GREENVILLE PUBLIC SCHOOLS

FINANCIAL STATEMENTS

and

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2019

Vredeveld Haefner LLC
CPAs and Consultants

GREENVILLE PUBLIC SCHOOLS

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INDEPENDENT AUDITORS' REPORT

October 23, 2019

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, 2019, 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, 2019, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2019, 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.

Vredeveld 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, 2019. 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 net position declined by $617,584 during the year primarily as a result of benefit plan costs.
- The general fund added $339,336 to fund balance during the year.
- The District invested $7.2 million of bond proceeds in 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 compensated absences).
>
> 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 twelve 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, the 2018 building and site bonds, and 2010 debt service 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 $50,544,281 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.

Net Position

	Governmental Activities	
	2019	**2018**
Assets		
Current and other assets	$ 23,826,333	$ 28,605,803
Capital assets	46,870,521	43,622,467
Total assets	70,696,854	72,228,270
Deferred outflows of resources	24,812,448	14,895,015
Liabilities		
Other liabilities	9,349,007	8,160,853
Long-term liabilities outstanding	126,854,941	124,703,745
Total liabilities	136,203,948	132,864,598
Deferred inflows of resources	9,849,635	4,185,384
Net position		
Net investment in capital assets	10,239,685	10,073,017
Restricted	4,505,646	3,846,465
Unrestricted	(65,289,612)	(63,846,179)
Total net position	$(50,544,281)	$(49,926,697)

Activities

	Governmental Activities	
	2019	**2018**
Revenues		
Program revenue		
Charges for services	$ 1,497,795	$ 1,346,834
Operating grants and contributions	6,664,989	6,746,713
Capital grants and contributions	1,949	94,602
General revenue		
Property taxes	8,817,880	7,877,761
Grants and contributions not restricted to specific programs	27,236,540	27,142,793
Other	281,418	49,564
Total revenues	44,500,571	43,258,267
Expenses		
Instruction	24,336,092	23,442,142
Supporting services	17,371,138	15,492,280
Community services	418,566	513,055
Food service	1,718,938	1,849,848
Interest	1,273,421	1,211,575
Total expenses	45,118,155	42,508,900
Increase (decrease) in net position	(617,584)	749,367
Net position - beginning of year	(49,926,697)	(50,676,064)
Net position - end of year	$(50,544,281)	$(49,926,697)

Governmental activities

During the year the District expended 54% of its total expenses on instruction and 39% on support services such as guidance service, transportation, building operation and maintenance and administration. The remaining 7% 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 $14,719,786, a decrease of $5,980,827 in comparison with the prior year. This decrease is primarily the result of spending down the series #1 2018 building and site bond proceeds which were received in the prior year.

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 $2,708,291. 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 7% of total General fund expenditures. The fund balance of the District's general fund increased by $339,336 during the current fiscal year.

The fund balance of the series #1 2018 building and site bonds fund at the end of the year amounted to $7,308,114, a decrease of $6,981,462 from the previous year. This decrease is primarily the result of spending down the bond proceeds received in the prior year.

The fund balance of the 2010 debt service fund at the end of the year amounted to $2,820,000, an increase of $330,000 from the previous year. This increase is primarily the result of timing differences between tax receipts and debt payments.

Budgetary highlights

- The state revenue budget in the general fund was reduced for projected student population and state funding levels.
- General fund expenditures were reduced to be consistent with state and federal funding levels.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2019, amounted to $46,870,521 (net of accumulated depreciation).

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

	Governmental Activities
Land	$ 100,000
Construction in progress	4,818,289
Building and equipment (net)	41,952,232
Total	**$46,870,521**

During the year, the District's major capital purchases included vehicles, technology, and 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 $44,164,385.

The District's debt is summarized as follows:

	Governmental Activities
Bonds/installment purchases	$42,902,362
Bond premiums/discounts	682,558
Capital leases	111,133
Compensated absences	468,331
Total	**$44,164,384**

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 2019-20 fiscal year:

- The student count is one crucial factor affecting the budget. State foundation revenue is calculated based on the student count.
- 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. For 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, 2019

	Governmental Activities
Assets	
Cash and pooled intestments	$ 1,858,334
Accounts receivable	79,089
Due from other governments	6,641,846
Prepaid items	96,605
Inventory	101,130
Restricted cash	15,049,329
Capital assets, net	
Land	100,000
Construction in progress	4,818,289
Land improvements, buildings, furniture and equipment, vehicles	41,952,232
Total assets	70,696,854
Deferred outflows of resources	
Deferred outflows - related to pensions	20,565,978
Deferred outflows - related to OPEB	3,977,270
Deferred outflows - loss on refunding	269,200
Total deferred outflows of resources	24,812,448
Liabilities	
Accounts payable	1,548,380
Accrued payroll	1,921,564
Other accrued liabilities	499,861
Due to other governments	1,095,710
Short-term notes payable	4,000,000
Unearned revenue	283,492
Noncurrent liabilities	
Compensated absences	468,331
Net pension liability	65,427,322
Net OPEB liability	17,263,235
Due within one year	4,024,360
Due in more than one year	39,671,693
Total liabilities	136,203,948
Deferred inflows of resources	
Deferred inflows - related to pensions	5,762,970
Deferred inflows - related to OPEB	4,086,665
	9,849,635
Net position	
Net investment in capital assets	10,239,685
Restricted for	
Food service	271,382
Debt service	4,203,422
Capital projects	30,842
Unrestricted	(65,289,612)
Total net position	$ (50,544,281)

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, 2019

		Program Revenues			
Functions/ Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Primary government					
Governmental activities					
Instruction	$ 24,336,092	$ 21,736	$ 2,604,945	$ -	$ (21,709,411)
Support services	17,371,138	1,078,862	2,686,732	1,949	(13,603,595)
Community services	418,566	7,560	-	-	(411,006)
Food service	1,718,938	389,637	1,373,312	-	44,011
Interest on long-term debt	1,273,421	-	-	-	(1,273,421)
Total governmental activities	$ 45,118,155	$ 1,497,795	$ 6,664,989	$ 1,949	(36,953,422)
General revenues					
Property taxes					
Operating					3,776,076
Debt					5,041,804
Unrestricted grants and contributions					27,236,540
Interest earnings					281,418
Total general revenues					36,335,838
Change in net position					(617,584)
Net position, beginning of year					(49,926,697)
Net position, end of year					$ (50,544,281)

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

GREENVILLE PUBLIC SCHOOLS

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2019

	General	Series #1 2018 Building and Site Bonds	2010 Debt servivce	Nonmajor Governmental Funds	Total
Assets					
Cash and pooled intestments	$ 203,904	$ -	$ -	$ 1,654,431	$ 1,858,335
Accounts receivable	54,204	-	-	24,885	79,089
Due from other funds	5,398	-	-	-	5,398
Due from other governments	6,622,483	-	-	19,363	6,641,846
Prepaid items	93,814	-	-	2,791	96,605
Inventory	79,387	-	-	21,743	101,130
Restricted cash	3,509,083	8,689,404	2,820,000	30,842	15,049,329
Total assets	$ 10,568,273	$ 8,689,404	$ 2,820,000	$ 1,754,055	$ 23,831,732
Liabilities and fund balances					
Liabilities					
Accounts payable	$ 162,090	$ 1,376,123	$ -	$ 10,167	$ 1,548,380
Salaries payable	1,918,493	-	-	3,071	1,921,564
Other accrued liabilities	256,326	-	-	1,076	257,402
Due to other governments	1,095,710	-	-	-	1,095,710
Due to other funds	-	5,167	-	231	5,398
Short-term notes payable	4,000,000	-	-	-	4,000,000
Unearned revenue	254,162	-	-	29,330	283,492
Total liabilities	7,686,781	1,381,290	-	43,875	9,111,946
Fund balances					
Non-spendable					
Prepaid items	93,814	-	-	2,791	96,605
Inventory	79,387	-	-	21,743	101,130
Restricted					
Food service	-	-	-	271,382	271,382
Debt service	-	-	2,820,000	1,383,422	4,203,422
Capital projects	-	7,308,114	-	30,842	7,338,956
Unassigned	2,708,291	-	-	-	2,708,291
Total fund balances	2,881,492	7,308,114	2,820,000	1,710,180	14,719,786
Total liabilities and fund balances	$ 10,568,273	$ 8,689,404	$ 2,820,000	$ 1,754,055	$ 23,831,732

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, 2019

Fund balances - total governmental funds	$ 14,719,786
Amounts reported for *governmental activities* 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)	46,870,521
Certain liabilities, deferred inflows and deferred outflows do not impact expendable available financial financial resources and therefore are not reported in the funds.	
Deduct - compensated absences	(468,331)
Deduct - net pension liability	(65,427,322)
Deduct - deferred inflows related to pensions	(5,762,970)
Add - deferred outflows related to pensions	20,565,978
Deduct - net OPEB liability	(17,263,235)
Deduct - deferred inflows related to OPEB	(4,086,665)
Add - deferred outflows related to OPEB	3,977,270
Add - deferred outflows - loss on refunding	269,200
Deduct - debt payable	(43,013,495)
Deduct - premium on bonds	(837,963)
Add - discounts on bonds	155,405
Deduct - accrued interest on bonds	(242,460)
Net position of governmental activities	$ (50,544,281)

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, 2019

	General	Series #1 2018 Building and Site Bonds	2010 Debt servivce	Nonmajor Governmental Funds	Total
Revenues					
Local sources					
Property taxes	$ 3,776,076	$ -	$ -	$ 5,041,804	$ 8,817,880
Interest income	24,028	242,897	-	14,494	281,419
Food Sales	-	-	-	389,637	389,637
Other	2,276,062	-	-	7,560	2,283,622
State sources	30,086,454	-	-	155,834	30,242,288
Federal sources	1,169,624	-	-	1,316,102	2,485,726
Total revenues	37,332,244	242,897	-	6,925,431	44,500,572
Expenditures					
Current					
Instruction	21,312,419	-	-	-	21,312,419
Support services	14,518,486	-	-	-	14,518,486
Community services	388,953	-	-		388,953
Book store activities	-	-	-	10,200	10,200
Food service	-	-	-	1,690,232	1,690,232
Capital outlay	-	7,224,359	-	20	7,224,379
Debt service					
Principal	356,579	-	-	3,565,000	3,921,579
Interest	28,283	-	25,000	1,496,079	1,549,362
Total expenditures	36,604,720	7,224,359	25,000	6,761,531	50,615,610
Revenues over (under) expenditures	727,524	(6,981,462)	(25,000)	163,900	(6,115,038)
Other financing sources (uses)					
Issuance of long-term debt	128,852	-	-	-	128,852
Transfers in	25,000	-	355,000	1,334,474	1,714,474
Transfers out	(547,399)	-	-	(1,167,075)	(1,714,474)
Sale of capital assets	5,359	-	-	-	5,359
Total other financing sources (uses)	(388,188)	-	355,000	167,399	134,211
Net change in fund balances	339,336	(6,981,462)	330,000	331,299	(5,980,827)
Fund balances, beginning of year	2,542,156	14,289,576	2,490,000	1,378,881	20,700,613
Fund balances, end of year	$ 2,881,492	$ 7,308,114	$ 2,820,000	$ 1,710,180	$ 14,719,786

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, 2019

Net changes in fund balances - total governmental funds	$ (5,980,827)
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	6,491,331
Deduct - depreciation expense	(2,968,875)
Deduct - net book value of capital assets disposed	(274,402)
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.	
Deduct - installment purchase additions	(128,852)
Add - principal payment on long-term debt	3,921,579
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	(10,827)
Deduct - increase in net pension liability	(8,468,599)
Deduct - increase in deferred inflows related to pensions	(2,237,328)
Add - increase in deferred outflows related to pensions	8,169,601
Add - decrease in net OPEB liability	2,208,758
Deduct - increase in deferred inflows related to OPEB	(3,426,923)
Add - increase in deferred outflows related to OPEB	1,813,340
Deduct - decrease in deferred outflows related to loss on refunding	(65,508)
Add - decrease in premium on bonds	345,712
Deduct - decrease in discount on bonds	(18,967)
Deduct - increase in accrued interest payable	13,203
Change in net position of governmental activities	$ (617,584)

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

GREENVILLE PUBLIC SCHOOLS

FIDUCIARY FUNDS
STATEMENT OF NET POSITION/BALANCE SHEET

JUNE 30, 2019

	Private Purpose Trust Fund	Agency Fund
Assets		
Cash and pooled intestments	$ 10,957	$ 413,355
Accounts receivable	-	1,164
Total assets	10,957	$ 414,519
Liabilities		
Accounts payable	-	$ 414,519
Total liabilities	-	$ 414,519
Net Position		
Held in trust for scholarships	$ 10,957	

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, 2019

	Private Purpose Trust Fund
Additions	
Donations	$ 4,300
Investment earnings	738
Total additions	5,038
Deductions	
Scholarships	3,250
Other	46,617
Total deductions	49,867
Change in net position	(44,829)
Net position, beginning of year	55,786
Net position, end of year	$ 10,957

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

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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

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 of 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 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, unrestricted state aid 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.

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

The 2010 Debt Service Fund is used to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs.

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 C*apital Projects Fund* accounts for the revenue and expenditures that are related to the net proceeds from the issuance of the bonds that are going to be used for 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 purposes 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”.

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 include cash on hand, demand deposits, and investments.

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.

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:

	Years
Land improvements	10-20
Buildings and improvements	40-50
Furniture and equipment	3-10
Transportation equipment	5-10

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 activities and governmental funds report $283,492 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 (MPSERS) and additions to/deductions from MPSERS' fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. 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 MPSERS and additions to/deductions from MPSERS' fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. 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.

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 81% 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.
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, 2019, the District incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated.

	Budget	Actual	Negative Variance
General Fund			
Instruction			
Added needs	$3,854,882	$3,905,597	$ 50,715
Support services			
Pupil services	2,223,161	2,253,671	30,510
General administrative services	495,072	508,790	13,718
Business services	506,318	543,244	36,926
Operation and maintenance	2,705,786	2,828,030	122,244
Central services	1,186,066	1,267,086	81,020
Other	1,072,600	1,112,893	40,293
Community services	377,329	388,953	11,624
Debt service	373,609	384,862	11,253

3. CASH AND POOLED INVESTMENTS

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

	Governmental Activities	Fiduciary Funds	Total
Cash and pooled investments	$ 1,858,334	$424,312	$ 2,282,646
Restricted Cash	15,049,329	-	15,049,329
Total	$16,907,663	$424,312	$17,331,975

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.

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, $5,883,358 of the District's bank balance of $6,522,770 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:

	Maturity	Fair Value	Rating	Source
MILAF+	N/A	$8,667,573	AAAm	S&P
Michigan Class	N/A	423,983	AAAm	S&P
		$9,091,556		

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 haves 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.

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 $9,091,556 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, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities				
Capital assets, not being depreciated				
Land	$ 100,000	$ -	$ -	$ 100,000
CIP	291,155	4,527,134	-	4,818,289
Total capital assets, not being depreciated	391,155	4,527,134	-	4,918,289
Capital assets, being depreciated				
Land improvements	12,023,422	-	-	12,023,422
Building and improvements	72,277,732	92,540	200,282	72,169,990
Furniture and equipment	6,266,863	1,671,367	3,326,234	4,611,996
Transportation equipment	2,758,372	200,290	242,384	2,716,278
Total capital assets, being depreciated	93,326,389	1,964,197	3,768,900	91,521,686
Less accumulated depreciation for				
Land improvements	5,180,678	478,499	-	5,659,177
Building and improvements	37,810,170	1,969,319	39,500	39,739,989
Furniture and equipment	5,599,306	278,231	3,252,115	2,625,422
Transportation equipment	1,504,923	242,826	202,883	1,544,866
Total accumulated depreciation	50,095,077	2,968,875	3,494,498	49,569,454
Net capital assets, being depreciated	43,231,312	(1,004,678)	274,402	41,952,232
Governmental activities capital assets, net	$43,622,467	$3,522,456	$274,402	$46,870,521

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
Instruction	$1,793,711
Supporting services	1,175,164
Total depreciation expense - governmental activities	$2,968,875

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.

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 are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan members 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 beginning October 1, 2018 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year 2018.

		Employer	
Benefit Structure	Member	Universities	Non-Universities
Basic	0.0-4.0%	24.47%	17.89%
Member Investment Plan	3.0-7.0	24.47	17.89
Pension Plus	3.0-6.4	N/A	16.61
Pension Plus II	6.2	N/A	19.74
Defined Contribution	0.0	19.60	13.54

Required contributions to the pension plan from the District were $5,926,457 for the year ended September 30, 2018.

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 $65,427,322 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2017. 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, 2018, the District's proportion was .21764 percent, which was a decrease of .00216 percent from its proportion measured as of September 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $8,424,224. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Of Resources
Differences between actual and expected experience	$ 303,595	$ 475,449
Changes of assumptions	15,152,914	-
Net difference between projected and actual earnings on pension plan investments	-	4,473,566
Changes in proportion and differences between employer contributions and proportionate share of contributions	524,754	813,955
Employer contributions subsequent to the measurement date	4,584,715	-
Total	$20,565,978	$5,762,970

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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Amount
2019	$4,406,685
2020	2,998,802
2021	1,993,521
2022	819,285

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, 2017
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	7.05%
Pension Plus Plan (Hybrid):	7.0%
Projected Salary Increases:	2.75 – 11.55%, including wage inflation at 2.75%
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 2012 through 2017 have been adopted by the System for use in the determination of the total pension liability beginning with September 30, 2017 valuation.*
- *Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.5304 for non-university employers or 1.0554 for university employers]*
- *Recognition period for assets in years is 5.0000.*
- *Full actuarial assumptions are available in the 2018 MPSERS Comprehensive Annual Financial Report found on the ORS website at* www.michigan.gov/orsschools*.*

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity Pools	28.0%	5.7%
Alternative Investment Pools	18.0%	9.2%
International Equity	16.0%	7.2%
Fixed Income Pools	10.5%	0.5%
Real Estate and Infrastructure Pools	10.0%	3.9%
Absolute Return Pools	15.5%	5.2%
Short Term Investment Pools	2.0%	0.0%
	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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.11%. 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 7.05% was used to measure the total pension liability (7.0% for the Pension Plus plan, and 6.00% for the new Pension Plus 2 plan). This discount rate was based on the long-term expected rate of return on pension plan investments of 7.05% (7.0% for the Pension Plus plan, and 6.00% for the new Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 7.05%, 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 higher:

1% Decrease (Non-Hybrid/Hybrid) 6.05% / 6.0%/5.0%	Current Single Discount Rate Assumption (Non-Hybrid/Hybrid) 7.05% / 7.0%/6.0%	1% Increase (Non-Hybrid/Hybrid)* 8.05% / 8.0%/7.0%
$85,901,020	$65,427,322	$48,417,006

* *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.*

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

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

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

At June 30, 2019, the District reported payables to the defined benefit pension plan totaling $432,154. 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 individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 21-year period beginning October 1, 2017 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2018.

		Employer	
Benefit Structure	Member	Non-Universities	Universities
Premium Subsidy	3.00%	6.44%	7.67%
Personal Healthcare Fund	0.00	6.13	7.42

Required contributions to the OPEB plan from the District were $1,409,683 for the year ended September 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At June 30, 2019, the District reported a liability of $17,263,235 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2017. 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, 2018, the District's proportion was .21764 percent, which was a decrease of .00271 percent from its proportion measured as of September 30, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of $796,961. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Of Resources
Differences between actual and expected experience	$ -	$3,213,131
Changes of assumptions	1,828,185	-
Net difference between projected and actual earnings on OPEB plan Investments	-	663,467
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	210,067
Employer contributions subsequent to the measurement date	2,149,085	-
Total	$3,977,270	$4,086,665

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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Amount
2019	$(551,604)
2020	(551,604)
2021	(551,604)
2022	(416,023)
2023	(187,645)

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:	2.75%
Investment Rate of Return:	7.05%
Projected Salary Increases:	3.5 - 12.3%, including wage inflation at 2.75%
Healthcare Cost Trend Rate:	7.5% Year 1 graded to 3.0% Year 12

Mortality: RP-2014 Male and Female Combined Healthy annuitant Tables, scaled 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents

Notes:

- *Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the determination of the total pension liability beginning with September 30, 2017 valuation.*
- *Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.5304 for non-university employers or 1.0554 for university employers]*
- *Recognition period for assets in years is 5.0000.*
- *Full actuarial assumptions are available in the 2018 MPSERS Comprehensive Annual Financial Report found on the ORS website at* www.michigan.gov/orsschools*.*

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity Pools	28.0%	5.7%
Alternative Investment Pools	18.0%	9.2%
International Equity	16.0%	7.2%
Fixed Income Pools	10.5%	0.5%
Real Estate and Infrastructure Pools	10.0%	3.9%
Absolute Return Pools	15.5%	5.2%
Short Term Investment Pools	2.0%	0.0%
	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, 2018, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 10.75%. 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 7.15% 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 7.15%. 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 7.15%, 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:

1% Decrease 6.15%	Current Discount Rate 7.51%	1% Increase 8.15%
$20,724,162	$17,263,235	$14,352,172

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:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
$14,198,820	$17,263,235	$20,778,744

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position
Detailed information about the OPEB plan's fiduciary net position is available in the separately issued MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPSERS)
At June 30, 2019, the District reported payables to the OPEB plan totaling $202,572. 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 MPSERS who became a member of MPSERS 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 MPSERS system. An employee who first works September 4, 2012 or after joins the MPSERS 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 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 $177,371 and $302,437, respectively.

6. DEBT

Long-term Debt

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Governmental Activities					
Public offerings:					
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%	$14,045,000	$ -	$250,000	$13,795,000	$ 275,000
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%	2,945,000	-	590,000	2,355,000	590,000
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 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	-
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	-	75,000	14,280,000	155,000
Total Public offerings	37,920,000	-	915,000	37,005,000	1,020,000
Private Placements					
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%	265,000	-	85,000	180,000	90,000

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Installment purchase agreement due in annual installments of $198,491 to $209,650 through August 2021 with interest at 1.84%	$ 617,655	$ -	$ 202,143	$ 415,512	$ 205,862
Installment purchase agreement due in annual installments of $58,494 through May 2023 including interest at 1.99%	268,652	-	50,703	217,949	52,173
Installment purchase agreement due in annual installments of $30,906 through June 2021 including interest at 1.99%	89,215	-	29,166	60,049	29,735
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	-	2,565,000	4,895,000	2,545,000
Installment purchase agreement due in annual installments of $28,095 through April 2024 including interest at 2.95%	-	128,852	-	128,852	24,294
Total private placement	8,700,522	128,852	2,932,012	5,897,362	2,947,064
Total bonds and installment purchases	46,620,522	128,852	3,847,012	42,902,362	3,967,064
Bond premium	1,183,675	-	345,712	837,963	-
Bond discount	(174,372)	-	(18,967)	(155,405)	-
Capital leases payable	185,700	-	74,567	111,133	57,296
Compensated absences	457,504	10,827	-	468,331	-
Total	$48,273,029	$139,679	$4,248,324	$44,164,384	$4,024,360

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, 2019 are as follows:

	Private Placement		Public Offering	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2020	$2,947,064	$123,248	$ 1,020,000	$ 1,317,731
2021	1,068,662	63,480	1,785,000	1,274,044
2022	735,992	41,748	1,775,000	1,193,206
2023	738,354	24,836	1,570,000	1,119,884
2024	407,290	7,668	1,605,000	1,038,808
2025-2029	-	-	17,595,000	3,731,430
2030-2034	-	-	8,010,000	1,322,862
2035-2039	-	-	3,645,000	266,840
Total	**$5,897,362**	**$260,980**	**$37,005,000**	**$11,264,805**

Short-term Debt

The following is a summary of short-term debt transactions of the District for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
State aid anticipation note .97% due August 2018	$4,000,000	$ -	$4,000,000	$ -
State aid anticipation note 1.75% due August 2019	-	4,000,000	-	4,000,000

7. BOND COMPLIANCE

The Series #1 2018 building and site bonds fund of the District includes the capital project activities which are funded in part by the local millage. For the expenditures recorded within the Series #1 2018 building and site bonds 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.

The change in the claims liability for the year ended June 30, 2019 is as follows:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2019	$78,014	$430,976	$409,266	$99,724

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 $265,313.

Total expense under these obligations was $81,954 for 2019.

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, 2019:

Year	Capitalized Leases	Less Interest	Total
2020	$ 61,244	$(3,948)	$ 57,296
2021	29,500	(2048)	27,452
2022	27,043	(658)	26,385
Total minimum payments due	$117,787	$(6,654)	$111,133

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, 2019 are as follows:

	Transfers in			
Transfers out	General Fund	2010 Debt Service	Nonmajor funds	Total
General Fund	$ -	$355,000	$ 192,399	$ 547,399
Nonmajor funds	25,000	-	1,142,075	1,167,075
Total	$25,000	$355,000	$1,334,474	$1,714,474

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, 2019, the District's property tax revenues collected for debt service were reduced by the following as a result of industrial facilities tax exemptions.

Municipality	Amount
City of Greenville	$115,000

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 2019, the District received the proceeds of $4,000,000 Michigan Finance Authority state aid anticipation notes. The notes payable requires monthly payments of $549,914 beginning January 2020 through maturity in July 2020 and $200,000 in August 2020 and bear interest at 1.3 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 $50,544,281.

15. COMMITMENTS

At year-end the District had construction commitments related to the 2018 building and site bonds of $6.3 million. These commitments will be paid for with bond proceeds.

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, 2019

	Budget Amounts		Actual	Variance Positive
	Original	Final	Amount	(Negative)
Revenues				
Local sources				
Property taxes	$ 3,775,425	$ 3,704,953	$ 3,776,076	$ 71,123
Interest income	8,648	3,100	24,028	20,928
Other	2,296,811	2,237,700	2,276,062	38,362
State sources	30,530,669	30,340,453	30,086,454	(253,999)
Federal sources	1,447,134	1,324,499	1,169,624	(154,875)
Total revenues	38,058,687	37,610,705	37,332,244	(278,461)
Expenditures				
Current				
Instruction				
Basic programs	17,683,297	17,726,742	17,202,176	524,566
Added needs	4,231,954	3,854,882	3,905,597	(50,715)
College enrollment	311,861	204,646	204,646	-
Total instruction	22,227,112	21,786,270	21,312,419	473,851
Support services				
Pupil services	2,193,632	2,223,161	2,253,671	(30,510)
Instructional staff services	2,142,889	2,335,177	2,110,973	224,204
General administrative services	541,294	495,072	508,790	(13,718)
School administrative services	2,256,219	2,290,062	2,264,859	25,203
Business services	469,876	506,318	543,244	(36,926)
Operation and maintenance	3,175,791	2,705,786	2,828,030	(122,244)
Pupil transportation	1,390,980	1,630,135	1,628,940	1,195
Central services	1,101,510	1,186,066	1,267,086	(81,020)
Other	1,003,088	1,072,600	1,112,893	(40,293)
Total support services	14,275,279	14,444,377	14,518,486	(74,109)
Community services	357,522	377,329	388,953	(11,624)
Debt service				
Principal	349,226	348,526	356,579	(8,053)
Interest	30,806	25,083	28,283	(3,200)
Total debt service	380,032	373,609	384,862	(11,253)
Total expenditures	37,239,945	36,981,585	36,604,720	376,865
Revenues over (under) expenditures	818,742	629,120	727,524	98,404
Other financing sources (uses)				
Issuance of long-term debt	-	128,852	128,852	-
Transfers in	79,000	50,000	25,000	(25,000)
Transfers out	(601,236)	(587,510)	(547,399)	40,111
Sale of capital assets	18,535	5,109	5,359	250
Total other financing sources (uses)	(503,701)	(403,549)	(388,188)	15,361
Net change in fund balance	315,041	225,571	339,336	113,765
Fund balance, beginning of year	2,542,156	2,542,156	2,542,156	-
Fund balance, end of year	$ 2,857,197	$ 2,767,727	$ 2,881,492	$ 113,765

GREENVILLE PUBLIC SCHOOLS

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF DISTRICT'S PROPROTIONATE SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2019

	2018	2017	2016	2015	2014
District's proportion of the net pension liability (%)	21.76427%	0.21980%	0.22237%	0.21911%	0.21208%
District's proportionate share of the net pension liability	$ 65,427,322	$ 56,958,723	$ 55,479,910	$ 53,518,758	$ 46,714,713
District's covered payroll	$ 18,502,931	$ 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 (%)	353.61%	312.67%	293.40%	292.35%	258.77%
Plan fiduciary net position as a percentage of total pension liability	64.21%	64.21%	63.27%	63.17%	66.20%

Notes to schedule:

Amounts were determined as of September 30 of each fiscal year.
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, 2019

	2019	2018	2017	2016	2015
Statutorily required contributions	$ 5,926,457	$ 5,155,404	$ 5,151,858	$ 4,764,409	$ 3,907,132
Contributions in relation to statutorily required contributions *	5,926,457	5,155,404	5,151,858	4,764,409	3,907,132
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 19,032,522	$ 18,408,378	$ 18,221,362	$ 18,160,880	$ 18,362,690
Contributions as a percentage of covered payroll	31.1%	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.
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 PROPROTIONATE SHARE OF NET OPEB LIABILITY

FOR THE YEAR ENDED JUNE 30, 2019

	2018	2017
District's proportion of the net OPEB liability (%)	0.21718%	0.21989%
District's proportionate share of the net OPEB liability	$ 17,263,235	$ 19,471,993
District's covered payroll	$ 18,502,931	$ 18,217,089
District's proportionate share of the net OPEB liability as a percentage of its covered payroll (%)	93.30%	106.89%
Plan fiduciary net position as a percentage of total OPEB liability	36.39%	36.39%

Notes to schedule:
Amounts were determined as of September 30 of each fiscal year.
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, 2019

	2019	2018
Statutorily required contributions	$ 1,409,683	$ 1,711,909
Contributions in relation to statutorily required contributions *	1,409,683	1,711,909
Contribution deficiency (excess)	$ -	$ -
District's covered payroll	$ 19,032,522	$ 18,408,378
Contributions as a percentage of covered payroll	7.4%	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.
This schedule is being accumulated prospectively until ten years of data is presented.

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COMBINING FUND FINANCIAL STATEMENTS

GREENVILLE PUBLIC SCHOOLS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2019

	Special Revenue	Debt Service	2013 QZAB Capital Projects	Total
Assets				
Cash and pooled intestments	$ 272,073	$ 1,382,358	$ -	$ 1,654,431
Accounts receivable	23,807	1,078	-	24,885
Due from other governments	19,363	-	-	19,363
Prepaid items	2,791	-	-	2,791
Inventory	21,743	-	-	21,743
Restricted cash	-	-	30,842	30,842
Total assets	$ 339,777	$ 1,383,436	$ 30,842	$ 1,754,055
Liabilities and fund balances				
Liabilities				
Accounts payable	$ 10,153	$ 14	$ -	$ 10,167
Salaries payable	3,071	-	-	3,071
Accrued liabilities	1,076	-	-	1,076
Due to other funds	231	-	-	231
Unearned revenue	29,330	-	-	29,330
Total liabilities	43,861	14	-	43,875
Fund balances				
Non-spendable				
Prepaid items	2,791	-	-	2,791
Inventory	21,743	-	-	21,743
Restricted				
Food service	271,382	-	-	271,382
Debt service	-	1,383,422	-	1,383,422
Capital projects	-	-	30,842	30,842
Total fund balances	295,916	1,383,422	30,842	1,710,180
Total liabilities and fund balances	$ 339,777	$ 1,383,436	$ 30,842	$ 1,754,055

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GREENVILLE PUBLIC SCHOOLS

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

FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue	Debt Service	2013 QZAB Capital Projects	Total
Revenues				
Local sources				
Property taxes	$ -	$ 5,041,804	$ -	$ 5,041,804
Interest income	-	14,479	15	14,494
Food sales	389,637	-	-	389,637
Other	7,560	-	-	7,560
State sources	57,210	98,624	-	155,834
Federal sources	1,316,102	-	-	1,316,102
Total revenues	1,770,509	5,154,907	15	6,925,431
Expenditures				
Current				
Book store activities	10,200	-	-	10,200
Food service	1,690,232	-	-	1,690,232
Capital outlay	-	-	20	20
Debt service				
Principal	-	3,565,000	-	3,565,000
Interest	-	1,496,079	-	1,496,079
Total expenditures	1,700,432	5,061,079	20	6,761,531
Revenues over (under) expenditures	70,077	93,828	(5)	163,900
Other financing sources (uses)				
Transfers in	1,519	1,332,955	-	1,334,474
Transfers out	(25,000)	(1,142,075)	-	(1,167,075)
Total other financing sources (uses)	(23,481)	190,880	-	167,399
Net change in fund balances	46,596	284,708	(5)	331,299
Fund balances, beginning of year	249,320	1,098,714	30,847	1,378,881
Fund balances, end of year	$ 295,916	$ 1,383,422	$ 30,842	$ 1,710,180

GREENVILLE PUBLIC SCHOOLS

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2019

	Food Service	Book Store	Total
Assets			
Cash and pooled intestments	$ 272,073	$ -	$ 272,073
Accounts receivable	23,807	-	23,807
Due from other governments	19,363	-	19,363
Prepaid items	2,791	-	2,791
Inventory	15,773	5,970	21,743
Total assets	$ 333,807	$ 5,970	$ 339,777
Liabilities and fund balances			
Liabilities			
Accounts payable	$ 10,153	$ -	$ 10,153
Salaries payable	3,071	-	3,071
Accrued liabilities	1,076	-	1,076
Due to other funds	231	-	231
Unearned revenue	29,330	-	29,330
Total liabilities	43,861	-	43,861
Fund balances			
Non-spendable			
Prepaid items	2,791	-	2,791
Inventory	15,773	5,970	21,743
Restricted			
Food service	271,382	-	271,382
Total fund balances	289,946	5,970	295,916
Total liabilities and fund balances	$ 333,807	$ 5,970	$ 339,777

GREENVILLE PUBLIC SCHOOLS

NONMAJOR SPEICAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

	Food Service	Book Store	Total
Revenues			
Local sources			
Food sales	$ 389,637	$ -	$ 389,637
Other	-	7,560	7,560
State sources	57,210	-	57,210
Federal sources	1,316,102	-	1,316,102
Total revenues	1,762,949	7,560	1,770,509
Expenditures			
Current			
Book store activities	-	10,200	10,200
Food service	1,690,232	-	1,690,232
Total expenditures	1,690,232	10,200	1,700,432
Revenues over (under) expenditures	72,717	(2,640)	70,077
Other financing sources (uses)			
Transfers in	198	1,321	1,519
Transfers out	(25,000)	-	(25,000)
Total other financing sources (uses)	(24,802)	1,321	(23,481)
Net change in fund balances	47,915	(1,319)	46,596
Fund balances, beginning of year	242,031	7,289	249,320
Fund balances, end of year	$ 289,946	$ 5,970	$ 295,916

GREENVILLE PUBLIC SCHOOLS

NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2019

	2008 Refunding	2011 Refunding	2011 Building & Site	2013 Energy Conservation Refunding	2018 Building & Site
Assets					
Cash and pooled intestments	$ -	$ 136,896	$ 176,832	$ 926	$ 141,680
Accounts receivable	1,078	-	-	-	-
Total assets	$ 1,078	$ 136,896	$ 176,832	$ 926	$ 141,680
Liabilities and fund balances					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ 14
Fund balances					
Restricted					
Debt service	1,078	136,896	176,832	926	141,666
Total fund balances	1,078	136,896	176,832	926	141,666
Total liabilities and fund balances	$ 1,078	$ 136,896	$ 176,832	$ 926	$ 141,680

2018 Refunding	2014 QZAB	Total
$ 521,024	$ 405,000	$ 1,382,358
-	-	1,078
$ 521,024	$ 405,000	$ 1,383,436
$ -	$ -	$ 14
521,024	405,000	1,383,422
521,024	405,000	1,383,422
$ 521,024	$ 405,000	$ 1,383,436

GREENVILLE PUBLIC SCHOOLS

NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

	2008 Refunding	2011 Refunding	2011 Building & Site	2013 Energy Conservation Refunding	2018 Building & Site
Revenues					
Local sources					
Property taxes	423,286	735,080	894,064	-	630,526
Interest income	12,809	-	-	-	278
State sources	54,421	14,383	17,492	-	12,328
Total revenues	490,516	749,463	911,556	-	643,132
Expenditures					
Current					
Debt service					
Principal	$ -	$ 590,000	$ 250,000	$ 85,000	$ 75,000
Interest	-	135,488	632,150	5,880	537,200
Total expenditures	-	725,488	882,150	90,880	612,200
Revenues over (under) expenditures	490,516	23,975	29,406	(90,880)	30,932
Other financing sources (uses)					
Transfers in	-	15,924	105,814	90,880	110,734
Transfers out	(1,142,075)	-	-	-	-
Total other financing sources (uses)	(1,142,075)	15,924	105,814	90,880	110,734
Net change in fund balances	(651,559)	39,899	135,220	-	141,666
Fund balances, beginning of year	652,637	96,997	41,612	926	-
Fund balances, end of year	$ 1,078	$ 136,896	$ 176,832	$ 926	$ 141,666

2018 Refunding	2014 QZAB	Total
2,358,848	-	5,041,804
1,392	-	14,479
-	-	98,624
2,360,240	-	5,154,907
$ 2,565,000	$ -	$ 3,565,000
185,361	-	1,496,079
2,750,361	-	5,061,079
(390,121)	-	93,828
909,603	100,000	1,332,955
-	-	(1,142,075)
909,603	100,000	190,880
519,482	100,000	284,708
1,542	305,000	1,098,714
$ 521,024	$ 405,000	$ 1,383,422

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SINGLE AUDIT SECTION

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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 23, 2019

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, 2019, 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 23, 2019.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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.

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 23, 2019

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, 2019. 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, 2019.

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.

Vredeveld Haefner LLC

GREENVILLE PUBLIC SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue June 30, 2018	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2019
U.S. Department of Agriculture:								
Passed through Michigan Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Donated Foods):								
Entitlement	10.555		$ 127,224	$ -	$ -	$ 127,224	$ 127,224	$ -
Cash Assistance:								
National School Lunch Program - Breakfast	10.553	181970	69,719	12,470	-	57,249	69,719	-
National School Lunch Program - Breakfast	10.553	191970	312,899	-	-	312,899	312,899	-
			382,618	12,470	-	370,148	382,618	-
National School Lunch Program	10.555	181960	148,951	22,816	-	126,135	148,951	-
National School Lunch Program	10.555	191960	666,434	-	-	666,434	666,434	-
			815,385	22,816	-	792,569	815,385	-
Summer Food Service Program - Meals	10.559	180900	25,787	9,706		16,081	25,787	-
Summer Food Service Program - Sponsor Administration	10.559	181900	2,693	1,013		1,680	2,693	-
Summer Food Service Program - Meals	10.559	190900	7,609	-	-	7,609	-	7,609
Summer Food Service Program - Sponsor Administration	10.559	191900	792	-	-	792	-	792
			36,881	10,719	-	26,162	28,480	8,401
Cash Assistance Subtotal			1,234,884	46,005	-	1,188,879	1,226,483	8,401
Total Child Nutrition Cluster			1,362,108	46,005	-	1,316,103	1,353,707	8,401
Total U.S. Department of Agriculture			1,362,108	46,005	-	1,316,103	1,353,707	8,401
U.S. Department of Education:								
Passed through Michigan Department of Education:								
Title I, Part A - Improving Basic Programs	84.010	181530-1718	$ 1,028,517	$ 662,751	$ 1,021,637	$ 6,880	$ 669,631	$ -
Title I, Part A - Improving Basic Programs	84.010	191530-1819	857,313	-	-	803,945	619,540	184,405
Total Title I, Part A			1,885,830	662,751	1,021,637	810,825	1,289,171	184,405

(continued)

GREENVILLE PUBLIC SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue June 30, 2018	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2019
Title IIA	84.367	180520-1718	243,373	123,826	-	5,300	129,126	-
Title IIA	84.367	190520-1819	259,176	-	-	209,301	156,171	53,130
Total Title II, Part A			502,549	123,826	-	214,601	285,297	53,130
Title IV, Part A - Student Support & Academic Enrichment	84.424	180750-1718	16,279	15,860	-	-	15,860	-
Title IV, Part A - Student Support & Academic Enrichment	84.424	190750-1819	65,172	-	-	13,900	6,461	7,439
Total Title IV, Part A			81,451	15,860	-	13,900	22,321	7,439
Title V, Part B - Rural and Low Income Schools	84.358	180660-1718	62,753	52,755	-	-	52,755	-
Title V, Part B - Rural and Low Income Schools	84.358	190660-1819	79,805	-	-	79,805	35,224	44,581
Total Title V, Part B			142,558	52,755	-	79,805	87,979	44,581
Total passed through Michigan Department of Education			2,612,388	855,192	1,021,637	1,119,131	1,684,768	289,555
Passed through Montcalm Area Intermediate School District (MAISD):								
I.D.E.A - Flowthrough	84.027		50,305	34,453	-	-	34,453	-
I.D.E.A - Flowthrough	84.027		50,492	-	-	50,492	-	50,492
Total Special Education Cluste r/ pass through MAISD			100,797	34,453	-	50,492	34,453	50,492
Total U.S. Department of Education			2,713,185	889,645	1,021,637	1,169,623	1,719,221	340,047
Total Federal Awards			$ 4,075,293	$ 935,650	$ 1,021,637	$ 2,485,726	$ 3,072,928	$ 348,448

(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, 2019

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, 2019 governmental funds financial statements	$ 2,485,726
Expenditures per Schedule of Expenditures of Federal Awards	$ 2,485,726

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, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	______ yes	X no
Significant deficiency(ies) identified?	______ yes	X 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?	______ yes	X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A
84.367	Title II A

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

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

2018-001
This finding was addressed by management