



# **GREENVILLE PUBLIC SCHOOLS**

FINANCIAL STATEMENTS

and

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2018



Vredeveld Haefner LLC  
CPAs and Consultants

# GREENVILLE PUBLIC SCHOOLS

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### INDEPENDENT AUDITORS' REPORT

October 30, 2018

Members of the Board of Education  
Greenville Public Schools  
Greenville, 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 Greenville Public Schools, Greenville, Michigan, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenville Public Schools as of June 30, 2018, 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.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 7 and the schedules on pages 43 through 47 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 District's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The corrective action plan has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018, on our consideration of the District'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Urederold Haefner LLC*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of Greenville Public Schools (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial highlights

- The District financed approximately \$400,000 on new buses and equipment.
- The general fund added \$658,000 to fund balance during the year.
- The District issued \$14.4 million of bonds to fund planned building and technology improvements.

### Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., payments on debt).

Both of the government-wide financial statements display functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include instruction, support services, community services, food service, and interest on long-term debt. The District does not have any business-type activities.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, and the 2018 building and site bonds funds which are considered to be major funds. Data for the other governmental funds, which are considered to be nonmajor funds, are combined into a single, aggregated presentation. Individual fund information for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General and all special revenue funds. A budgetary comparison schedule has been provided herein for the General fund to demonstrate compliance with that budget.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resource of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is much like that used for governmental activities in the government-wide financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information includes this management discussion and analysis as well as a schedule of General fund budget to actual information and benefit plan related schedules.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$49,926,697 at the close of the most recent fiscal year.

A large portion of the District's net position reflects a deficit unrestricted net position which is not available for future operation. A portion of net position is invested in capital assets (e.g., land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



<b>Net Position</b>		
	<b>Governmental Activities</b>	
	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Assets</b>		
Current and other assets	\$ 12,934,277	\$ 28,605,803
Capital assets	45,601,728	43,622,467
<b>Total assets</b>	<u>58,536,005</u>	<u>72,228,270</u>
<b>Deferred outflows of resources</b>	<u>8,879,696</u>	<u>14,895,015</u>
<b>Liabilities</b>		
Other liabilities	7,638,169	8,160,853
Long-term liabilities outstanding	91,467,618	124,703,745
<b>Total liabilities</b>	<u>99,105,787</u>	<u>132,864,598</u>
<b>Deferred inflows of resources</b>	<u>1,892,130</u>	<u>4,185,384</u>
<b>Net position</b>		
Net investment in capital assets	10,176,610	10,073,017
Restricted	2,812,636	3,846,465
Unrestricted	(46,571,462)	(63,846,179)
<b>Total net position</b>	<u>\$(33,582,216)</u>	<u>\$(49,926,697)</u>

Net position of the District at July 1, 2017 was decreased by \$16,344,481 to reflect the implementation of GASB Statement No. 75 (Accounting and Financial Reporting for Post-employment Benefits other than Pensions) and to properly reflect asset and liability balance at July 1, 2017.

<b>Activities</b>		
	<b>Governmental Activities</b>	
	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Revenues</b>		
Program revenue		
Charges for services	\$ 892,090	\$ 1,346,834
Operating grants and contributions	8,767,406	6,746,713
Capital grants and contributions	-	94,602
General revenue		
Property taxes	7,684,405	7,877,761
Grants and contributions not restricted to specific programs	23,377,603	27,142,793
Other	541,072	49,564
<b>Total revenues</b>	<u>41,262,576</u>	<u>43,258,267</u>
<b>Expenses</b>		
Instruction	21,474,488	23,442,142
Supporting services	12,794,103	15,492,280
Community services	341,266	513,055
Food service	1,763,726	1,849,848

	<b>Governmental Activities (continued)</b>	
	<b><u>2017</u></b>	<b><u>2018</u></b>
Unallocated depreciation	\$ 2,778,352	\$ -
Interest	1,418,825	1,211,575
<b>Total expenses</b>	<b>40,570,760</b>	<b>42,508,900</b>
Increase (decrease) in net position	691,816	749,367
<b>Net position - beginning of year</b>	<b>(34,274,032)</b>	<b>(50,676,064)</b>
<b>Net position - end of year</b>	<b><u>\$(33,582,216)</u></b>	<b><u>\$(49,926,697)</u></b>

### **Governmental activities**

During the year the District expended 55% of its total expenses on instruction and 36% on support services such as guidance service, transportation, building operation and maintenance and administration. The remaining 9% of expenses was community services, food service and interest on long-term debt.

### **Financial analysis of the government's funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$20,700,613, an increase of \$15,492,916 in comparison with the prior year. This increase is primarily the result of the 2018 building and site Bonds #1 bond issue unexpended at year end.

The General fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General fund was \$2,295,809. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 6% of total General fund expenditures. The fund balance of the District's General fund increased by \$658,292 during the current fiscal year.

The fund balance of the 2018 building and site bonds #1 fund at the end of the year amounted to \$14,289,576, an increase of \$14,289,576 from the previous year.

### **Budgetary highlights**

- The general fund state revenues budget was increased for additional special education, at risk and pension funding.
- The general fund expenditure budget was increased for additional pension expenditures required by the additional pension funding.

### **Capital Asset and Debt Administration**

**Capital assets.** The District's investment in capital assets for its governmental activities as of June 30, 2018, amounted to \$43,622,467 (net of accumulated depreciation).

The District's capital assets (net of depreciation) are summarized as follows:

	<b>Governmental Activities</b>
Land	\$ 100,000
Construction in progress	291,155
Building and equipment (net)	<u>43,231,312</u>
<b>Total</b>	<b><u>\$43,622,467</u></b>

During the year, the District's major capital purchases included three buses, support vehicles, chrome books, and design work for school upgrades. Additional information on the District's capital assets can be found in Note 4 of this report.

**Debt.** At the end of the current fiscal year, the District had debt outstanding of \$48,273,029.

The District's debt is summarized as follows:

	<b>Governmental Activities</b>
Bonds/installment purchases	\$46,620,522
Bond premiums/discounts	1,009,303
Capital leases	185,700
Compensated absences	<u>457,504</u>
<b>Total</b>	<b><u>\$48,273,029</u></b>

Additional information on the District's long-term debt can be found in Note 6 of this report.

### **Economic Factors and Next Year's Budgets**

The following factors were considered in preparing the District's budget for the 2018-19 fiscal year:

- The student count is one crucial factor affecting the budget. State foundation revenue is calculated based on the student count which is projected to decline by 25.
- The foundation allowance increase of \$240 per student FTE.
- The Non-Homestead property tax of 18 mills.
- Increased labor cost based on contracts in place.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information, please contact the Finance Director at Greenville Public Schools, 1414 W. Chase Road, Greenville, MI 48838.

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## **BASIC FINANCIAL STATEMENTS**

# GREENVILLE PUBLIC SCHOOLS

## STATEMENT OF NET POSITION

JUNE 30, 2018

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and pooled intestments	\$ 4,462,846
Accounts receivable	263,400
Due from other governments	6,806,113
Prepaid items	144,284
Inventory	118,737
Restricted cash	16,810,423
Capital assets, net	
Land	100,000
Construction in progress	291,155
Land improvements, buildings, furniture and equipment, vehicles	<u>43,231,312</u>
<b>Total assets</b>	<u>72,228,270</u>
<b>Deferred outflows of resources</b>	
Deferred outflows - related to pensions	12,396,377
Deferred outflows - related to OPEB	2,163,930
Deferred outflows - loss on refunding	<u>334,708</u>
<b>Total deferred outflows of resources</b>	<u>14,895,015</u>
<b>Liabilities</b>	
Accounts payable	129,017
Accrued payroll	1,811,597
Other accrued liabilities	661,373
Due to other governments	1,475,071
Short-term notes payable	4,000,000
Unearned revenue	83,795
Noncurrent liabilities	
Compensated absences	457,504
Net pension liability	56,958,723
Net OPEB liability	19,471,993
Due within one year	3,918,179
Due in more than one year	<u>43,897,346</u>
<b>Total liabilities</b>	<u>132,864,598</u>
<b>Deferred inflows of resources</b>	
Deferred inflows - related to pensions	3,525,642
Deferred outflows - related to OPEB	<u>659,742</u>
	<u>4,185,384</u>
<b>Net position</b>	
Net investment in capital assets	10,073,017
Restricted for	
Food service	226,904
Debt service	3,588,714
Capital projects	30,847
Unrestricted	<u>(63,846,179)</u>
<b>Total net position</b>	<u>\$ (49,926,697)</u>

The accompanying notes are an integral part of these financial statements.

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# GREENVILLE PUBLIC SCHOOLS

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary government</b>					
Governmental activities					
Instruction	\$ 23,442,142	\$ 79,965	\$ 5,083,543	\$ -	\$ (18,278,634)
Support services	15,492,280	835,428	223,533	94,602	(14,338,717)
Community services	513,055	9,142	-	-	(503,913)
Food service	1,849,848	422,299	1,439,637	-	12,088
Interest on long-term debt	1,211,575	-	-	-	(1,211,575)
Total governmental activities	<u>\$ 42,508,900</u>	<u>\$ 1,346,834</u>	<u>\$ 6,746,713</u>	<u>\$ 94,602</u>	<u>(34,320,751)</u>
General revenues					
Property taxes					
Operating					3,710,779
Debt					4,166,982
Unrestricted grants and contributions					27,142,793
Interest earnings					49,564
Total general revenues					<u>35,070,118</u>
Change in net position					749,367
<b>Net position, beginning of year, as restated</b>					<u>(50,676,064)</u>
<b>Net position, end of year</b>					<u>\$ (49,926,697)</u>

The accompanying notes are an integral part of these financial statements.



# GREENVILLE PUBLIC SCHOOLS

## GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2018

	<u>General</u>	<u>2018 Building and Site Bonds #1</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>				
Cash and pooled intestments	\$ 3,123,077	\$ -	\$ 1,339,770	\$ 4,462,847
Accounts receivable	241,928	-	21,472	263,400
Due from other funds	66,849	-	269	67,118
Due from other governments	6,748,591	-	57,522	6,806,113
Prepaid items	141,493	-	2,791	144,284
Inventory	104,854	-	13,883	118,737
Restricted cash	-	14,289,576	2,520,847	16,810,423
<b>Total assets</b>	<u>\$ 10,426,792</u>	<u>\$ 14,289,576</u>	<u>\$ 3,956,554</u>	<u>\$ 28,672,922</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 124,863	\$ -	\$ 4,154	\$ 129,017
Salaries payable	1,808,515	-	3,082	1,811,597
Other accrued liabilities	405,640	-	71	405,711
Due to other governments	1,475,071	-	-	1,475,071
Due to other funds	269	-	66,849	67,118
Short-term notes payable	4,000,000	-	-	4,000,000
Unearned revenue	70,278	-	13,517	83,795
<b>Total liabilities</b>	<u>7,884,636</u>	<u>-</u>	<u>87,673</u>	<u>7,972,309</u>
<b>Fund balances</b>				
Non-spendable				
Inventory	104,854	-	13,883	118,737
Prepaid items	141,493	-	2,791	144,284
Restricted				
Food service	-	-	226,904	226,904
Debt service	-	-	3,588,714	3,588,714
Capital projects	-	14,289,576	30,847	14,320,423
Assigned				
Book store	-	-	5,742	5,742
Unassigned	2,295,809	-	-	2,295,809
<b>Total fund balances</b>	<u>2,542,156</u>	<u>14,289,576</u>	<u>3,868,881</u>	<u>20,700,613</u>
<b>Total liabilities and fund balances</b>	<u>\$ 10,426,792</u>	<u>\$ 14,289,576</u>	<u>\$ 3,956,554</u>	<u>\$ 28,672,922</u>

The accompanying notes are an integral part of these financial statements.

# GREENVILLE PUBLIC SCHOOLS

## RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

JUNE 30, 2018

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<b>Fund balances - total governmental funds</b>	<b>\$ 20,700,613</b>
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - capital assets (net)	43,622,467
Certain liabilities, deferred inflows and deferred outflows do not impact expendable available financial resources and therefore are not reported in the funds.	
Deduct - compensated absences	(457,504)
Deduct - net pension liability	(56,958,723)
Deduct - deferred inflows related to pensions	(3,525,642)
Add - deferred outflows related to pensions	12,396,377
Deduct - net OPEB liability	(19,471,993)
Deduct - deferred inflows related to OPEB	(659,742)
Add - deferred outflows related to OPEB	2,163,930
Add - deferred outflows - loss on refunding	334,708
Deduct - debt payable	(46,806,222)
Deduct - premium on bonds	(1,183,675)
Add - discounts on bonds	174,372
Deduct - accrued interest on bonds	<u>(255,663)</u>
<b>Net position of governmental activities</b>	<b><u>\$ (49,926,697)</u></b>

The accompanying notes are an integral part of these financial statements.

# GREENVILLE PUBLIC SCHOOLS

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>2018 Building and Site Bonds #1</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>				
Local sources				
Property taxes	\$ 3,710,779	\$ -	\$ 4,166,982	\$ 7,877,761
Interest income	9,496	23,501	16,567	49,564
Food Sales	-	-	422,299	422,299
Other	2,338,519	-	9,802	2,348,321
State sources	29,746,826	-	68,544	29,815,370
Federal sources	1,374,519	-	1,370,433	2,744,952
<b>Total revenues</b>	<u>37,180,139</u>	<u>23,501</u>	<u>6,054,627</u>	<u>43,258,267</u>
<b>Expenditures</b>				
Current				
Instruction	21,389,037	-	-	21,389,037
Support services	14,232,818	-	-	14,232,818
Community services	358,064	-	-	358,064
Book store activities	-	-	13,650	13,650
Food service	-	-	1,815,620	1,815,620
Capital outlay	-	415,950	3,442	419,392
Debt service				
Principal	402,693	-	2,290,000	2,692,693
Interest	26,344	-	1,104,638	1,130,982
Other	-	208,247	59,934	268,181
<b>Total expenditures</b>	<u>36,408,956</u>	<u>624,197</u>	<u>5,287,284</u>	<u>42,320,437</u>
Revenues over (under) expenditures	<u>771,183</u>	<u>(600,696)</u>	<u>767,343</u>	<u>937,830</u>
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	386,802	14,355,000	7,460,000	22,201,802
Premium	-	535,272	-	535,272
Payment to escrow agent	-	-	(8,200,523)	(8,200,523)
Transfers in	50,000	-	1,466,985	1,516,985
Transfers out	(568,228)	-	(948,757)	(1,516,985)
Sale of capital assets	18,535	-	-	18,535
<b>Total other financing sources (uses)</b>	<u>(112,891)</u>	<u>14,890,272</u>	<u>(222,295)</u>	<u>14,555,086</u>
Net change in fund balances	658,292	14,289,576	545,048	15,492,916
<b>Fund balances, beginning of year, as restated</b>	<u>1,883,864</u>	<u>-</u>	<u>3,323,833</u>	<u>5,207,697</u>
<b>Fund balances, end of year</b>	<u>\$ 2,542,156</u>	<u>\$ 14,289,576</u>	<u>\$ 3,868,881</u>	<u>\$ 20,700,613</u>

The accompanying notes are an integral part of these financial statements.

# GREENVILLE PUBLIC SCHOOLS

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 15,492,916</b>
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Amounts reported for *governmental activities* in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	813,042
Deduct - depreciation expense	(2,763,775)
Deduct - net book value of capital assets disposed	(28,528)

Long-term debt provides current financial resources to governmental funds in the period issued, but issuing long-term debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add - payment to escrow	8,200,523
Deduct - installment purchases	(386,802)
Deduct - bonds issued	(21,815,000)
Deduct - bond premium	(535,272)
Add - principal payment on long-term debt	2,692,694

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

Deduct - increase in compensated absences	(113,297)
Deduct - increase in net pension liability	(1,478,813)
Deduct - increase in deferred inflows related to pensions	(3,358,862)
Add - Increase in deferred outflows related to pensions	3,704,231
Add - decrease in net OPEB liability	1,066,646
Deduct - increase in deferred inflows related to OPEB	(659,742)
Deduct - decrease in deferred outflows related to loss on refunding	(33,365)
Deduct - decrease in discount on bonds	(19,170)
Deduct - increase in accrued interest payable	(28,059)

<b>Change in net position of governmental activities</b>	<b><u>\$ 749,367</u></b>
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The accompanying notes are an integral part of these financial statements.

**GREENVILLE PUBLIC SCHOOLS**  
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION/BALANCE SHEET**  
**JUNE 30, 2018**

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	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>Assets</b>		
Cash and pooled intestments	\$ 55,786	\$ 414,348
<b>Total assets</b>	<u>55,786</u>	<u>\$ 414,348</u>
<b>Liabilities</b>		
Accounts payable	-	\$ 414,348
<b>Total liabilities</b>	-	<u>\$ 414,348</u>
<b>Net Position</b>		
Held in trust for scholarships	<u>\$ 55,786</u>	

The accompanying notes are an integral part of these financial statements.

**GREENVILLE PUBLIC SCHOOLS**  
**PRIVATE PURPOSE TRUST FUND**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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	<b><u>Private Purpose Trust Fund</u></b>
<b>Additions</b>	
Donations	\$ 40,039
Investment earnings	<u>426</u>
<b>Total additions</b>	<u>40,465</u>
<b>Deductions</b>	
Scholarships	3,750
Other	<u>31,038</u>
<b>Total deductions</b>	<u>34,788</u>
Change in net position	5,677
<b>Net position, beginning of year</b>	<u>50,109</u>
<b>Net position, end of year</b>	<u><u>\$ 55,786</u></u>

The accompanying notes are an integral part of these financial statements.

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# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Greenville Public Schools, Greenville, Michigan (the "District") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

#### ***Reporting Entity***

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

The District is located between Grand Rapids and Lansing serving student from three counties. The District provides education and related services to approximately 3,750 students in grades kindergarten through 12th and early childhood special education. The District is governed by a seven-member Board of Education elected by District residents and is administered by a superintendent appointed by the Board of Education.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Greenville Public Schools. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the District.

#### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported in total. The District has no business-type activities.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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



# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2018

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The District reports the following major governmental funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *2018 Building and Site Bonds #1 Fund* is used to account for proceeds of bonds and expenditures for school facility improvements.

Additionally, the District reports the following fund types:

The *Special Revenue Fund* is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* are used to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs.

The *2013 QZAB capital projects fund* accounts for the revenue and expenditures that are related to the net proceeds from the issuance of the QZAB bonds that are going to be used for energy conservation improvements to school district facilities.

The *Agency Fund* is used to account for assets held in a trustee or agency capacity on behalf of outside parties, including other governments.

The *Private Purpose Trust Fund* is used to account for contributions that are legally restricted for purpose which are outside of the government's normal operating responsibilities.

#### **Measurement Focus and Basis of Accounting**

The government-wide financial statements and the private purpose trust are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund also uses the *accrual basis of accounting*, but does not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants and interest which use one year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized when due.

All governmental funds are accounted for on a spending or "flow of current financial resources" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available, spendable resources".

# **GREENVILLE PUBLIC SCHOOLS**

## ***NOTES TO THE FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED JUNE 30, 2018***

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Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available, spendable resources" during a period.

### ***Budgets and Budgetary Accounting***

Comparisons to budget are presented for the General fund. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Budgets for the General and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budgets are legally adopted at the activity level for the General fund and the total fund level for all other applicable funds; however, they are maintained at the object level for control purposes. Any revisions that alter the total expenditures at the activity level (legal level of budgetary control) must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for the General and special revenue funds.
7. Adoption and amendments of all budgets used by the District are governed by Michigan Law. The appropriation ordinances are based on the projected expenditures budget of the various activities of the District. Any amendment to the original budget must meet the requirements of Michigan Law. The District did amend its budget for the current fiscal year.

### ***Cash and Pooled Investment***

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

### ***Investments***

Michigan law and Board policy authorizes the District to invest in:

- a. Bonds, bills or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States, or obligations of the State. In a primary or fourth class school district, the bonds, bills or notes shall be payable at the option of the holder upon not more than 90 days notice or, if not so payable, shall have maturity dates not more than 5 years after the purchase dates.
- b. Certificates of deposit issued by a state or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this State.

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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- c. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- d. Securities issued or guaranteed by agencies or instrumentalities of the United States, United States or federal agency obligation repurchase agreements, and bankers' acceptances issued by a bank that is a member of the federal deposit insurance corporation.
- e. Mutual funds that are composed entirely of investment vehicles that are legal for direct investment by a school district.
- f. Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school district.

### ***Due to and Due from Other Funds***

Interfund receivables and payables are short-term borrowings that arise from interfund transactions which are recorded by all funds affected in the period in which transactions are executed.

### ***Inventory and Prepaid items***

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the general and food service funds consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time the inventory is consumed.

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

### ***Capital Assets***

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received.

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

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10-20
Buildings and improvements	40-50
Furniture and equipment	3-10
Transportation equipment	5-10

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt. The government also has items that qualify for reporting in this category relating to pension and other post-employment benefits as detailed in Note 5.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has items that qualify for reporting in this category relating to pension and other post-employment benefits as detailed in Note 5.

### ***Unearned Revenue***

Governmental funds report \$83,795 of unearned revenue at year-end in connection with grants received in advance of related expenditures being incurred. The balance of unearned revenues will be recorded as revenue in future years when related expenditures are incurred.

### ***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.

### ***Post-employment Benefits Other Than Pensions***

For purposes of measuring the net other post-employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of 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.

### ***Compensated Absences***

Liabilities related to sick leave and severance pay are not recorded in the fund financial statements but are recorded in the statement of net position because they are not expected to be liquidated with expendable available financial resources.

# **GREENVILLE PUBLIC SCHOOLS**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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### ***Long-Term Obligations***

In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs during the year of issuance. The face amount of debt issued and any premiums received are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

### ***State Aid Revenue***

The District reports State of Michigan school aid in the fiscal year in which the District is entitled to the revenue as provided by the State of Michigan School Aid Appropriation Act. State funding accounted for 80% of the General fund revenue for the year. A certain portion of State Aid received by the District is restricted to cover specified expenses of the District, including special education costs. The unrestricted portion is for use in the general operations of the District.

### ***Property Taxes***

Property taxes are levied as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collection entity. Real property taxes not collected as of March 1 are turned over to the County for collection, which advances the District 100% for the delinquent real taxes. Collection of delinquent personal property taxes remains the responsibility of the collecting unit of government.

### ***Interfund Transactions***

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

### ***Net Position and Fund Balance Reporting***

Governmental funds report fund balance in the following five categories:

1. Non-spendable – the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted – the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed – the related assets can only be spent for a specific purpose identified by formal resolution of the entities governing board.
4. Assigned – the related assets can only be spent for a specific purpose identified by management as authorized by the entities governing board.

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

5. Unassigned – is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund balance can only be committed or assigned by resolution of the District's Board.

### **Net Position and Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## **2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

State law provides that the District shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the District's actual expenditures and budgeted expenditures for the budgeted funds have been shown at the activity level. The approved budgets of the District for these budgetary funds were adopted at the activity level. During the year ended June 30, 2018, the District incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated.

	<u>Budget</u>	<u>Actual</u>	<u>Negative Variance</u>
<b>General Fund</b>			
Support services			
Pupil services	\$2,251,943	\$2,253,677	\$ 1,734
Business services	469,756	486,717	16,961
Debt service	426,275	429,037	2,762
<b>Food Service fund</b>			
Central services	1,697,908	1,869,062	171,154

## **3. CASH AND POOLED INVESTMENTS**

The captions on the financial statements relating to cash and investments are as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and pooled investments	\$ 4,462,846	\$470,134	\$ 4,932,980
Restricted Cash	16,810,423	-	16,810,423
Total	<u>\$21,273,269</u>	<u>\$470,134</u>	<u>\$21,743,403</u>

These deposits are in financial institutions located in Michigan. All accounts are in the name of the District and a specific fund or common account. They are recorded in District records at fair value.

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

### Deposit risk

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. As of year-end, \$7,372,362 of the District's bank balance of \$7,493,427 was exposed to custodial credit risk because it was uninsured and uncollateralized.

### Investments

The District chooses to disclose its investments by specifically identifying each. As of year-end, the District had the following pooled investment accounts:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
MILAF+	N/A	\$14,394,449	AAAm	S&P
Michigan Class	N/A	<u>378,935</u>	AAAm	S&P
		<u><b>\$14,773,384</b></u>		

The District categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of year end.

- The District does not have any investments that report fair value based on inputs that are quoted prices in active markets for identical assets (Level 1 inputs).
- The above pooled investment accounts are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The District does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

### Investment risk

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The maturity date for each investment is identified above for investments held at year-end.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The rating for each investment is identified above for investments held at year end.

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the District does not have a policy for investment custodial credit risk. Of the above \$14,773,384 of investments the District's custodial credit risk exposure cannot be determined because the invested funds do not consist of specifically identifiable securities.

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The District's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

### 4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
CIP	-	291,155	-	291,155
Total capital assets, not being depreciated	100,000	291,155	-	391,155
<b>Capital assets, being depreciated</b>				
Land improvements	12,023,422	-	-	12,023,422
Building and improvements	72,277,732	-	-	72,277,732
Furniture and equipment	6,167,562	99,301	-	6,266,863
Transportation equipment	2,457,090	422,586	121,304	2,758,372
Total capital assets, being depreciated	92,925,806	521,887	121,304	93,326,389
Less accumulated depreciation for				
Land improvements	4,697,997	482,681	-	5,180,678
Building and improvements	35,981,546	1,828,624	-	37,810,170
Furniture and equipment	5,347,754	251,552	-	5,599,306
Transportation equipment	1,396,783	200,918	92,778	1,504,923
Total accumulated depreciation	47,424,080	2,763,775	92,778	50,095,077
<b>Net capital assets, being depreciated</b>	45,501,726	(2,241,888)	28,526	43,231,312
<b>Governmental activities capital assets, net</b>	<b>\$45,601,726</b>	<b>\$(1,950,733)</b>	<b>\$28,526</b>	<b>\$43,622,467</b>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities</b>	
Instruction	\$1,546,618
Supporting services	1,067,017
Community services	123,177
Food service	26,963
<b>Total depreciation expense - governmental activities</b>	<b>\$2,796,561</b>



# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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### 5. PENSION AND OTHER POST-EMPLOYMENT BENEFITS 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 at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

#### Defined Benefit Plan

##### 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 for 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 member 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 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, 2016 valuation will be amortized over a 20-year period for the 2017 fiscal year.

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2018

The schedule below summarizes pension contribution rates in effect for fiscal year 2017.

Benefit Structure	Member	Employer	
		Universities	Non-Universities
Basic	0.0-4.0%	23.05%	19.03%
Member Investment Plan	3.0-7.0	23.05	19.03
Pension Plus	3.0-6.4	N/A	18.40
Defined Contribution	0.0	18.75	15.27

Required contributions to the pension plan from the District were \$5,155,404 for the year ended September 30, 2017.

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

At June 30, 2018, the District reported a liability of \$56,958,723 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2016. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2017, the District's proportion was .21980 percent, which was a decrease of .00257 percent from its proportion measured as of September 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$5,880,215. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between actual and expected experience	\$ 495,010	\$279,485
Changes of assumptions	6,240,281	-
Net difference between projected and actual earnings on pension plan investments	-	2,723,002
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,044,701	523,155
Employer contributions subsequent to the measurement date	4,616,385	-
<b>Total</b>	<b>\$12,396,377</b>	<b>\$3,525,642</b>

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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending September 30,</b>	<b>Amount</b>
2018	\$1,382,543
2019	2,241,405
2020	822,662
2021	(192,260)

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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### Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

### Summary of Actuarial Assumptions

Valuation Date:	September 30, 2016
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	3.5%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	7.5%
Pension Plus Plan (Hybrid):	7.0%
Projected Salary Increases:	3.5 - 12.3%, including wage inflation at 3.5%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members
Mortality:	RP-2000 Male and Female Combined Healthy Life Mortality Tables, adjusted for mortality improvements to 2025 using projection scale BB. This assumption was first used for the September 30, 2014 valuation of the System. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males and 70% of the table rates were used for females.

### Notes:

- *Assumption changes as a result of an experience study for the period 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation. The total pension liability as of September 30, 2017, is based on the results of an actuarial valuation date of September 30, 2016, and rolled forward using generally accepted actuarial procedures, including the experience study.*
- *Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.5188 for non-university employers or 1.1222 for university employers]*
- *Recognition period for assets in years is 5.0000.*
- *Full actuarial assumptions are available in the 2017 MPSERS Comprehensive Annual Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://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, 2017, are summarized in the following table:

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity Pools	28.0%	5.6%
Alternative Investment Pools	18.0%	8.7%
International Equity	16.0%	7.2%
Fixed Income Pools	10.5%	(0.1)%
Real Estate and Infrastructure Pools	10.0%	4.2%
Absolute Return Pools	15.5%	5.0%
Short Term Investment Pools	<u>2.0%</u>	(0.9)%
	100%	

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

### Rate of Return

For the fiscal year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.24%. 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 7.5% was used to measure the total pension liability (7.0% for the Pension Plus plan, a hybrid plan provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 7.5% (7.0% for the Pension Plus 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5% (7.0% for the Hybrid Plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

<b>1% Decrease (Non-Hybrid/Hybrid) 6.5% / 6.0%</b>	<b>Current Single Discount Rate Assumption (Non-Hybrid/Hybrid) 7.5% / 7.0%</b>	<b>1% Increase (Non-Hybrid/Hybrid)* 8.5% / 8.0%</b>
\$74,198,271	\$56,958,723	\$42,444,122

\* University employers provide non-hybrid plans only. For non-university employers, the Basic plan and the Member Investment Plan (MIP) are non-hybrid plans. Pension Plus is a hybrid plan, with a defined benefit (pension) component and a defined contribution (DC) component.

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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### **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 CAFR, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

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

At June 30, 2018, the District reported payables to the defined benefit pension plan totaling \$399,615. The balance represents legally required contributions to the pension plan.

### **Other Post-Employment Benefits**

#### **Benefits Provided**

Benefit provisions of the post-employment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of other post-employment 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

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2018

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, 2016 valuation will be amortized over a 20-year period for the 2017 fiscal year.

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2017.

Benefit Structure	Member	Employer	
		Universities	Non-Universities
Premium Subsidy	3.00%	7.36%	5.91%
Personal Healthcare Fund	0.00	6.98	5.69

Required contributions to the OPEB plan from the District were \$1,711,909 for the year ended September 30, 2017.

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

At June 30, 2018, the District reported a liability of \$19,471,993 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2016. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2017, the District's proportion was .21989 percent, which was no change from its proportion measured as of October 1, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,302,435. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between actual and expected experience	\$ -	\$207,319
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	450,976
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,447
Employer contributions subsequent to the measurement date	2,163,930	-
Total	<u>\$2,163,930</u>	<u>\$659,742</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 ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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<u>Year Ending September 30,</u>	<u>Amount</u>
2018	\$(159,403)
2019	(159,403)
2020	(159,403)
2021	(159,403)
2022	(22,130)

### 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, 2015
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	3.5%
Investment Rate of Return:	7.5%
Projected Salary Increases:	3.5 - 12.3%, including wage inflation at 3.5%
Healthcare Cost Trend Rate:	7.5% Year 1 graded to 3.5% Year 12
Mortality:	RP-2000 Male and Female Combined Healthy Life Mortality Tables, adjusted for mortality improvements to 2025 using projection scale BB. This assumption was first used for the September 30, 2014 valuation of the System. For retirees, 100% of the table rates were used. For active members, 80% of the table rates were used for males and 70% of the table rates were used for females.
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

### Notes:

- Assumption changes as a result of an experience study for the period 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation. The total OPEB liability as of September 30, 2017, is based on the results of an actuarial valuation date of September 30, 2016, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [5.4744 for non-university employers or 1.4186 for university employers]
- Recognition period for assets in years is 5.0000.
- Full actuarial assumptions are available in the 2017 MPSERS Comprehensive Annual Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

### 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, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity Pools	28.0%	5.6%
Alternative Investment Pools	18.0%	8.7%
International Equity	16.0%	7.2%
Fixed Income Pools	10.5%	(0.1)%
Real Estate and Infrastructure Pools	10.0%	4.2%
Absolute Return Pools	15.5%	5.0%
Short Term Investment Pools	2.0%	(0.9)%
	100%	

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

### Rate of Return

For the fiscal year ended September 30, 2017, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.82%. 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 7.5% 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 7.5%. 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 pension liability.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

<u>1% Decrease</u> <u>6.5%</u>	<u>Current Discount Rate</u> <u>7.5%</u>	<u>1% Increase</u> <u>8.5%</u>
\$22,807,332	\$19,471,993	\$16,641,335



# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2018

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

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

<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
<b>6.5%</b>	<b>7.5%</b>	<b>8.5%</b>
\$16,490,161	\$19,471,993	\$22,857,656

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

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued MPERS CAFR, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

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

At June 30, 2018, the District reported payables to the OPEB plan totaling \$187,319. The balance represents legally required contributions to the OPEB plan.

#### **Defined Contribution Plan**

Public Act 75 of 2010 established the Pension Plus plan which provides all individuals hired on or after July 1, 2010, with a combined defined benefit and defined contribution benefit structure. Any member of MPERS who became a member of MPERS on or after July 1, 2010 is or may be a Pension Plus plan member.

Public Act 300 of 2012 was signed into law on September 4, 2012 amending the MPERS system. An employee who first works September 4, 2012 or after joins the MPERS system as a Pension Plus with Personal Healthcare Fund (PHF) member. Within 75 days of first being reported to the Office of Retirement Services, these employees can elect to become straight defined contribution plan participants. The PHF must be retained with whichever benefit plan they elect. The plan becomes retroactive to their first day.

Employees under the Pension Plus plan automatically default with an employee contribution of 2 percent of the employee's pay. The District is required to match 50 percent of the employee contribution up to 1 percent. Employees may increase their personal contribution up to the annual IRS limit or can elect out of contributing.

Employees under the straight defined contribution plan automatically default with an employee contribution of 6 percent of the employee's pay. The District is required to match 50 percent of the employee contribution up to 3 percent.

Public Act 92 of 2017 establishes a new hybrid plan, and is the default option, for Michigan public school employees who first work on or after February 1, 2018. This plan is similar to the Pension Plus plan established in 2010 (and changed again in 2012) in that it has both a pension and a savings component. Eligibility for pension benefits remains the same as the Pension Plus plan at 60 years old with at least 10 years of service. Contributions are made in the savings component by both the District and employee and are deposited into a 401(k) and/or 457 tax deferred account. An employee must affirmatively elect the new hybrid plan to participate. If the employee makes no choice, as mentioned above, the default set by the law means the employee will be enrolled in the defined contribution plan. This new law mandates enhanced contributions for defined contribution participants who first work on or after

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2018

September 4, 2012 which requires mandatory District contributions of 4 percent beginning with the first pay period after October 1, 2017. Beginning on February 2, 2018, the District is required to match 100 percent of the contributions made by the employee up to a maximum of 3 percent. Public Act 92 also requires the defined contribution plan to offer one or more fixed and variable annuity options for plan participants.

For the year ended June 30, 2018, District and employee contributions were \$133,007 and \$217,058, respectively.

#### 6. DEBT

##### Short-term Debt

The following is a summary of short-term debt transactions of the District for the year ended June 30, 2018:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
State aid anticipation note .97% due August 2017	\$4,000,000	\$ -	\$4,000,000	\$ -
State aid anticipation note 1.75% due August 2018	-	4,000,000	-	4,000,000

##### Long-term Debt

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2018:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
2008 Refunding Bonds due in annual installments ranging from \$1,300,000 to \$1,385,000 through May 2024; plus interest at 5.000%	\$9,405,000	\$ -	\$9,405,000	\$ -	\$ -
2011 Building and Site Bonds due in annual installments ranging from \$225,000 to \$1,700,000 through May 2031; plus interest at 3.000% to 5.000%	14,270,000	-	225,000	14,045,000	250,000
2011 Refunding Bonds due in annual installments ranging from \$585,000 to \$590,000 through May 2023; plus interest at 4.125% to 5.000%	3,535,000	-	590,000	2,945,000	590,000

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
2010 Energy Conservation improvement QZAB bonds due in one annual installment in June 2025 plus interest at 0.500%. Set-aside payments of \$300,000 to \$400,000 are required each year.	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	\$ -
2013 Energy Conservation Refunding Bonds due in semi-annual installments ranging from \$40,000 to \$45,000 through May 2021; plus interest at 1.600% to 2.850%	355,000	-	90,000	265,000	85,000
2013 Energy Conservation improvement QZAB bonds due in one annual installment in December 2029. The bond is non-interest bearing. Set-aside payments of \$60,000 to \$117,000 are required each year.	1,575,000	-	-	1,575,000	-
Installment purchase agreement due in annual installments of \$198,491 to \$209,650 through August 2021 with interest at 1.84%	816,146	-	198,491	617,655	202,143
Installment purchase agreement due in annual installments of \$102,992 through July 2018 with interest at 1.99%	102,992	-	102,992	-	-
Installment purchase agreement due in annual installments of \$58,494 through May 2023 including interest at 1.99%	-	268,652	-	268,652	50,703
Installment purchase agreement due in annual installments of \$30,906 through June 2021 including interest at 1.99%	-	118,150	28,935	89,215	29,166
2018 Refunding Bonds due in annual installments ranging from \$380,000 to \$2,565,000 through May 2024; plus interest at 2.00% to 2.25%	-	7,460,000	-	7,460,000	2,565,000
2018 Building and Site Bonds due in annual installments ranging from \$75,000 to \$955,000 through May 2038; plus interest at 3.000% to 5.000%	-	14,355,000	-	14,355,000	75,000

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Total bonds and installments	\$35,059,138	\$22,201,802	\$10,640,418	\$46,620,522	\$3,847,012
Bond premium	648,403	535,272	-	1,183,675	-
Bond discount	(193,542)	-	(19,170)	(174,372)	-
Capital leases payable	129,502	128,474	72,276	185,700	71,167
Compensated absences	344,207	113,297	-	457,504	-
<b>Total</b>	<b>\$35,987,708</b>	<b>\$22,978,845</b>	<b>\$10,693,524</b>	<b>\$48,273,029</b>	<b>\$3,918,179</b>

Compensated absences are expected to be liquidated with General fund resources.

The annual requirements to amortize all bonds and installment purchases as of June 30, 2018 are as follows:

	Principal	Interest
2019	\$ 3,847,012	\$ 1,538,972
2020	3,942,770	1,437,178
2021	2,828,651	1,334,440
2022	2,485,243	1,232,607
2023	2,281,846	1,143,133
2024-2028	15,620,000	4,243,633
2029-2033	10,955,000	1,703,186
2034-2038	4,660,000	419,984
<b>Total</b>	<b>\$46,620,522</b>	<b>\$13,053,133</b>

During fiscal 2018, the District issued \$7,460,000 of refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for debt service. As a result, the \$8,020,000 of refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments by \$1,753,426, which resulted in an economic gain of \$1,488,830.

### 7. BOND COMPLIANCE

The 2018 building and site bonds #1 fund of the District includes the capital project activities which is funded in part by the local millage. For the expenditures recorded within the 2018 building and site bonds #1 fund, the District has complied with the applicable provisions of Section 1212 (1) of the Revised School Code for the current year.

### 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and medical benefits to employees. The District carries commercial insurance for general liability, property and casualty, health claims, and workers compensation. The District has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years. The District is self-insured for employee dental care that is managed by a third-party administrator.

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2018

The change in the claims liability for the year ended June 30, 2018 is as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2018	\$114,380	\$494,400	\$530,766	\$78,014

#### 9. LEASES

The District conducts a portion of its operations with leased equipment.

Capital leases for copiers and other equipment require monthly payments ranging from \$88 to \$3,527 through May 2022. Copiers and equipment held under this capitalized leases are included in the statement of net position with a cost of \$375,565 and with accumulated depreciation of \$194,914.

Total expense under these obligations was \$83,110 for 2018.

The following is a schedule of annual future minimum lease payments required under capitalized leases and under operating leases with initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2018:

<u>Year</u>	<u>Capitalized Leases</u>	<u>Less Interest</u>	<u>Total</u>
2019	\$ 78,427	\$ (7,260)	\$ 71,167
2020	64,772	(4,075)	60,697
2021	29,500	(2048)	27,452
2022	27,042	(658)	26,384
Total minimum payments due	\$199,741	\$(14,041)	\$185,700

#### 10. INTERFUND TRANSACTIONS

Interfund receivables and payables are utilized to facilitate temporary cash flow needs between funds.

Transfers are used to (1) move unrestricted revenues collected in the General fund to finance debt service accounted for in other funds in accordance with budgetary authorizations and (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them. Transfers in and out for the year ended June 30, 2018 are as follows:

<u>Transfers out</u>	<u>General fund</u>	<u>Transfers out Nonmajor funds</u>	<u>Total</u>
General Fund	\$ -	\$ 568,228	\$ 568,228
Nonmajor funds	50,000	898,757	948,757
Total	\$50,000	\$1,466,985	\$1,516,985

# GREENVILLE PUBLIC SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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### 11. TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax (IFT) exemptions granted by various cities and townships. IFT exemptions entered into under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An IFT certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%.

For the year ended June 30, 2018, the District's property tax revenues collected for debt service were reduced by the following as a result of Industrial Facilities Tax exemptions.

<u>Municipality</u>	<u>Amount</u>
City of Greenville	\$100,000

Abated property taxes levied for operation are factored in to the state school funding formula and the impact of these abated property taxes has no impact on District total operating revenues.

### 12. CONTINGENCIES

Under the terms of various Federal and State grants and regulatory requirements, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement to the grantor or regulatory agencies. However, management believes such disallowances, if any, will not be material to the financial position of the District.

### 13. SUBSEQUENT EVENT

#### State Aid Anticipation Note

In August 2018, the District received the proceeds of \$4,000,000 Michigan Finance Authority state aid anticipation notes. The notes payable requires monthly payments ranging from \$581,429 beginning January 2019 through maturity in July 2019 and bear interest at 1.75 percent per annum. The District pledged for payment of the note payable, the amount of state school aid to be received plus the full faith, credit and resources of the District.

### 14. DEFICIT FUND BALANCE/NET POSITION

At year-end the District reported a deficit net position of \$49,926,697.

### 15. RESTATEMENT OF NET POSITION/FUND BALANCE

Net position at July 1, 2017 was restated downward by \$16,344,481 to reflect implementation of GASB statement 75 (*Accounting and Financial Reporting for Postemployment Benefits other than Pensions*), properly report pension related deferred inflows, record capital lease obligations, and to correct errors in assets and liabilities reported in the fund financial statements at June 30, 2017. Fund balance in the general fund was decreased by \$316,015 at July 1, 2017 to properly report health and dental insurance assets and liabilities.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



**GREENVILLE PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amount</u></b>	<b><u>Positive (Negative)</u></b>
<b>Revenues</b>				
Local sources				
Property taxes	\$ 3,892,969	\$ 3,775,425	\$ 3,710,779	\$ (64,646)
Interest income	3,000	8,648	9,496	848
Other	2,065,475	2,321,811	2,338,519	16,708
State sources	26,405,267	29,761,643	29,746,826	(14,817)
Federal sources	1,368,282	1,447,134	1,374,519	(72,615)
<b>Total revenues</b>	<b>33,734,993</b>	<b>37,314,661</b>	<b>37,180,139</b>	<b>(134,522)</b>
<b>Expenditures</b>				
Current				
Instruction				
Basic programs	15,961,557	17,388,913	17,207,743	181,170
Added needs	3,937,924	4,277,678	3,956,179	321,499
College enrollment	233,152	233,152	225,115	8,037
Total instruction	20,132,633	21,899,743	21,389,037	510,706
Support services				
Pupil services	1,940,124	2,251,943	2,253,677	(1,734)
Instructional staff services	1,580,455	2,092,443	2,063,102	29,341
General administrative services	536,058	541,202	511,902	29,300
School administrative services	1,986,490	2,255,323	2,235,792	19,531
Business services	423,600	469,756	486,717	(16,961)
Operation and maintenance	2,694,326	3,043,016	3,009,036	33,980
Pupil transportation	1,190,900	1,730,992	1,715,733	15,259
Central services	1,025,571	1,093,279	1,014,795	78,484
Other	843,093	972,095	942,064	30,031
Total support services	12,220,616	14,450,049	14,232,818	217,231
Community services	302,315	357,520	358,064	(544)
Debt service				
Principal	376,575	397,631	402,693	(5,062)
Interest	27,055	28,644	26,344	2,300
Total debt service	403,630	426,275	429,037	(2,762)
<b>Total expenditures</b>	<b>33,059,193</b>	<b>37,133,587</b>	<b>36,408,956</b>	<b>724,631</b>
Revenues over (under) expenditures	675,800	181,074	771,183	590,109
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	-	386,802	386,802	-
Transfers in	81,058	79,000	50,000	(29,000)
Transfers out	(506,859)	(575,786)	(568,228)	7,558
Sale of capital assets	-	18,535	18,535	-
<b>Total other financing sources (uses)</b>	<b>(425,801)</b>	<b>(91,449)</b>	<b>(112,891)</b>	<b>(21,442)</b>
Net change in fund balance	249,999	89,625	658,292	568,667
<b>Fund balance, beginning of year</b>	<b>1,883,864</b>	<b>1,883,864</b>	<b>1,883,864</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 2,133,863</b>	<b>\$ 1,973,489</b>	<b>\$ 2,542,156</b>	<b>\$ 568,667</b>

# GREENVILLE PUBLIC SCHOOLS

## **DEFINED BENEFIT PENSION PLAN SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**

**FOR THE YEAR ENDED JUNE 30, 2018**

	2017	2016	2015	2014
District's proportion of the net pension liability (%)	0.21980%	0.22237%	0.21911%	0.21208%
District's proportionate share of the net pension liability	\$ 56,958,723	\$ 55,479,910	\$ 53,518,758	\$ 46,714,713
District's covered payroll	\$ 18,217,089	\$ 18,909,447	\$ 18,306,459	\$ 18,052,332
District's proportionate share of the net pension liability as a percentage of its covered payroll (%)	312.67%	293.40%	292.35%	258.77%
Plan fiduciary net position as a percentage of total pension liability	64.21%	63.27%	63.17%	66.20%

### **Notes to schedule:**

Amounts were determined as of September 30 of each fiscal year.

Changes of benefit terms: There were no changes of benefit terms in 2017.

Changes of assumptions: There were no changes of benefit assumptions in 2017.

This schedule is being accumulated prospectively until ten years of data is presented.

**GREENVILLE PUBLIC SCHOOLS**  
**DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017	2016	2015
Statutorily required contributions	\$ 5,155,404	\$ 5,151,858	\$ 4,764,409	\$ 3,907,132
Contributions in relation to statutorily required contributions *	<u>5,155,404</u>	<u>5,151,858</u>	<u>4,764,409</u>	<u>3,907,132</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,408,378	\$ 18,221,362	\$ 18,160,880	\$ 18,362,690
Contributions as a percentage of covered payroll	28.0%	28.3%	26.2%	21.3%

\* Contributions in relation to statutorily required pension contributions are the contributions an employer actually made to the System, as distinct from the statutorily required contributions.

**Notes to schedule:**

Amounts were determined as of June 30 of each fiscal year.

Changes of benefit terms: There were no changes of benefit terms in 2017.

Changes of assumptions: There were no changes of benefit assumptions in 2017.

This schedule is being accumulated prospectively until ten years of data is presented.

# GREENVILLE PUBLIC SCHOOLS

## **OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY**

**FOR THE YEAR ENDED JUNE 30, 2018**

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	<u>2017</u>
District's proportion of the net OPEB liability (%)	0.21989%
District's proportionate share of the net OPEB liability	\$ 19,471,993
District's covered payroll	\$ 18,217,089
District's proportionate share of the net OPEB liability as a percentage of its covered payroll (%)	106.89%
Plan fiduciary net position as a percentage of total OPEB liability	36.39%

**Notes to schedule:**

Amounts were determined as of September 30 of each fiscal year.

Changes of benefit terms: There were no changes of benefit terms in 2017.

Changes of assumptions: There were no changes of benefit assumptions in 2017.

This schedule is being accumulated prospectively until ten years of data is presented.

# GREENVILLE PUBLIC SCHOOLS

## OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2018

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	<u>2018</u>
Statutorily required contributions	\$ 1,711,909
Contributions in relation to statutorily required contributions *	<u>1,711,909</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered payroll	\$18,408,378
Contributions as a percentage of covered payroll	9.3%

*\* Contributions in relation to statutorily required OPEB contributions are the contributions an employer actually made to the System, as distinct from the statutorily required contributions.*

### Notes to schedule:

Amounts were determined as of June 30 of each fiscal year.

Changes of benefit terms: There were no changes of benefit terms in 2017.

Changes of assumptions: There were no changes of benefit assumptions in 2017.

This schedule is being accumulated prospectively until ten years of data is presented.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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# GREENVILLE PUBLIC SCHOOLS

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>2013 QZAB Capital Projects</u>	<u>Total</u>
<b>Assets</b>				
Cash and pooled intestments	\$ 242,134	\$ 1,097,636	\$ -	\$ 1,339,770
Accounts receivable	20,394	1,078	-	21,472
Due from other funds	269	-	-	269
Due from other governments	57,522	-	-	57,522
Inventory	13,883	-	-	13,883
Prepaid items	2,791	-	-	2,791
Restricted cash	-	2,490,000	30,847	2,520,847
<b>Total assets</b>	<u>\$ 336,993</u>	<u>\$ 3,588,714</u>	<u>\$ 30,847</u>	<u>\$ 3,956,554</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 4,154	\$ -	\$ -	\$ 4,154
Salaries payable	3,082	-	-	3,082
Accrued liabilities	71	-	-	71
Due to other funds	66,849	-	-	66,849
Unearned revenue	13,517	-	-	13,517
<b>Total liabilities</b>	<u>87,673</u>	<u>-</u>	<u>-</u>	<u>87,673</u>
<b>Fund balances</b>				
Non-spendable				
Inventory	13,883	-	-	13,883
Prepaid items	2,791	-	-	2,791
Restricted				
Food service	226,904	-	-	226,904
Debt service	-	3,588,714	-	3,588,714
Capital projects	-	-	30,847	30,847
Assigned	5,742	-	-	5,742
<b>Total fund balances</b>	<u>249,320</u>	<u>3,588,714</u>	<u>30,847</u>	<u>3,868,881</u>
<b>Total liabilities and fund balances</b>	<u>\$ 336,993</u>	<u>\$ 3,588,714</u>	<u>\$ 30,847</u>	<u>\$ 3,956,554</u>

**GREENVILLE PUBLIC SCHOOLS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>2013 QZAB Capital Projects</u>	<u>Total</u>
<b>Revenues</b>				
Local sources				
Property taxes	\$ -	\$ 4,166,982	\$ -	\$ 4,166,982
Interest income	-	16,553	14	16,567
Food sales	422,299	-	-	422,299
Other	9,802	-	-	9,802
State sources	68,544	-	-	68,544
Federal sources	<u>1,370,433</u>	<u>-</u>	<u>-</u>	<u>1,370,433</u>
<b>Total revenues</b>	<u>1,871,078</u>	<u>4,183,535</u>	<u>14</u>	<u>6,054,627</u>
<b>Expenditures</b>				
Current				
Book store activities	13,650	-	-	13,650
Food service	1,815,620	-	-	1,815,620
Capital outlay	3,442	-	-	3,442
Debt service				
Principal	-	2,290,000	-	2,290,000
Interest	-	1,104,638	-	1,104,638
Other	<u>-</u>	<u>59,934</u>	<u>-</u>	<u>59,934</u>
<b>Total expenditures</b>	<u>1,832,712</u>	<u>3,454,572</u>	<u>-</u>	<u>5,287,284</u>
Revenues over (under) expenditures	<u>38,366</u>	<u>728,963</u>	<u>14</u>	<u>767,343</u>
Other financing sources (uses)				
Issuance of long-term debt	-	7,460,000	-	7,460,000
Payment to escrow agent	-	(8,200,523)	-	(8,200,523)
Transfers in	8,194	1,458,791	-	1,466,985
Transfers out	<u>(50,000)</u>	<u>(898,757)</u>	<u>-</u>	<u>(948,757)</u>
Total other financing sources (uses)	<u>(41,806)</u>	<u>(180,489)</u>	<u>-</u>	<u>(222,295)</u>
Net change in fund balances	(3,440)	548,474	14	545,048
<b>Fund balances, beginning of year</b>	<u>252,760</u>	<u>3,040,240</u>	<u>30,833</u>	<u>3,323,833</u>
<b>Fund balances, end of year</b>	<u>\$ 249,320</u>	<u>\$ 3,588,714</u>	<u>\$ 30,847</u>	<u>\$ 3,868,881</u>

**GREENVILLE PUBLIC SCHOOLS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2018**

	<u><b>Food Service</b></u>	<u><b>Book Store</b></u>	<u><b>Total</b></u>
<b>Assets</b>			
Cash and pooled intestments	\$ 236,391	\$ 5,743	\$ 242,134
Accounts receivable	20,394	-	20,394
Due from other funds	269	-	269
Due from other governments	57,522	-	57,522
Inventory	12,336	1,547	13,883
Prepaid items	2,791	-	2,791
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u><b>\$ 329,703</b></u>	<u><b>\$ 7,290</b></u>	<u><b>\$ 336,993</b></u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 4,153	\$ 1	\$ 4,154
Salaries payable	3,082	-	3,082
Accrued liabilities	71	-	71
Due to other funds	66,849	-	66,849
Unearned revenue	13,517	-	13,517
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u><b>87,672</b></u>	<u><b>1</b></u>	<u><b>87,673</b></u>
<b>Fund balances</b>			
Non-spendable			
Inventory	12,336	1,547	13,883
Prepaid items	2,791	-	2,791
Restricted			
Food service	226,904	-	226,904
Assigned	-	5,742	5,742
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u><b>242,031</b></u>	<u><b>7,289</b></u>	<u><b>249,320</b></u>
<b>Total liabilities and fund balances</b>	<u><b>\$ 329,703</b></u>	<u><b>\$ 7,290</b></u>	<u><b>\$ 336,993</b></u>

**GREENVILLE PUBLIC SCHOOLS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u><b>Food Service</b></u>	<u><b>Book Store</b></u>	<u><b>Total</b></u>
<b>Revenues</b>			
Local sources			
Food sales	\$ 422,299	\$ -	\$ 422,299
Other	660	9,142	9,802
State sources	68,544	-	68,544
Federal sources	<u>1,370,433</u>	<u>-</u>	<u>1,370,433</u>
<b>Total revenues</b>	<u>1,861,936</u>	<u>9,142</u>	<u>1,871,078</u>
<b>Expenditures</b>			
Current			
Book store activities	-	13,650	13,650
Food service	1,815,620	-	1,815,620
Capital outlay	<u>3,442</u>	<u>-</u>	<u>3,442</u>
<b>Total expenditures</b>	<u>1,819,062</u>	<u>13,650</u>	<u>1,832,712</u>
Revenues over (under) expenditures	<u>42,874</u>	<u>(4,508)</u>	<u>38,366</u>
Other financing sources (uses)			
Transfers in	8,194	-	8,194
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>(41,806)</u>	<u>-</u>	<u>(41,806)</u>
Net change in fund balances	1,068	(4,508)	(3,440)
<b>Fund balances, beginning of year</b>	<u>240,963</u>	<u>11,797</u>	<u>252,760</u>
<b>Fund balances, end of year</b>	<u>\$ 242,031</u>	<u>\$ 7,289</u>	<u>\$ 249,320</u>

# GREENVILLE PUBLIC SCHOOLS

## NONMAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET

JUNE 30, 2018

	<u>2008 Refunding</u>	<u>2011 Refunding</u>	<u>2011 Building &amp; Site</u>	<u>2013 Energy Conservation Refunding</u>	<u>2010 Bonds</u>
<b>Assets</b>					
Cash and pooled intestments	\$ 651,559	\$ 96,997	\$ 41,612	\$ 926	\$ -
Accounts receivable	1,078	-	-	-	-
Restricted cash	-	-	-	-	2,490,000
<b>Total assets</b>	<u>\$ 652,637</u>	<u>\$ 96,997</u>	<u>\$ 41,612</u>	<u>\$ 926</u>	<u>\$ 2,490,000</u>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Restricted					
Debt service	<u>652,637</u>	<u>96,997</u>	<u>41,612</u>	<u>926</u>	<u>2,490,000</u>
<b>Total fund balances</b>	<u>652,637</u>	<u>96,997</u>	<u>41,612</u>	<u>926</u>	<u>2,490,000</u>
<b>Total liabilities and fund balances</b>	<u>\$ 652,637</u>	<u>\$ 96,997</u>	<u>\$ 41,612</u>	<u>\$ 926</u>	<u>\$ 2,490,000</u>

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<u>2013</u> <u>Refunding</u>	<u>2018</u> <u>Refunding</u>	<u>2014</u> <u>QZAB</u>	<u>Total</u>
\$ -	\$ 1,542	\$ 305,000	\$ 1,097,636
-	-	-	1,078
-	-	-	2,490,000
<u>\$ -</u>	<u>\$ 1,542</u>	<u>\$ 305,000</u>	<u>\$ 3,588,714</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	1,542	305,000	3,588,714
-	1,542	305,000	3,588,714
<u>\$ -</u>	<u>\$ 1,542</u>	<u>\$ 305,000</u>	<u>\$ 3,588,714</u>

**GREENVILLE PUBLIC SCHOOLS**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b><u>2008</u></b> <b><u>Refunding</u></b>	<b><u>2011</u></b> <b><u>Refunding</u></b>	<b><u>2011</u></b> <b><u>Building &amp;</u></b> <b><u>Site</u></b>	<b><u>2013 Energy</u></b> <b><u>Conservation</u></b> <b><u>Refunding</u></b>	<b><u>2010</u></b> <b><u>Bonds</u></b>
<b>Revenues</b>					
Local sources					
Property taxes	2,240,838	904,862	1,021,282	-	-
Interest income	<u>15,167</u>	<u>646</u>	<u>740</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>2,256,005</u>	<u>905,508</u>	<u>1,022,022</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Debt service					
Principal	1,385,000	590,000	225,000	90,000	-
Interest	269,750	164,238	638,150	7,431	25,069
Other	<u>499</u>	<u>750</u>	<u>750</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,655,249</u>	<u>754,988</u>	<u>863,900</u>	<u>97,431</u>	<u>25,069</u>
Revenues over (under) expenditures	<u>600,756</u>	<u>150,520</u>	<u>158,122</u>	<u>(97,431)</u>	<u>(25,069)</u>
Other financing sources (uses)					
Issuance of long-term debt	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Transfers in	98,757	-	-	97,430	367,604
Transfers out	<u>(427,360)</u>	<u>(173,680)</u>	<u>(198,960)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(328,603)</u>	<u>(173,680)</u>	<u>(198,960)</u>	<u>97,430</u>	<u>367,604</u>
Net change in fund balances	272,153	(23,160)	(40,838)	(1)	342,535
<b>Fund balances, beginning of year</b>	<u>380,484</u>	<u>120,157</u>	<u>82,450</u>	<u>927</u>	<u>2,147,465</u>
<b>Fund balances, end of year</b>	<u>\$ 652,637</u>	<u>\$ 96,997</u>	<u>\$ 41,612</u>	<u>\$ 926</u>	<u>\$ 2,490,000</u>

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<u>2013</u> <u>Refunding</u>	<u>2018</u> <u>Refunding</u>	<u>2014</u> <u>QZAB</u>	<u>Total</u>
-	-	-	4,166,982
<u>-</u>	<u>-</u>	<u>-</u>	<u>16,553</u>
-	-	-	4,183,535
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	2,290,000
-	-	-	1,104,638
<u>-</u>	<u>57,935</u>	<u>-</u>	<u>59,934</u>
-	57,935	-	3,454,572
<u>-</u>	<u>(57,935)</u>	<u>-</u>	<u>728,963</u>
-	7,460,000	-	7,460,000
-	(8,200,523)	-	(8,200,523)
-	800,000	95,000	1,458,791
<u>(98,757)</u>	<u>-</u>	<u>-</u>	<u>(898,757)</u>
<u>(98,757)</u>	<u>59,477</u>	<u>95,000</u>	<u>(180,489)</u>
(98,757)	1,542	95,000	548,474
<u>98,757</u>	<u>-</u>	<u>210,000</u>	<u>3,040,240</u>
<u>\$ -</u>	<u>\$ 1,542</u>	<u>\$ 305,000</u>	<u>\$ 3,588,714</u>



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## **SINGLE AUDIT SECTION**



## Vredeveld Haefner LLC

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Fax (616) 828-0307

Douglas J. Vredeveld, CPA  
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### **INDEPENDENT AUDITORS' 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**

October 30, 2018

Members of the Board of Education  
Greenville Public Schools  
Greenville, Michigan

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 Greenville Public Schools, Greenville, Michigan (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2018.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, as described in the accompanying schedule of findings and responses that we consider to be a material weakness (2018-001).

#### **Compliance and Other Matters**

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

### **Response to Findings**

The District's response to the internal control finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Orlando Haefner LLC*



## Vredeveld Haefner LLC

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

October 30, 2018

Members of the Board of Education  
Greenville Public Schools  
Greenville, Michigan

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

We have audited Greenville Public Schools, Greenville, Michigan's (the District) 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 District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

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

Our responsibility is to express an opinion on compliance for each of the District'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 District'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 District's compliance.

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

In our opinion, the District 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, 2018.

## Report on Internal Control Over Compliance

Management of the District 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 District'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 District'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.

*Uredaxeld Haefner LLC*

**GREENVILLE PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue June 30, 2017	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2018
<u>U.S. Department of Agriculture:</u>								
Direct funding								
Rural Development Program								
Community Facilities	10.766		\$ 25,400	\$ -	\$ -	\$ 25,400	\$ 25,400	\$ -
Passed through Michigan Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Donated Foods):								
Entitlement	10.555		122,338	-	-	122,338	122,338	-
Cash Assistance:								
National School Lunch Program - Breakfast	10.553	171970	45,970	9,594	-	45,970	55,564	-
National School Lunch Program - Breakfast	10.553	181970	349,182	-	-	349,182	336,712	12,470
			395,152	9,594	-	395,152	392,276	12,470
National School Lunch Program	10.555	171970	97,934	17,460	-	97,934	115,394	-
National School Lunch Program	10.555	181970	726,330	-	-	726,330	703,514	22,816
			824,264	17,460	-	824,264	818,908	22,816
Summer Food Service Program - Meals	10.559	170900	16,265	7,753		16,265	24,018	-
Summer Food Service Program - Sponsor Administration	10.559	171900	1,695	807		1,695	2,502	-
Summer Food Service Program - Meals	10.559	180900	9,706	-	-	9,706	-	9,706
Summer Food Service Program - Sponsor Administration	10.559	181900	1,013	-	-	1,013	-	1,013
			28,679	8,560	-	28,679	26,520	10,719
Cash Assistance Subtotal			1,248,095	35,614	-	1,248,095	1,237,704	46,005
Total Child Nutrition Cluster			1,370,433	35,614	-	1,370,433	1,360,042	46,005
Total U.S. Department of Agriculture			1,395,833	35,614	-	1,395,833	1,385,442	46,005

(continued)

**GREENVILLE PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue June 30, 2017	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2018
<u>U.S. Department of Education:</u>								
Passed through Michigan Department of Education:								
Title I, Part A - Improving Basic Programs	84.010	171530-1617	\$ 1,078,247	\$ 209,841	\$ 994,240	\$ 20,841	\$ 230,682	\$ -
Title I, Part A - Improving Basic Programs	84.010	181530-1718	1,028,517	-	-	1,021,637	358,886	662,751
Total Title I, Part A			2,106,764	209,841	994,240	1,042,478	589,568	662,751
Title IIA	84.367	170520-1617	214,418	29,689	153,148	1,555	31,244	-
Title IIA	84.367	180520-1718	243,373	-	-	186,166	62,340	123,826
Total Title II, Part A			457,791	29,689	153,148	187,721	93,584	123,826
Title IV, Part A - Student Support & Academic Enrichment	84.424	180750-1718	16,279	-	-	15,860	-	15,860
Title V, Part B - Rural and Low Income Schools	84.358	180750-1718	62,753	-	-	52,755	-	52,755
Total passed through Michigan Department of Education			2,643,587	239,530	1,147,388	1,298,814	683,152	855,192
Passed through Montcalm Area Intermediate School District (MAISD):								
I.D.E.A - Flowthrough	84.173		50,305	15,678	-	50,305	31,530	34,453
Total U.S. Department of Education			2,693,892	255,208	1,147,388	1,349,119	714,682	889,645
Total Federal Awards			\$ 4,089,725	\$ 290,822	\$ 1,147,388	\$ 2,744,952	\$ 2,100,124	\$ 935,650

(concluded)

The accompanying notes are an integral part of this schedule



# GREENVILLE PUBLIC SCHOOLS

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### FOR THE YEAR ENDED JUNE 30, 2018

- 
1. The Schedule of Expenditures of Federal Awards is prepared in accordance with the modified accrual basis of accounting.
  2. Management has utilized the Cash Management System Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.
  3. Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per the Schedule of Expenditures of Federal Awards.

Revenues from federal sources per June 30, 2018 governmental funds financial statements	<u>\$ 2,744,952</u>
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Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 2,744,952</u></u>
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4. The District did not elect to use the 10% de minimis cost rate as covered in Uniform Guidance section 2 CFR 200.414 indirect costs.

**GREENVILLE PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u>  X  </u> yes	<u>      </u> no
Significant deficiency(ies) identified?	<u>      </u> yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no

**Federal Awards**

Internal control over major programs:		
Material weakness(es) identified?	<u>      </u> yes	<u>  X  </u> no
Significant deficiency(ies) identified?	<u>      </u> yes	<u>  X  </u> none reported
Type of auditors' report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<u>      </u> yes	<u>  X  </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, and. 10.559	CHILD NUTRITION CLUSTER

Dollar threshold used to distinguish between Type A and B programs:	<u>  \$750,000  </u>
Auditee qualified as low-risk auditee?	<u>      </u> yes <u>  X  </u> no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2018-001**

**Condition and Criteria:** The District's system of controls does not enable it to prepare the financial statements, in accordance with generally accepted accounting principles (GAAP). This condition is evidenced by the significant audit adjustments that were necessary during the course of the audit to compile year-end financial statements from the District's general ledger balances.

**Cause:** The District has not reconciled all general ledger balances to supporting information in a timely manner.

**Effect:** Professional auditing standards require that the inability to prepare financial statements in accordance with generally accepted accounting principles be reported as a material weakness.

**Recommendation:** The District's system of controls should be modified so that the District is able to prepare its financial statements in accordance with GAAP.

**Management Response:** The District will provide additional resources to assure timely reconciliation of general ledger account balances to supporting information and the preparation of the financial statement in accordance with GAAP.

**GREENVILLE PUBLIC SCHOOLS**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***FOR THE YEAR ENDED JUNE 30, 2018***

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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

**2017-001**

This finding was addressed by management

**2017-002**

Finding repeated as 2018-001 above



## Greenville Public Schools

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### CORRECTIVE ACTION PLAN

October 31, 2018

Michigan Department of Education  
Lansing, MI

Greenville Public Schools is in agreement with the finding identified and respectfully submits the following Corrective Action Plan for the year ended June 30, 2018

#### **2018-001 – Inadequate System of Controls**

The district's system of controls does not enable it to prepare the financial statements in accordance with generally accepted accounting principles (GAAP). The district has not reconciled all general ledger balances to supporting information in a timely manner.

The District individual responsible for this area is the Director of Finance, Maureen Fleet. The District is in the process of hiring an additional employee to provide adequate staffing to ensure that all accounting activities are completed on a timely basis.

#### **Implementation and Monitoring:**

The District intends to have the new staff member in place before the end of November. The Director of Finance will continue to monitor the status of accounting processes and procedures to make sure that balance sheet items are reconciled on a timely and regular basis.

If the Michigan Department of Education has any questions regarding this plan, please contact Maureen Fleet at 616-225-1025 or [fleetm@gpsmi.us](mailto:fleetm@gpsmi.us).

Sincerely,

Maureen Fleet  
Director of Finance

### MISSION STATEMENT

As a cooperating partner of the community, Greenville Public Schools will assure all students the education necessary to participate as responsible citizens in an ever-changing world.

We are an equal opportunity provider.