<u>\$ 2,800,000</u>	<u>\$ 2,687,361</u>	<u>\$ 398,353</u>

The state aid anticipation note agreement includes an irrevocable set-aside of \$2,401,647 at year end that is considered defeased debt and not included in the ending balance.

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences, claims and judgments, Act 18, and certain risk liabilities.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$ 43,215,715	\$ -	\$ 1,575,000	\$ 41,640,715	\$ 1,655,000
Premium on bonds	<u>1,996,694</u>	<u>-</u>	<u>95,081</u>	<u>1,901,613</u>	<u>-</u>
Total bonds payable	<u>45,212,409</u>	<u>-</u>	<u>1,670,081</u>	<u>43,542,328</u>	<u>1,655,000</u>
Other liabilities					
ACT 18 settlement payable	1,074,066	2,334	518,374	558,026	478,488
Compensated absences	292,410	134,117	89,822	336,705	20,665
Retiree life insurance benefits	<u>52,000</u>	<u>-</u>	<u>1,000</u>	<u>51,000</u>	<u>-</u>
Total other liabilities	<u>1,418,476</u>	<u>136,451</u>	<u>609,196</u>	<u>945,731</u>	<u>499,153</u>
Total	<u>\$ 46,630,885</u>	<u>\$ 136,451</u>	<u>\$ 2,279,277</u>	<u>\$ 44,488,059</u>	<u>\$ 2,154,153</u>

For governmental activities, compensated absences, retiree life insurance benefits and retirement incentives are primarily liquidated by the General Fund.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

General obligation bonds payable at year end, consist of the following:

2016 Refunding of 2007 Energy Conservation Improvement bonds are due in annual installments of \$310,000 - \$505,000 through May 1, 2024, interest at 1.700% to 2.600%	\$ 1,470,000
2009 School Improvement Bond is due in full on August 24, 2025. Installments of \$296,714 are required to be set-aside annually to provide for the total principal payment when due. Interest rate is 0.125%	4,450,715
2015 School Building and Site Bonds are due in annual installments of \$75,000 - \$2,560,000 through May 1, 2041, interest at 2.75% to 5%.	<u>35,720,000</u>
Total general obligation bonded debt	<u>\$ 41,640,715</u>

Future principal and interest requirements for bonded debt and direct borrowings and direct placements are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,655,000	\$ 1,543,814	\$ 3,198,814
2023	1,735,000	1,474,224	3,209,224
2024	1,810,000	1,400,344	3,210,344
2025	5,820,715	1,317,482	7,138,197
2026	1,440,000	1,247,900	2,687,900
2027 - 2031	8,010,000	5,420,275	13,430,275
2032 - 2036	9,515,000	3,919,500	13,434,500
2037 - 2041	<u>11,655,000</u>	<u>1,773,212</u>	<u>13,428,212</u>
Total	<u>\$ 41,640,715</u>	<u>\$ 18,096,751</u>	<u>\$ 59,737,466</u>

The general obligation bonds are payable from the Debt Service Funds. As of year-end, the fund had a balance \$5,071,530 to pay this debt. Future debt and interest will be payable from future tax levies. Interest expenditures for the fiscal year were \$1,604,501.

Mandatory Sinking Fund – 2009 School Improvement Bonds

To ensure that sufficient money will be available to pay the principal of the 2009 School Improvement Bonds at maturity, the School District shall annually deposit cash into a mandatory sinking fund held by a bank or trust company eligible in the State of Michigan to hold such funds for the Bonds (the "Mandatory Sinking Fund"). Such annual deposited amounts required August 25 of each year shall, when combined with any earnings on monies held in the Mandatory Sinking Fund that have been earned since the previous deposit date, be sufficient as of August of the given year to equal the annual sinking fund deposit. The annual deposit into the Mandatory Sinking Fund shall be made annually and transferred from the General Fund to the Debt Service fund to be maintained in the Mandatory Sinking Fund. Fund to such date. Such monies shall be used to repay the principal of the Bonds at maturity in the year 2025.

The cumulative cash payments are held in the Debt Service Fund. Cash accumulated for the bond payments at June 30, 2021 was \$3,312,772.

Compensated Absences

Accrued compensated absences at year end consists of \$336,705 of vacation hours earned and vested. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by sick time earned for the year.

Note 10 - Risk Management

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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

The School District is self-insured for health benefits paid on behalf of its employees. Payments are made to the insurance administrator each week based on actual claims and administration fees. The plan provides a stop-loss provision of \$100,000 per employee. For governmental activities, the liability for health benefits is primarily liquidated by the General Fund.

Change in estimated liabilities for claims for health benefits for the year is as follows:

	June 30, 2021	June 30, 2020
Estimated (liability) overpayment at the beginning of the year	\$ 57,218	\$ (411,265)
Estimated claims incurred including changes in estimates	(8,082,992)	(6,950,476)
Claim payments	<u>7,988,403</u>	<u>7,418,959</u>
Estimated (liability) overpayment end of year	<u>\$ (37,371)</u>	<u>\$ 57,218</u>

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District did not pay any significant unemployment compensation expense for the year. No provision has been made for possible future claims.

Note 11 - Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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 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 (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

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. Depending on the plan option selected, member retirement benefits 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 if applicable. A refund cancels a former

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

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.

Contributions

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

Employer 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, 2017 valuation will be amortized over a 19-year period beginning Oct. 1, 2019 and ending Sept. 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2020.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	13.39 - 19.41%
Member Investment Plan	3.0 - 7.0%	13.39 - 19.41%
Pension Plus	3.0 - 6.4%	16.46%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Required contributions to the pension plan from the School District were \$11,122,277 for the year ending September 30, 2020.

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

At June 30, 2021, the School District reported a liability of \$139,026,282 for its proportionate share of the MPSERS 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 School 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 pension contributions required from all applicable employers during the measurement period. At September 30, 2020, the School District's proportion was 0.4047 percent, which was an increase of 0.0040 percent from its proportion measured as of September 30, 2019.

For the plan year ending September 30, 2020, the School District recognized pension expense of \$21,755,150 for the measurement period. For the reporting period ending June 30, 2021, the School District recognized total pension contribution expense of \$11,928,062.

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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 2,124,208	\$ (296,731)	\$ 1,827,477
Changes of assumptions	15,405,453	-	15,405,453
Net difference between projected and actual earnings on pension plan investments	584,126	-	584,126
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>2,628,187</u>	<u>(112,647)</u>	<u>2,515,540</u>
Subtotal of deferrals subject to amortization	20,741,974	(409,378)	20,332,596
School District contributions subsequent to the measurement date	<u>11,119,783</u>	<u>(5,295,967)</u>	<u>5,823,816</u>
Total	<u>\$31,861,757</u>	<u>\$ (5,705,345)</u>	<u>\$ 26,156,412</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The School District will offset the contribution expense in the year ended June 30, 2022 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2021	\$ 9,398,580
2022	6,482,836
2023	3,394,715
2024	<u>1,056,465</u>
	<u>\$ 20,332,596</u>

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: 6.80% net of investment expenses
 - Pension Plus Plan: 6.80% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%

School District of the City of Wyandotte

Notes to the Financial Statements

June 30, 2021

- Cost-of-Living Pension 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: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

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 is 4.4892 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.6 %
Alternative Investment Pools	16.0	9.3
International Equity	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)
	100.0%	

**Long-term rates of return are net of administrative expenses and 2.3% inflation.*

Rate of Return

For the plan year ended September 30, 2020, the annual money-weighted rate of return on pension plan investment, 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 changing 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, hybrid plans 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

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

the Pension Plus 2 plan). 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 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.

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

The following presents the School 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 School 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 higher:

	Current Single Discount Rate	
1% Decrease *	Assumption *	1% Increase *
5.80% / 5.80% / 5.00%	6.80% / 6.80% / 6.00%	7.80% / 7.80% / 7.00%
\$ 179,945,939	\$ 139,026,282	\$ 105,113,008

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 MPERS Comprehensive Annual Financial Report, available on the ORS website at www.michigan.gov/orsschools.

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

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) 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.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

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 with 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.

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

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 19-year period beginning Oct. 1, 2019 and ending Sept. 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2020.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.09%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the School District were \$2,875,869 for the year ended September 30, 2020.

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

At June 30, 2021, the School District reported a liability of \$21,806,447 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 School 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 School District's proportion was 0.4070 percent, which was an increase of 0.0071 percent from its proportion measured as of September 30, 2019.

For the plan year ending September 30, 2020, the School District recognized OPEB expense of (\$253,153) for the measurement period. For the reporting period ending June 30, 2021, the School District recognized total OPEB contribution expense of \$2,882,592.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ (16,247,841)	\$ (16,247,841)
Changes of assumptions	7,190,019	-	7,190,019
Net difference between projected and actual earnings on OPEB plan investments	181,999	-	181,999
Changes in proportion and differences between the School District contributions and proportionate share of contributions	1,219,266	(79,781)	1,139,485
Total to be recognized in future	8,591,284	(16,327,622)	(7,736,338)
School District contributions subsequent to the measurement date	2,530,182	-	2,530,182
Total	<u>\$ 11,121,466</u>	<u>\$ (16,327,622)</u>	<u>\$ (5,206,156)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer 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 during the following plan years:

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future OPEB Expenses)

2021	\$ (2,060,514)
2022	(1,806,897)
2023	(1,517,915)
2024	(1,316,429)
2025	<u>(1,034,583)</u>
	<u>\$ (7,736,338)</u>

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: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: 7.0% Year 1 graded to 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: Male and Female Employee 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 1 or more dependents.

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 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 is 5.6018 years.

Recognition period for assets is 5 years.

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.6 %
Alternative Investment Pools	16.0	9.3
International Equity	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)
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of Return

For the plan year ended September 30, 2020, the annual money-weighted rate of return on OPEB plan investment, 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.

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

The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the School 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 higher:

1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
<u>\$ 28,012,860</u>	<u>\$ 21,806,447</u>	<u>\$ 16,581,168</u>

School District of the City of Wyandotte
Notes to the Financial Statements
June 30, 2021

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

The following presents the School District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the School District's proportionate share of 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
\$ 16,381,102	\$ 21,806,447	\$ 27,977,108

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2021.

Note 14 - Tax Abatements

The School District receives reduced property tax revenues as a result of building and employment expansion exemptions granted by the City of Wyandotte.

For the fiscal year ended June 30, 2021, the School District's property tax revenues were reduced by \$71,398 under these programs.

Note 15 - Subsequent Events

Subsequent to year end, the School District borrowed \$2,500,000 in short-term state aid anticipation notes through the Michigan Finance Authority. Proceeds from the borrowing were distributed to the School District in August of 2021.

Note 16 - Change in Accounting Principle

As indicated in Note 1, Governmental Accounting Standards Board Statement 84 has been adopted. The standard requires this change be applied retroactively. The impact of this change is to increase beginning net position in the statement of activities as of July 1, 2020 by \$719,503, restating it from \$(115,155,527) to \$(114,436,024). The impact of this change increases the beginning fund balance on the statement of revenues, expenditures, and changes in fund balance as of July 1, 2020 by \$719,503, restating it from \$15,150,352 to \$15,869,855. The impact of this change also decreases beginning net position on the statement of changes in fiduciary net position as of July 1, 2020 by \$719,503, restating it from \$719,503 to \$0.

REQUIRED SUPPLEMENTARY INFORMATION

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 3,775,319	\$ 3,255,725	\$ 4,479,690	\$ 1,223,965
State sources	35,393,807	41,195,221	41,402,825	207,604
Federal sources	2,884,938	4,915,102	4,680,681	(234,421)
Interdistrict sources	<u>3,315,200</u>	<u>3,518,150</u>	<u>2,652,098</u>	<u>(866,052)</u>
 Total revenues	 <u>45,369,264</u>	 <u>52,884,198</u>	 <u>53,215,294</u>	 <u>331,096</u>
Expenditures				
Instruction				
Basic programs	21,545,947	22,976,163	23,677,932	701,769
Added needs	5,534,427	5,976,607	6,043,854	67,247
Supporting services				
Pupil	2,635,273	2,995,846	2,988,983	(6,863)
Instructional staff	1,400,179	2,403,990	2,159,879	(244,111)
General administration	528,972	511,557	450,673	(60,884)
School administration	2,617,686	2,530,680	2,404,616	(126,064)
Business	809,508	890,010	761,287	(128,723)
Operations and maintenance	6,405,721	6,828,032	6,576,575	(251,457)
Pupil transportation services	447,366	461,971	559,884	97,913
Central	1,759,539	1,904,306	2,293,864	389,558
Athletic activities	920,557	845,557	863,345	17,788
Community services	678,079	716,390	539,297	(177,093)
Intergovernmental payments	95,000	95,000	33,000	(62,000)
Capital outlay	822,310	423,652	582,540	158,888

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt service				
Principal	425,000	425,000	425,000	-
Interest and fiscal charges	<u>55,025</u>	<u>55,025</u>	<u>45,350</u>	<u>(9,675)</u>
Total expenditures	<u>46,680,589</u>	<u>50,039,786</u>	<u>50,406,079</u>	<u>366,293</u>
Excess (deficiency) of revenues over expenditures	<u>(1,311,325)</u>	<u>2,844,412</u>	<u>2,809,215</u>	<u>(35,197)</u>
Other Financing Sources (Uses)				
Transfers in	300,000	300,000	287,644	(12,356)
Transfers out	<u>(296,715)</u>	<u>(296,715)</u>	<u>(296,746)</u>	<u>31</u>
Total other financing sources (uses)	<u>3,285</u>	<u>3,285</u>	<u>(9,102)</u>	<u>(12,387)</u>
Net change in fund balance	(1,308,040)	2,847,697	2,800,113	(47,584)
Fund balance - beginning	<u>9,956,347</u>	<u>9,956,347</u>	<u>9,956,347</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,648,307</u>	<u>\$ 12,804,044</u>	<u>\$ 12,756,460</u>	<u>\$ (47,584)</u>

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - Josephine Brighton Work Skills Center Fund
For the Year Ended June 30, 2021

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ -	\$ -	\$ 103,230	\$ 103,230
State sources	2,159,760	2,159,760	2,041,642	(118,118)
Interdistrict sources	5,885,062	5,885,062	4,224,861	(1,660,201)
Total revenues	8,044,822	8,044,822	6,369,733	(1,675,089)
Expenditures				
Instruction				
Added needs	2,669,561	2,669,561	2,886,299	216,738
Supporting services				
Pupil	3,255,940	3,255,940	2,761,003	(494,937)
Instructional staff	-	-	44,978	44,978
General administration	5,000	5,000	357	(4,643)
School administration	408,708	408,708	321,594	(87,114)
Operations and maintenance	406,100	406,100	425,879	19,779
Pupil transportation services	13,577	13,577	4,469	(9,108)
Total expenditures	6,758,886	6,758,886	6,444,579	(314,307)
Excess (deficiency) of revenues over expenditures	1,285,936	1,285,936	(74,846)	(1,360,782)
Other Financing Sources (Uses)				
Transfers in	(1,285,936)	(1,285,936)	178,077	1,464,013
Transfers out	-	-	(103,231)	(103,231)
Total other financing sources (uses)	(1,285,936)	(1,285,936)	74,846	1,360,782
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

School District of the City of Wyandotte
Required Supplementary Information
Budgetary Comparison Schedule - Madison Special Education Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 198,000	\$ 198,000	\$ 94,768	\$ (103,232)
State sources	4,251,002	4,251,002	5,421,980	1,170,978
Interdistrict sources	15,702,558	15,702,558	11,293,717	(4,408,841)
Total revenues	<u>20,151,560</u>	<u>20,151,560</u>	<u>16,810,465</u>	<u>(3,341,095)</u>
Expenditures				
Instruction				
Added needs	7,152,564	7,152,564	6,473,026	(679,538)
Supporting services				
Pupil	9,327,124	9,327,124	8,691,142	(635,982)
Instructional staff	4,158	4,158	13,995	9,837
School administration	764,724	764,724	852,900	88,176
Operations and maintenance	257,875	257,875	218,912	(38,963)
Pupil transportation services	25,123	25,123	-	(25,123)
Total expenditures	<u>17,531,568</u>	<u>17,531,568</u>	<u>16,249,975</u>	<u>(1,281,593)</u>
Excess (deficiency) of revenues over expenditures	2,619,992	2,619,992	560,490	(2,059,502)
Other Financing Sources (Uses)				
Transfers out	<u>(2,619,992)</u>	<u>(2,619,992)</u>	<u>(560,490)</u>	<u>2,059,502</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A. Reporting unit's proportion of net pension liability (%)	0.4047%	0.4007%	0.3954%	0.3862%	0.3765%	0.3785%	0.3661%			
B. Reporting unit's proportionate share of net pension liability	\$ 139,026,282	\$ 132,699,815	\$ 118,863,617	\$ 100,074,318	\$ 93,930,828	\$ 92,441,069	\$ 80,638,167			
C. Reporting unit's covered-employee payroll	\$ 36,091,963	\$ 34,963,075	\$ 34,122,697	\$ 32,675,622	\$ 31,644,105	\$ 31,495,551	\$ 31,406,574			
D. Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	385.20%	379.54%	348.34%	306.27%	296.84%	293.51%	256.76%			
E. Plan fiduciary net position as a percentage of total pension liability	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%			

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2020.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2020.

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

		For the Years Ended June 30,									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A.	Statutorily required contributions	\$ 11,928,062	\$ 10,918,225	\$ 10,623,188	\$ 9,965,958	\$ 6,151,810	\$ 6,069,988	\$ 5,786,416			
B.	Contributions in relation to statutorily required contributions	<u>11,928,062</u>	<u>10,918,225</u>	<u>10,623,188</u>	<u>9,965,958</u>	<u>6,151,810</u>	<u>6,069,988</u>	<u>5,786,416</u>			
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
D.	Reporting unit's covered-employee payroll	\$ 35,003,613	\$ 36,253,984	\$ 34,639,517	\$ 33,946,980	\$ 32,620,710	\$ 31,416,733	\$ 31,897,628			
E.	Contributions as a percentage of covered-employee payroll	34.08%	30.12%	30.67%	29.36%	18.86%	19.32%	18.14%			

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A. Reporting unit's proportion of the net OPEB liability (%)	0.4070%	0.4000%	0.4009%	0.3847%						
B. Reporting unit's proportionate share of the net OPEB liability	\$ 21,806,447	\$ 28,709,049	\$ 31,866,071	\$ 34,067,387						
C. Reporting unit's covered-employee payroll	\$ 36,091,963	\$ 34,963,075	\$ 34,122,697	\$ 32,675,622						
D. Reporting unit's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	60.42%	82.11%	93.39%	104.26%						
E. Plan fiduciary net position as a percentage of total OPEB liability	59.44%	48.46%	42.95%	36.39%						

Note Disclosures:

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2020.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2020.

School District of the City of Wyandotte
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

		For the Years Ended June 30,									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A.	Statutorily required contributions	\$ 2,882,592	\$ 2,795,208	\$ 2,731,824	\$ 2,502,965						
B.	Contributions in relation to statutorily required contributions	<u>2,882,592</u>	<u>2,795,208</u>	<u>2,731,824</u>	<u>2,502,965</u>						
C.	Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
D.	Reporting unit's covered-employee payroll	\$ 35,003,613	\$ 36,253,984	\$ 34,639,517	\$ 34,639,517						
E.	Contributions as a percentage of covered-employee payroll	8.24%	7.71%	7.89%	7.23%						

OTHER SUPPLEMENTARY INFORMATION

School District of the City of Wyandotte
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue		Capital Projects Fund - Building and Site	Sinking Fund	Total Nonmajor Governmental Funds
	Cafeteria	Student/School Activity Fund			
Assets					
Cash	\$ -	\$ 730,528	\$ -	\$ -	\$ 730,528
Due from other funds	246,637	-	10,733	936,149	1,193,519
Due from other governmental units	71,773	-	-	-	71,773
Inventory	17,717	-	-	-	17,717
Investments	-	-	10	-	10
Total assets	<u>\$ 336,127</u>	<u>\$ 730,528</u>	<u>\$ 10,743</u>	<u>\$ 936,149</u>	<u>\$ 2,013,547</u>
Liabilities					
Accounts payable	\$ 11,972	\$ -	\$ 9,292	\$ -	\$ 21,264
Accrued payroll and related liabilities	10,017	-	-	-	10,017
Unearned revenue	34,331	-	-	-	34,331
Total liabilities	<u>56,320</u>	<u>-</u>	<u>9,292</u>	<u>-</u>	<u>65,612</u>
Fund Balances					
Non-spendable					
Inventory	17,717	-	-	-	17,717
Restricted for					
Food service	262,090	-	-	-	262,090
Capital projects	-	-	-	936,149	936,149
Committed					
Student and school activities	-	730,528	-	-	730,528
Capital projects	-	-	1,451	-	1,451
Total fund balances	<u>279,807</u>	<u>730,528</u>	<u>1,451</u>	<u>936,149</u>	<u>1,947,935</u>
Total liabilities and fund balances	<u>\$ 336,127</u>	<u>\$ 730,528</u>	<u>\$ 10,743</u>	<u>\$ 936,149</u>	<u>\$ 2,013,547</u>

School District of the City of Wyandotte
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	Special Revenue		Capital Projects Fund - Building and Site	Sinking Fund	Total Nonmajor Governmental Funds
	Cafeteria	Student/School Activity Fund			
Revenues					
Local sources	\$ 13,814	\$ 623,255	\$ -	\$ 936,149	\$ 1,573,218
State sources	103,236	-	-	-	103,236
Federal sources	1,766,688	-	-	-	1,766,688
Total revenues	1,883,738	623,255	-	936,149	3,443,142
Expenditures					
Current					
Education					
Student and school activities	-	612,230	-	-	612,230
Food services	1,630,340	-	-	-	1,630,340
Facilities acquisition	-	-	196,549	-	196,549
Total expenditures	1,630,340	612,230	196,549	-	2,439,119
Excess (deficiency) of revenues over expenditures	253,398	11,025	(196,549)	936,149	1,004,023
Other Financing Sources (Uses)					
Transfers in	32	-	198,000	-	198,032
Net change in fund balances	253,430	11,025	1,451	936,149	1,202,055
Fund balances - beginning, as restated	26,377	719,503	-	-	745,880
Fund balances - ending	\$ 279,807	\$ 730,528	\$ 1,451	\$ 936,149	\$ 1,947,935

School District of the City of Wyandotte
Other Supplementary Information
General Fund
Comparative Balance Sheet
June 30, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 12,201,391	\$ 9,163,087
Taxes receivable	42,056	127,082
Accounts receivable	-	7,231
Due from other funds	-	41,026
Due from other governmental units	10,669,278	9,179,509
Inventory	22,883	30,180
Prepaid items	<u>7,329</u>	<u>28,087</u>
 Total assets	 <u>\$ 22,942,937</u>	 <u>\$ 18,576,202</u>
Liabilities		
Accounts payable	\$ 281,639	\$ 179,444
State aid anticipation note payable	398,353	285,714
Due to other funds	4,954,690	4,273,168
Due to other governmental units	963,336	1,202,096
Accrued expenditures	1,872	3,714
Accrued payroll and related liabilities	2,820,689	2,660,332
Unearned revenue	<u>765,898</u>	<u>15,387</u>
 Total liabilities	 <u>10,186,477</u>	 <u>8,619,855</u>

School District of the City of Wyandotte
Other Supplementary Information
General Fund
Comparative Balance Sheet
June 30, 2021

	<u>2021</u>	<u>2020</u>
Fund Balance		
Non-spendable		
Inventory	22,883	30,180
Prepaid items	7,329	28,087
Assigned		
Budgeted excess expenditures over revenues	410,464	1,308,040
Unassigned	<u>12,315,784</u>	<u>8,590,040</u>
 Total fund balance	 <u>12,756,460</u>	 <u>9,956,347</u>
 Total liabilities and fund balance	 <u>\$ 22,942,937</u>	 <u>\$ 18,576,202</u>

School District of the City of Wyandotte

Single Audit Report

June 30, 2021



Contents

Page

Single Audit Report

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
---	---

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
--	---

Schedule of Expenditures of Federal Awards	5
--	---

Notes to the Schedule of Expenditures of Federal Awards	8
---	---

Schedule of Findings and Questioned Costs	10
---	----

Summary Schedule of Prior Audit Findings	12
--	----



YEO & YEO
CPAs & BUSINESS CONSULTANTS

800.968.0010 | yecandyeo.com

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditors' Report

Management and the Board of Education
School District of the City of Wyandotte

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of the City of Wyandotte as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District of the City of Wyandotte's basic financial statements, and have issued our report thereon dated October 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District of the City of Wyandotte's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District of the City of Wyandotte's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District of the City of Wyandotte's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

 Yeo & Yeo, P.C.

Ann Arbor, MI
October 22, 2021



Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and the Board of Education
School District of the City of Wyandotte

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District of the City of Wyandotte's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of the City of Wyandotte, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District of the City of Wyandotte's basic financial statements. We issued our report thereon dated October 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 22, 2021

School District of the City of Wyandotte
Schedule of Expenditures of Federal Awards
June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal AL Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2020	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2021
U.S. Department of Agriculture								
Nutrition Cluster								
Passed through Michigan Department of Education								
Non-cash assistance (commodities)								
National School Lunch Program	10.555							
Entitlement Commodities		\$ 91,182	\$ -	\$ -	\$ 91,182	\$ 91,182	\$ -	\$ -
Bonus Commodities		1,033	-	-	1,033	1,033	-	-
			<u>-</u>	<u>-</u>	<u>92,215</u>	<u>92,215</u>	<u>-</u>	<u>-</u>
Cash assistance								
National School Lunch Program	10.555							
200902 Unanticipated Closure		345,240	94,153	345,240	-	94,153	-	-
Summer Food Service Program for Children	10.559							
200900 Summer Food Meals		125,411	-	-	125,411	125,411	-	-
210904 Extended SFSP		1,547,043	-	-	1,547,043	1,475,270	-	71,773
			<u>-</u>	<u>-</u>	<u>1,672,454</u>	<u>1,600,681</u>	<u>-</u>	<u>71,773</u>
Total Child Nutrition Cluster			94,153	345,240	1,764,669	1,787,049	-	71,773
Child and Adult Care Food Program	10.558							
211920 CACFP Meals		2,019	-	-	2,019	2,019	-	-
Total U.S. Department of Agriculture			<u>94,153</u>	<u>345,240</u>	<u>1,766,688</u>	<u>1,789,068</u>	<u>-</u>	<u>71,773</u>
U.S. Department of Treasury								
Passed through Michigan Department of Education								
Coronavirus Relief Fund	21.019							
COVID19 - Project Number: 2020-21		1,642,515	-	-	895,617	1,642,515	-	(746,898)
COVID19 - Project Number: 2020-21		57,816	-	-	47,551	57,816	-	(10,265)
			<u>-</u>	<u>-</u>	<u>943,168</u>	<u>1,700,331</u>	<u>-</u>	<u>(757,163)</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

School District of the City of Wyandotte
Schedule of Expenditures of Federal Awards
June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal AL Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2020	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2021
Passed through Copper County ISD								
Coronavirus Relief Fund	21.019							
COVID19 - Device Purchasing Program/Distance Learning CRF Grant		21,469	-	-	21,469	21,469	-	-
Total U.S. Department of Treasury - Coronavirus Relief Fund			-	-	964,637	1,721,800	-	(757,163)
U.S. Department of Education								
Special Education Cluster								
Passed through Wayne County Regional Educational Service Agency								
200450 1920 Special Education - Grants to States	84.027	2,098,000	610,288	2,098,000	-	610,288	-	-
210450 2021 Special Education - Grants to States	84.027	2,121,555	-	-	2,121,555	1,207,650	-	913,905
			610,288	2,098,000	2,121,555	1,817,938	-	913,905
200460 1920 Special Education - Preschool Grants	84.173	55,926	9,852	55,926	-	9,852	-	-
210460 2021 Special Education - Preschool Grants	84.173	46,872	-	-	46,872	18,815	-	28,057
			9,852	55,926	46,872	28,667	-	28,057
Total Special Education Cluster			620,140	2,153,926	2,168,427	1,846,605	-	941,962
Title I								
Passed through Michigan Department of Education								
201530 1920 Title I Grants to Local Education Agencies	84.010	587,742	462,742	587,742	-	462,742	-	-
211530 2021 Title I Grants to Local Education Agencies	84.010	564,715	-	-	564,715	535,000	-	29,715
			462,742	587,742	564,715	997,742	-	29,715
Title II								
Passed through Michigan Department of Education								
200520 1920 Improving Teacher Quality State Grants	84.367	142,368	51,908	61,528	15,380	51,908	(15,380)	-
210520 2021 Improving Teacher Quality State Grants	84.367	197,037	-	-	85,337	80,000	-	5,337
			51,908	61,528	100,717	131,908	(15,380)	5,337
Title IV								
Passed through Michigan Department of Education								
200750 1920 Student Support and Academic Enrichment	84.424	45,086	1,629	17,009	13,257	29,986	15,100	-
210750 2021 Student Support and Academic Enrichment	84.424	40,012	-	-	24,448	14,900	-	9,548
			1,629	17,009	37,705	44,886	15,100	9,548

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

School District of the City of Wyandotte
Schedule of Expenditures of Federal Awards
June 30, 2021

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal AL Number	Approved Grant Amount	Accrued (Unearned) Revenue at July 1, 2020	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Unearned) Revenue June 30, 2021
Education Stabilization Fund								
Passed through Michigan Department of Education								
COVID19 - 201200 2021 GEER	84.425C	340,234	-	-	340,234	-	-	340,234
COVID19 - 203710 2021 ESSER - Formula	84.425D	451,944	4,897	4,897	447,047	447,047	-	4,897
			4,897	4,897	787,281	447,047	-	345,131
Total U.S. Department of Education			1,141,316	2,825,102	3,658,845	3,468,188	(280)	1,331,693
U.S. Department of Health and Human Services								
Passed through Wayne County Regional Education Service Agency								
Medicaid Assistance Program	93.778	31,679	-	-	31,679	31,679	-	-
Total federal programs			\$ 1,235,469	\$ 3,170,342	\$ 6,421,849	\$ 7,010,735	\$ (280)	\$ 646,303

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

School District of the City of Wyandotte

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2021

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The School District of the City of Wyandotte has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

The federal revenues reported on the financial statements reconcile with expenditures reported on the SEFA as shown:

Expenditures per the schedule of expenditures of federal awards	\$ 6,421,849
Less: Unallowed Title II and Title IV indirect costs	(280)
Add: Child Care Relief Funds received as beneficiary	25,800
Federal revenues per the financial statements	<u>\$ 6,447,369</u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

School District of the City of Wyandotte

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2021

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the grant auditor report are in agreement with the schedule of expenditures of federal awards except for the following timing differences and program adjustments:

Program	Reported on Grant Auditor Report	Reported on Schedule of Expenditures of Federal Awards	Adjustments for Title IV and Title II	Variance Due to Timing of Deposits
201530 1920 Title I Grants to Local Education Agencies	\$ 87,742	\$ 462,742	\$ -	\$ (375,000)
200520 1920 Improving Teacher Quality State Grants	(8,472)	51,908	(15,380)	(45,000)
200750 1920 Student Support and Academic Enrichment	43,457	29,986	15,100	(1,629)
	<u>\$ 122,727</u>	<u>\$ 544,636</u>	<u>\$ (280)</u>	<u>\$ (421,629)</u>

The amounts reported on the recipient entitlement balance report agree with the schedule of expenditures of federal awards for U.S.D.A. donated food commodities.

Note 6 - Adjustments for Prior Year Expenditures

The School District of the City of Wyandotte incorrectly expended \$15,380 for Student Support and Academic Enrichment awards to Improving Teacher Quality State Grants (Title II) awards for the fiscal year ended June 30, 2020. The expenditures and cash receipts on the SEFA have been adjusted to show the correction at June 30, 2021. Certain expenditures totaling \$280 were not allowable for the award and reduce expenditures on the SEFA.

June 30, 2021

Financial Statements

Internal control over financial reporting:

- Noncompliance material to financial statements noted? yes X no

Internal control over major programs:

- Type of auditors' report issued on compliance for major programs: Unmodified

Identification of major programs:

21.019 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

School District of the City of Wyandotte

Schedule of Findings and Questioned Costs

June 30, 2021

Section II – Government Auditing Standards Findings

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards for the year ended June 30, 2021.

Section III – Federal Award Findings and Questioned Costs

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2021.

School District of the City of Wyandotte
Summary Schedule of Prior Audit Findings
June 30, 2021

Section IV – Prior Government Auditing Standards Findings

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards for the year ended June 30, 2020.

Section V – Prior Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2020.