

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

JUNE 30, 2019



Baird, Cotter & Bishop, P.C.
SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS
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EVART PUBLIC SCHOOLS
EVART, MICHIGAN

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019

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August 23, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Evert Public Schools
Evert, 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 Evert Public Schools, Evert, Michigan 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 Evert Public Schools, Evert, Michigan 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 and required supplementary information, as identified in the table of contents, on pages iv through x and 38-43 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 Evert Public Schools' basic financial statements. The Combining and Individual Fund Financial Statements and Other Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2019, on our consideration of Evert Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Evert Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Evert Public Schools' internal control over financial reporting and compliance.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

**EVART PUBLIC SCHOOLS
EVART, MICHIGAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2019

This section of Evart Public Schools' ("the District") annual report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

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

A. 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, deferred outflows of resources and liabilities, with the difference 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 the information showing how the District'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 for some items that will only result in cash flows in future periods.

Both of the government-wide statements distinguish functions of the District that are principally supported by state aid and property taxes (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, supporting services, food service activities, community services, interest on long-term obligations.

B. 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. Evart Public Schools, like other state and local governments, uses fund accounting to ensure 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 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 assessing a government's near-term financing requirements.

**EVART PUBLIC SCHOOLS
EVART, MICHIGAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2019

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.

Fiduciary Funds The District is a trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements.

C. Summary of Net Position

The following schedule summarizes the net position at fiscal years ended June 30:

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets	\$ 4,555,829	\$ 4,541,933
Non Current Assets		
Capital Assets	20,398,248	19,887,323
Less Accumulated Depreciation	<u>(7,450,038)</u>	<u>(7,282,331)</u>
Total Non Current Assets	<u>12,948,210</u>	<u>12,604,992</u>
Total Assets	<u>17,504,039</u>	<u>17,146,925</u>
Deferred Outflows of Resources	<u>5,793,190</u>	<u>3,252,967</u>

**EVART PUBLIC SCHOOLS
EVART, MICHIGAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2019

	2019	2018
Liabilities		
Current Liabilities	1,445,039	1,491,420
Non Current Liabilities	27,253,997	26,172,101
Total Liabilities	28,699,036	27,663,521
Deferred Inflows of Resources	2,981,059	1,639,206
Net Position		
Net Investment in Capital Assets	5,921,646	5,751,312
Restricted for Debt Service	328,937	248,501
Unrestricted - (Deficit)	(14,633,449)	(14,902,648)
Total Net Position - (Deficit)	\$ (8,382,866)	\$ (8,902,835)

D. Analysis of Financial Position

During the fiscal year ended June 30, 2019, the District's net position increased by \$519,969. Some of the more significant factors affecting net position during the year is discussed below:

1. Depreciation Expense

GASB 34 requires school districts to maintain a record of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in net position.

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2019, \$403,409 was recorded for depreciation expense.

2. Capital Outlay Acquisitions

For the fiscal year ended June 30, 2019, \$746,627 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained above.

The net effect of the new capital assets, the current year's depreciation and current year disposal of capital assets is an increase to capital assets in the amount of \$343,218 for the fiscal year ended June 30, 2019.

**EVART PUBLIC SCHOOLS
EVART, MICHIGAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2019

3. Pension and Other Postemployment Benefits Expense

GASB 68 and 75 now requires the District to account for its payments to the Michigan Public School Employees' Retirement System in a manner that has a significant effect on the District's change in net position. Based on various factors, the District may report an increase or decrease in net position depending on whether the District's proportionate share of the net pension and OPEB liabilities and related deferred inflows and outflows of resources increases or decreases in any given year. For the year ended June 30, 2019, the District reported a decrease of \$231,344 in net position related to GASB 68 and 75.

E. Results of Operations

The following schedule summarizes the results of operations, on a district-wide basis, for the fiscal year ended June 30:

	2019	2018
General Revenues		
Property Taxes	\$ 2,426,230	\$ 2,380,998
Investment Earnings	16,554	23,755
State Sources	5,080,391	4,747,104
Other	95,546	103,760
Total General Revenues	7,618,721	7,255,617
Program Revenues		
Charges for Services	138,618	145,563
Operating Grants and Contributions	2,612,669	2,630,597
Capital Grants and Contributions	90,235	0
Total Program Revenues	2,841,522	2,776,160
Total Revenues	10,460,243	10,031,777
Expenses		
Instruction	6,848,225	5,644,104
Supporting Services	1,995,704	2,876,984
Food Service Activities	503,798	383,555
Community Services	10,228	5,024
Interest on Long-Term Debt	178,910	270,613
Unallocated Depreciation	403,409	375,141
Total Expenses	9,940,274	9,555,421
Change in Net Position	\$ 519,969	\$ 476,356

**EVART PUBLIC SCHOOLS
EVART, MICHIGAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2019

F. Financial Analysis of the District's Funds

The financial performance of the District as a whole is also reflected in its governmental funds. The following table shows the change in total fund balances of each of the District's governmental funds:

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Major Fund			
General Fund	\$ 2,178,690	\$ 1,731,527	\$ 447,163
2016 Capital Projects Fund	590,692	1,097,746	(507,054)
Nonmajor Funds			
Food Service Fund	232,471	193,816	38,655
2016 Debt Retirement Fund	376,037	297,001	79,036
 Total Governmental Funds	 <u>\$ 3,377,890</u>	 <u>\$ 3,320,090</u>	 <u>\$ 57,800</u>

In 2018-2019, the General Fund balance increased due to keeping most expenditures under the budgeted amounts.

The 2016 Capital Projects Fund decreased due to \$519,655 of expenditures of bond proceeds.

The Food Service Fund balance increased, which is similar to recent years, primarily due to the District's efforts to make maximize federal revenue by making sure as many eligible families as possible receive free and reduced meal applications. The increase in the current year is less when compared to the prior because of capital outlay purchases as the district continues efforts reduce the fund balance in the Food Service Fund.

The 2016 Debt Retirement Fund increased its fund balance due to local revenues exceeding the debt payment made to meet the ongoing debt obligations of the fund.

G. General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. The Board prior to the close of the fiscal year must approve any amendments made to the operating budget on or before June 30.

**EVART PUBLIC SCHOOLS
EVART, MICHIGAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2019

For the 2018-2019 fiscal year, the District amended the general fund budget as needed during the year. The following schedule shows a comparison of the original general fund budget; the final amended general fund budget and actual totals from operations:

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>TOTAL REVENUES</u>	\$ 8,526,548	\$ 9,343,766	\$ 9,329,446
<u>EXPENDITURES</u>			
Instruction	\$ 5,620,887	\$ 5,774,151	\$ 5,485,430
Supporting Services	3,348,095	3,485,329	3,400,945
Community Services	8,965	11,898	10,228
Debt Service	20,000	21,000	11,630
Total Expenditures	\$ 8,997,947	\$ 9,292,378	\$ 8,908,233

The revenue budget was amended as it became clearer on the amounts the District would receive for State and Federal funding, as well as funding from the Intermediate School District. The expenditures were amended because many of the expenditures are revenue driven and once the revenue picture became clearer, the District was able to allocate additional funds for expenditures it hadn't allocated for in its original budget.

The total revenues variance between final budget and actual was \$14,320, which is minimal given the amount of total revenues. The total expenditures variance was \$381,461. The expenditure variance was caused by the District budgeting with caution to avoid exceeding the budget.

H. Capital Asset and Debt Administration

1. Capital Assets

At June 30, 2019, the District has \$20,398,248 in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment. Depreciation expense for the year amounted to \$403,409 bringing the accumulated depreciation to \$7,450,038 as of June 30, 2019.

Major capital asset additions to the current fiscal year include:

- Building improvements in the amount of \$384,231.
- New buses in the amount of \$173,768.
- Baseball and softball field improvements in the amount of \$70,235.

**EVART PUBLIC SCHOOLS
EVART, MICHIGAN**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2019

In addition to purchasing the above assets, the District has committed to spend roughly \$327,000 for various building and site improvements within the District that will be added to capital assets in the 2019-2020 fiscal year.

Major capital asset deletions to the current fiscal year include:

- Buses and other vehicles in the amount of \$235,702 that were fully depreciated.

Additional information on the District's capital assets can be found in the notes to this report.

2. *Long-Term Obligations*

At June 30, 2019, the District had \$7,065,000 in bonded debt outstanding. This represents a decrease of \$210,000 from the amount outstanding at the close of the prior fiscal year. Additionally, the estimated liability for compensated absences, the net OPEB liability and the net pension liability are \$147,893, \$4,086,440 and \$15,622,408 respectively. More information on the long-term obligations of the District can be found in the footnotes of this report.

Factors Bearing on the District's Future

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

- Although the economic condition in the country and in the State of Michigan is improving, uncertainty yet surrounds the level at which districts will be funded for the student foundation allowance for the 2019-2020 fiscal year.
- As with other employers, the District continues to face increases in rates paid for employee benefits, particularly health insurance and retirement.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact Evert Public Schools, 321 North Hemlock, P.O. Box 917, Evert, Michigan 49631.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2019

ASSETS

CURRENT ASSETS

Cash	\$ 2,647,717
Restricted Cash	590,692
Accounts Receivable	13,522
Due from External Accounts (Fiduciary)	9,830
Due from Other Governmental Units	1,276,302
Prepaid Expenses	11,721
Inventory	<u>6,045</u>
 Total Current Assets	 <u>4,555,829</u>

NON CURRENT ASSETS

Capital Assets	20,398,248
Less Accumulated Depreciation	<u>(7,450,038)</u>
 Total Non Current Assets	 <u>12,948,210</u>

TOTAL ASSETS 17,504,039

DEFERRED OUTFLOWS OF RESOURCES

Related to Pensions	5,052,641
Related to Other Postemployment Benefits	<u>740,549</u>
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>5,793,190</u>

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	54,102
Accrued Expenses	247,520
Accrued Interest Payable	47,100
Salaries Payable	485,734
Due to Other Governmental Units	321,082
Unearned Revenue	69,501
Bond Payable - Due within One Year	<u>220,000</u>
 Total Current Liabilities	 <u>1,445,039</u>

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2019

NON CURRENT LIABILITIES

Bonds Payable (Net of Current Portion)	7,397,256
Net Pension Liability	15,622,408
Other Postemployment Benefits Liability	4,086,440
Compensated Absences	<u>147,893</u>

Total Non Current Liabilities	<u>27,253,997</u>
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TOTAL LIABILITIES	<u>28,699,036</u>
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DEFERRED INFLOWS OF RESOURCES

Related to Pensions	1,974,151
Related to Other Postemployment Benefits	<u>1,006,908</u>

TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,981,059</u>
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NET POSITION

Net Investment in Capital Assets	5,921,646
Restricted for Debt Service	328,937
Unrestricted (Deficit)	<u>(14,633,449)</u>

TOTAL NET POSITION (DEFICIT)	<u>\$ (8,382,866)</u>
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The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>GOVERNMENTAL ACTIVITIES NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION</u>
<u>GOVERNMENTAL ACTIVITIES</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET POSITION</u>
Instruction	\$ 6,848,225	\$ 7,425	\$ 1,539,710	\$ 0	\$ (5,301,090)
Supporting Services	1,995,704	57,965	567,742	90,235	(1,279,762)
Food Service Activities	503,798	73,228	494,990	0	64,420
Community Services	10,228	0	10,227	0	(1)
Interest on Long Term Debt	178,910	0	0	0	(178,910)
Unallocated Depreciation	403,409	0	0	0	(403,409)
Total Governmental Activities	\$ 9,940,274	\$ 138,618	\$ 2,612,669	\$ 90,235	(7,098,752)
 <u>GENERAL REVENUES</u>					
Property Taxes - General Purposes					1,866,010
Property Taxes - Debt Service					560,220
Investment Earnings					16,554
State Sources					5,080,391
Other					95,546
Total General Revenues					7,618,721
Change in Net Position					519,969
<u>NET POSITION</u> - Beginning of Year - Deficit					(8,902,835)
<u>NET POSITION</u> - End of Year - Deficit					\$ (8,382,866)

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2019

	GENERAL FUND	2016 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash	\$ 2,069,283	\$ 0	\$ 578,434	\$ 2,647,717
Restricted Cash	0	590,692	0	590,692
Accounts Receivable	12,991	0	531	13,522
Due from Other Funds	9,830	0	10,183	20,013
Due from Other Governmental Units	1,260,307	0	15,995	1,276,302
Prepaid Expenditures	11,721	0	0	11,721
Inventory	0	0	6,045	6,045
TOTAL ASSETS	<u>\$ 3,364,132</u>	<u>\$ 590,692</u>	<u>\$ 611,188</u>	<u>\$ 4,566,012</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 51,971	\$ 0	\$ 2,131	\$ 54,102
Accrued Expenditures	246,971	0	549	247,520
Salaries Payable	485,734	0	0	485,734
Due to Other Funds	10,183	0	0	10,183
Due to Other Governmental Units	321,082	0	0	321,082
Unearned Revenue	69,501	0	0	69,501
Total Liabilities	<u>1,185,442</u>	<u>0</u>	<u>2,680</u>	<u>1,188,122</u>
<u>FUND BALANCE</u>				
Nonspendable				
Prepaid Expenditures	9,037	0	0	9,037
Inventory	0	0	6,045	6,045
Restricted for:				
Food Service	0	0	226,426	226,426
Debt Service	0	0	376,037	376,037
Capital Projects	0	590,692	0	590,692
Assigned for Subsequent Year				
Budget Shortfall	565,005	0	0	565,005
Unassigned	1,604,648	0	0	1,604,648
Total Fund Balance	<u>2,178,690</u>	<u>590,692</u>	<u>608,508</u>	<u>3,377,890</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,364,132</u>	<u>\$ 590,692</u>	<u>\$ 611,188</u>	<u>\$ 4,566,012</u>

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION

JUNE 30, 2019

Total Governmental Fund Balances \$ 3,377,890

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

The cost of the capital assets is	\$ 20,398,248	
Accumulated depreciation is	<u>(7,450,038)</u>	12,948,210

The issuance of long-term debt provides current financial resources to funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities over the life of the bond issue.

Bond Discount (Premium)	(735,644)	
Accumulated Amortization	<u>100,538</u>	(635,106)

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

Bonds Payable		(6,982,150)
Compensated Absences		(147,893)

Accrued interest is not included as a liability in government funds, it is recorded when paid. (47,100)

Some liabilities, including net pension obligations, are not due and payable and payable in the current period and, therefore, are not reported in the funds.

Net Pension Liability		(15,622,408)
Other Postemployment Liability		(4,086,440)

Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.

Deferred Outflow of Resources		5,793,190
Deferred Inflow of Resources		<u>(2,981,059)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (8,382,866)

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2019

	GENERAL FUND	2016 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Local Sources	\$ 2,101,172	\$ 12,601	\$ 635,793	\$ 2,749,566
State Sources	6,489,828	0	38,152	6,527,980
Federal Sources	496,056	0	465,846	961,902
Other Transactions	242,390	0	0	242,390
Total Revenues	<u>9,329,446</u>	<u>12,601</u>	<u>1,139,791</u>	<u>10,481,838</u>
<u>EXPENDITURES</u>				
Instruction				
Basic Programs	4,538,352	0	0	4,538,352
Added Needs	922,802	0	0	922,802
Adult/Continuing Education	24,276	0	0	24,276
Supporting Services				
Pupil	398,204	0	0	398,204
Instructional Staff	104,571	0	0	104,571
General Administration	87,711	0	0	87,711
School Administration	513,616	0	0	513,616
Business	217,047	0	0	217,047
Operation and Maintenance	921,475	430,818	0	1,352,293
Pupil Transportation Services	677,047	88,837	0	765,884
Central Services	162,028	0	0	162,028
Athletics	319,246	0	0	319,246
Food Service Activities	0	0	493,300	493,300
Community Services				
Community Activities	4,540	0	0	4,540
Non-Public Schools	5,688	0	0	5,688
Debt Service				
Principal	11,077	0	210,000	221,077
Interest	553	0	292,850	293,403
Total Expenditures	<u>8,908,233</u>	<u>519,655</u>	<u>996,150</u>	<u>10,424,038</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>421,213</u>	<u>(507,054)</u>	<u>143,641</u>	<u>57,800</u>

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2019

	GENERAL FUND	2016 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	25,950	0	0	25,950
Transfers Out	0	0	(25,950)	(25,950)
Total Other Financing Sources (Uses)	25,950	0	(25,950)	0
Net Change in Fund Balance	447,163	(507,054)	117,691	57,800
<u>FUND BALANCE -</u> Beginning of Year	1,731,527	1,097,746	490,817	3,320,090
<u>FUND BALANCE -</u> End of Year	<u>\$ 2,178,690</u>	<u>\$ 590,692</u>	<u>\$ 608,508</u>	<u>\$ 3,377,890</u>

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

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

YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances Total Governmental Funds \$ 57,800

Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	(403,409)
Capital Outlay	746,627

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities over the life of the bond issue.

Amortization of Bond Premium	30,243
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Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued Interest Payable - Beginning of Year	48,500
Accrued Interest Payable - End of Year	(47,100)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.

Repayment of Bond Principal	292,850
Repayment of Installment Contract	11,077

Employees Compensated Absences and Early Retirement Incentives are reported on the accrual method in the Statement of Activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Compensated Absences - Beginning of Year	162,618
Compensated Absences - End of Year	(147,893)

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

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

YEAR ENDED JUNE 30, 2019

Governmental funds report district pension and other postemployment benefits contributions as expenditures. However, in the Statement of Activities, the cost of pension and other postemployment benefits earned net of employee contributions is reported as an expense:

Items related to Pensions	(371,186)
Items related to Other Postemployment Benefits	161,437

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to Section 147 C pension contributions subsequent to the

Change in State Aid Funding for Pension	<u>(21,595)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 519,969</u></u>
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The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2019

	<u>AGENCY FUND</u>
<u>ASSETS</u>	
Cash	<u>\$ 173,862</u>
<u>LIABILITIES</u>	
Due to Other Funds	9,830
Due to Groups and Organizations	<u>164,032</u>
Total Liabilities	<u>173,862</u>
<u>NET POSITION</u>	<u><u>\$ 0</u></u>

The notes to the financial statements are an integral part of this statement.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Evart Public Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The School District ("the District") is located in Osceola, Mecosta, and Clare Counties with its administrative offices located in Evart, Michigan. The District operates under an elected 7-member board of education and provides services to its 898 students in elementary, middle school, high school, special education and adult education instruction, guidance, health, transportation, food service, athletics and recreation. The District receives funding from local, state, and federal government 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 generally accepted accounting principles. 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.

B. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The District does not have any business-type activities or component units.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The 2016 *Capital Projects Fund* accounts for the acquisition of capital assets or the construction of major capital projects.

Other non-major funds:

The *special revenue (School Food Service) fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes. The District accounts for its food service activities in a special revenue fund.

The *debt retirement fund* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Additionally, the District reports the following fiduciary fund:

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets that the District holds for others in an agency capacity.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, state and federal aid and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary Information

1. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) In June, the superintendent submits to the school board a proposed operating budget for the fiscal year commencing on July 1.
- b) A public hearing is conducted during June to obtain taxpayer comments.
- c) Prior to July 1, the budget is legally adopted by the School Board resolution pursuant to the Uniform Budgeting and Accounting Act. The Act requires that the budget be amended prior to the end of the fiscal year, when necessary, to adjust appropriations if it appears that revenues and other financial sources will be less than anticipated, or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated.
- d) The superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.
- e) For purposes of meeting emergency needs of the school district, transfer of appropriations may be made by the authorization of the superintendent. Such transfers of appropriations must be approved by the Board of Education at its next regularly scheduled meeting.
- f) During the year the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.
- g) Budgeted amounts are as originally adopted on June 29, 2018, or as amended by the School Board of Education throughout the year.

2. *Excess of Expenditures Over Appropriations*

Excess of expenditures over appropriations occurred in the following funds:

General Fund:

Instruction – Adult/Continuing Education expenditures of \$24,276 exceeded appropriations of \$21,898 by \$2,378

Support Services – Athletic activities expenditures of \$319,246 exceeded appropriations of \$197,785 by \$121,461.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash and Cash Equivalents*

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

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

2. *Investments*

Investments are carried at market value.

The District complies with State statutes regarding investment of funds.

The Board policy on investment of funds authorizes the District to invest as follows:

- a) Bonds, bills, or notes of the United States, or obligations, the principal and interest of which are fully guaranteed by the United States.
- b) Certificates of deposit issued by any state or national bank 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.

The District's deposits and investments are held separately by several of the District's funds. Some investments authorized by state law are shown as cash on the financial statements.

3. *Inventory and Prepaid Items*

Inventory is valued at cost on a first-in/first-out method. Inventory consists of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

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

The nonspendable fund balance at the governmental fund level is equal to the amount of inventories and prepaid items at year end to indicate the portion of the governmental fund balances that are nonspendable.

4. *Capital Assets*

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at their acquisition value on the date received.

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

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Land Improvements	20 years
Buildings and Additions	50 years
Machinery and Equipment	5-20 years
Transportation Equipment	8 years

The District's capitalization policy is to capitalize individual amounts exceeding \$5,000.

5. *Defined Benefit Plans*

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

6. *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 District has two items that qualify for reporting in this category. They are pension and other postemployment benefits related items reported in the government-wide *Statement of Net Position*. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expenses in the plan year for which they apply. Details can be found in footnote 3-E and 3-F.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The 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 two items that qualify for reporting in this category. They are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. Details can be found in footnote 3-E and 3-F.

7. *Net Position Flow Assumption*

Sometimes the District 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 and unrestricted – net position in the government-wide financial statements, a flow

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. *Fund Balance Flow Assumption*

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. 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.

9. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing board has by resolution authorized the superintendent to assign fund balance. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

10. *Unearned Revenue*

Unearned revenue arises when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized. The District has unearned revenue that is related to state and local grants/donations, with restrictions on how they can be spent, being received but as of the year end have not been spent.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

11. Use of Estimates

The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

12. Restricted Assets

Certain cash resources are classified as restricted assets on the balance sheet because their use is limited by applicable spending requirements and they are maintained in separate bank accounts.

H. Revenues and Expenditures/Expenses

1. State Revenue

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2019 the foundation allowance was based on pupil membership counts taken in February of 2018 and October of 2018. For fiscal year ended June 30, 2019, the per pupil foundation allowance was \$7,871 for Evart Public Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period and is funded through payments from October 2018 to August 2019. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year are recorded as unearned revenue. Other categorical funding is recognized when the appropriation is received.

2. Program Revenues

Amounts reported as program revenue 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. All taxes, including those dedicated for specific purposes, state foundation aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenue but instead as *general revenues*.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

3. *Property Taxes*

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are billed as of December 1. The due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

The various counties in which the District is located have tax revolving funds which allow the counties to pay off the various taxing units for their share of the current year real property taxes returned delinquent. Taxes receivable are uncollected delinquent personal property taxes.

For the year ended June 30, 2019 the District levied the following amounts per \$1,000 of taxable valuation:

<u>Fund</u>	<u>Mills</u>
General Fund - Non-Homestead Real	18.00
General Fund - Commercial PPT	6.00
Debt Service Fund - Homestead and Non-Homestead	2.44

4. *Compensated Absences*

District policy permits certain employees to accumulate earned but unused sick pay benefits which are paid when the employee separates from service with the District. A liability is recorded in the statement of net position for such amounts. No liability is recorded for accumulated vacation since hours earned do not vest.

5. *Long-Term Obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method over the term of the related obligation.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. *Violations of Legal or Contractual Provisions*

Note 1.F.2, on the Excess of Expenditures Over Appropriations, describes budgetary violations that occurred for the year ended June 30, 2019.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2019, the District's bank balance was \$3,618,546 and \$2,853,475 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The risk is spread amongst the District's funds. Although the District's investment policy does not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the deposits.

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

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSOs).

Concentration of credit risk. The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign currency risk. The District is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the District's investment policy does not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the investments.

Fair Market Value Disclosure - The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

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Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices from similar activities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S. government agency securities, corporate securities, and commercial paper.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are two types of valuation techniques most commonly used and vary depending on the level of investment. These two techniques are the market approach and income approach. The market approach uses prices and other relevant information generated by the market transactions involving identical or similar assets and liabilities. The income approach discounts future amounts to a single current amount and the discount rate used in the process should reflect current market expectations about risks associated with those future cash flows.

The District does not have any investments subject to the fair value measurement.

The carrying amount of deposits and investments is as follows:

	<u>Total</u>
Deposits – including Fiduciary Funds of \$173,862	\$ 3,412,131
Petty Cash	140
	<u>\$ 3,412,271</u>

The above amounts are reported in the financial statements as follows:

	<u>Total</u>
Cash - Fiduciary Funds	\$ 173,862
Cash - District-Wide	2,647,717
Cash - District-Wide - Restricted	590,692
	<u>\$ 3,412,271</u>

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B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor are as follows:

	GENERAL	NON-MAJOR	TOTAL
Accounts Receivable	\$ 12,991	\$ 531	\$ 13,522
Due from Other Governmental Units	1,260,307	15,995	1,276,302
Total Receivables	<u>\$ 1,273,298</u>	<u>\$ 16,526</u>	<u>\$ 1,289,824</u>

Amounts due from other governments include amounts due from federal, state, and local sources for various projects and programs.

Because of the District's favorable collection experience, no allowance for doubtful accounts has been recorded.

C. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets				
Land/Land Improvements	\$ 1,259,338	\$ 90,235	\$ 0	\$ 1,349,573
Buildings and Additions	14,136,916	384,232	0	14,521,148
Machinery and Equipment	3,345,765	80,370	0	3,426,135
Transportation Equipment	1,145,304	191,790	235,702	1,101,392
Subtotal	<u>19,887,323</u>	<u>746,627</u>	<u>235,702</u>	<u>20,398,248</u>
Less Accumulated Depreciation for:				
Land/Land Improvements	8,585	4,125	0	12,710
Buildings and Additions	3,639,900	240,102	0	3,880,002
Machinery and Equipment	3,045,567	52,286	0	3,097,853
Transportation Equipment	588,279	106,896	235,702	459,473
Accumulated Depreciation	<u>7,282,331</u>	<u>403,409</u>	<u>235,702</u>	<u>7,450,038</u>
Net Capital Assets	<u>\$ 12,604,992</u>	<u>\$ 343,218</u>	<u>\$ 0</u>	<u>\$ 12,948,210</u>

Depreciation for the fiscal year ended June 30, 2019 amounted to \$403,409. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

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D. Defined Benefit Plan and Post-Employment Benefits

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. MPSERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at www://Michigan.gov/mspers-cafr.

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

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & 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 of the System.

Benefit Provided - Overall

Introduction

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

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

Benefits Provided - Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. 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.

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Prior to pension reform of 2010 there were two plans commonly referred to as Basic and Member Investment Plan (MIP). Basic plan member's contributions range from 0% to 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990 contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990 or later, including Pension Plus plan members, contribute at various graduated permanently fixed contribution rates from 3.0% to 7.0%.

Pension Reform 2010

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

Pension Reform 2012

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

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below.

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

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

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

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

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

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012 choose between two retirement plans: the Pension Plus Plan and the Defined Contribution Plan that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) – Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

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

Benefits Provided – Other Postemployment Benefit (OPEB)

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, hearing, dental and vision coverage for retirees and

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beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus, plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

Eligibility – A basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years credited service provided member worked through 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount – The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% to 7% for pension and 0% to 3% for other postemployment benefits. Plan members electing the defined contribution plan are not required to make additional contributions.

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Employer Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of members and retiree other post-employment benefits (OPEB). 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.

For retirement and OPEB benefits, the unfunded (overfunded) actuarial accrued liability as of September 30, 2017 valuation will be amortized over a 21-year period beginning October 1, 2017 and ending September 30, 2038.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	<u>Pension</u>	<u>Other Postemployment Benefit</u>
October 1, 2017 - September 30, 2018	13.54% - 19.74%	7.42% - 7.67%
October 1, 2018 - September 30, 2019	13.39% - 19.59%	7.57% - 7.93%

The District's pension contributions for the year ended June 30, 2019 were equal to the required contribution total. Pension contributions were approximately \$1,394,000, with \$1,360,000 specifically for the Defined Benefit Plan.

The District's OPEB contributions for the year ended June 30, 2019 were equal to the required contribution total. OPEB benefits were approximately \$358,000, with \$338,000 specifically for the Defined Benefit Plan.

These amounts for both pension and OPEB, include contributions funded from state revenue Section 147c restricted to fund MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate. (100% for pension and 0% for OPEB)

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

Pension Liabilities

At June 30, 2019, the District reported a liability of \$15,622,408 for its proportionate share of the 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 date of September 30, 2017 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension

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liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2018 and 2017, the District's proportion was .0519676% and 0.0525678%.

MPSERS (Plan) Non-University Employers Net Pension Liability

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Total Pension Liability	\$ 79,863,694,444	\$ 72,407,218,688
Plan Fiduciary Net Position	49,801,889,205	46,492,967,573
Net Pension Liability	<u>\$ 30,061,805,239</u>	<u>\$ 25,914,251,115</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.36%	64.21%
Net Pension Liability as a Percentage of Covered Payroll	352.81%	309.13%

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

For the year ended June 30, 2019, the District recognized total pension expense of \$1,731,855.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 72,491	\$ 113,525
Changes of assumptions	3,618,137	0
Net difference between projected and actual earnings on pension plan investments	0	1,068,176
Changes in proportion and differences between District contributions and proportionate share of contributions	71,849	224,952
District section 147c revenue related to District Pension contributions subsequent to the measurement date	0	567,498
District contributions subsequent to the measurement date	1,290,164	0
Total	<u>\$ 5,052,641</u>	<u>\$ 1,974,151</u>

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\$1,290,164 reported as deferred outflows of resources and \$567,498 reported as deferred inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a net reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources (+) and deferred inflows of resources (-) related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2019	\$ 923,982
2020	735,084
2021	503,467
2022	193,291
	\$ 2,355,824

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

OPEB Liabilities

At June 30, 2019, the District reported a liability of 4,086,440 for its proportionate share of the 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 date of September 30, 2017 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2018 and 2017, the District's proportion was 0.05140854% and 0.05258412%.

MPSERS (Plan) Non-University Employers Net OPEB Liability

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Total OPEB Liability	\$ 13,932,170,264	\$ 13,920,945,991
Plan Fiduciary Net Position	5,983,218,473	5,065,474,948
OPEB Liability	\$ 7,948,951,791	\$ 8,855,471,043
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	42.95%	36.39%
OPEB Liability as a Percentage of Covered Payroll	93.29%	105.64%

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

For the year ended June 30, 2019, the District recognized total OPEB expense of \$177,064.

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 expected and actual experience	\$ 0	\$ 760,591
Changes of assumptions	432,756	0
Net difference between projected and actual earnings on OPEB plan investments	0	157,052
Changes in proportion and differences between District contributions and proportionate share of contributions	64	89,265
District contributions subsequent to the measurement date	307,729	0
Total	\$ 740,549	\$ 1,006,908

\$307,729 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources (+) and deferred inflows of resources (-) related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Amount
2019	\$ (139,127)
2020	(139,127)
2021	(139,127)
2022	(107,083)
2023	(49,624)
	\$ (574,088)

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G. Actuarial Assumptions

Investment rate of return for pension – 7.05% a year, compounded annually net of investment and administrative expenses for the Non-Hybrid groups and &.0% a year, compounded annually net of investment and administrative expenses for the Hybrid group (Pension Plus Plan).

Investment rate of return for OPEB – 7.15% a year, compounded annually net of investment and administrative expenses.

Salary increases - The rate of pay increase used for individual members is 2.75%.

Inflation – 3.0%

Mortality assumptions –

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

Active: RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Experience study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2017. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2017 valuation.

The long-term expected rate of return on pension and other postemployment benefit plan investments - The pension rate was 7.5% (7% Pension Plus Plan), and the other postemployment benefit rate was 7.5%, net of investment and administrative expenses 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.

Cost of Living Pension Adjustments – 3.0% annual non-compounded for MIP members.

Healthcare cost trend rate for other postemployment benefit – 7.5% for year one and graded to 3.5% to year twelve.

Additional assumptions for other postemployment benefit only – Applies to individuals hired before September 4, 2012:

Opt Out Assumption – 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.

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Survivor Coverage – 80% of male retirees and 67% of female retirees are assumed to have coverage 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.

The target asset allocation at September 30, 2017 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Pools	28.00%	5.60%
Alternative Investment Pools	18.00%	8.70%
International Equity	16.00%	7.20%
Fixed Income Pools	10.50%	-0.10%
Real Estate & Infrastructure Pools	10.00%	4.20%
Absolute Return Pools	15.50%	5.00%
Short-Term Investment Pools	2.00%	-0.90%
	<u>100%</u>	

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

Pension 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 Pension Plus 2 Plan). This discount rate was based on the long-term rate of return on pension plan investments of 7.05% (7.0% for the Pension Plus Plan and 6.00% for the Pension Plus 2 Plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will 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.

OPEB Discount Rate

The 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 school districts 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 project to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.05% (7.0% for the Pension Plus Plan and 6.00% for the Pension Plus 2 Plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

1% Decrease	Discount Rate	1% Increase
\$ 20,511,015	\$ 15,622,408	\$ 11,560,770

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

The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using the discount rate of 7.15%, as well as what the Reporting Unit's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

1% Decrease	Discount Rate	1% Increase
\$ 4,905,688	\$ 4,086,440	\$ 3,397,352

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

The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate of 7.5% (decreasing to 3.0%), as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
\$ 3,361,052	\$ 4,086,440	\$ 4,918,608

H. Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2018 Comprehensive Annual Financial Report.

I. Payables to the Pension Plan

As of June 30, 2019, the District is current on all required pension and OPEB plan payments. As of June 30, 2019, the District reported payables in the amount of \$226,696 to the pension and OPEB plan. These amounts

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

represent current payments for June wages paid in July, accruals for summer pay primarily for teachers and also the contributions due funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate.

J. Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees.

The Schools participate in a distinct pool of educational institutions within the State of Michigan for various risks of loss, including general liability, property and casualty, employee health and accident insurance, and workers' disability compensation. The pool is considered a public entity risk pool. The District pays annual premiums to each pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The District has not been informed of any special assessments being required.

K. Long-Term Obligations

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

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

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Compensated Absences	Net Pension Liability	Net OPEB Liability	Total
Long-Term Obligations at July 1, 2018	\$ 7,275,000	\$ 11,077	\$ 162,618	\$ 13,622,562	\$ 4,656,572	\$25,727,829
Increase in Obligation	0	0	0	3,414,936	0	3,414,936
Obligation Retired	(210,000)	(11,077)	(14,725)	(1,415,090)	(570,132)	(2,221,024)
Long-Term Obligations at June 30, 2019	7,065,000	0	147,893	15,622,408	4,086,440	26,921,741
Less Current Portion	(220,000)	0	unknown	unknown	unknown	(220,000)
Total Due After One Year	\$ 6,845,000	\$ 0	\$ 147,893	\$ 15,622,408	\$ 4,086,440	\$26,701,741

EVART PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The District's long-term obligations at June 30, 2019, are comprised of the following:

2016 Building and Site Bonds due is annual installments of \$220,000 to \$475,000 through May 1, 2040, with interest of 4.00%	\$ 7,065,000
Compensated Absences of Employee Vested Sick Pay Accumulations	147,893
Net Other Postemployment Liability	4,086,440
Net Pension Liability	<u>15,622,408</u>
TOTAL LONG-TERM OBLIGATIONS	<u><u>\$ 26,921,741</u></u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2019, including interest payments of \$3,504,000 are as follows:

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>GENERAL OBLIGATION BONDS</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020	\$ 220,000	\$ 282,600	\$ 502,600
2021	230,000	273,800	503,800
2022	240,000	264,600	504,600
2023	250,000	255,000	505,000
2024	260,000	245,000	505,000
2025-2029	1,460,000	1,060,800	2,520,800
2030-2034	1,780,000	744,200	2,524,200
2035-2039	2,150,000	359,000	2,509,000
2040	475,000	19,000	494,000
	<u>\$ 7,065,000</u>	<u>\$ 3,504,000</u>	<u>\$ 10,569,000</u>

The annual requirements to amortize the accumulated compensated absences, the net pension liability and the net OPEB liability are not included above because it is unknown when they will actually be paid.

Compensated absences, the net pension liability, and the net OPEB liability will be paid by the fund in which the employee worked, including the general fund and other governmental funds.

L. Interfund Receivables and Payables

	<u>INTERFUND</u> <u>RECEIVABLES</u>	<u>INTERFUND</u> <u>PAYABLES</u>
General Fund	\$ 9,830	\$ 10,183
2016 Debt Retirement Fund	10,183	0
Agency Fund	0	9,830
	<u>\$ 20,013</u>	<u>\$ 20,013</u>

EVART PUBLIC SCHOOLS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The outstanding balances between funds result mainly from the time lag between the dates that (1) recorded in the accounting system, and (3) payments between funds are made. All Interfund balances outstanding at June 30, 2019 are expected to be repaid within one year.

M. Interfund Transfers

	<u>TRANSFERS</u> <u>IN</u>	<u>TRANSFERS</u> <u>OUT</u>
General Fund	\$ 25,950	\$ 0
School Service Fund - Food Service	0	25,950
	<u>\$ 25,950</u>	<u>\$ 25,950</u>

Transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The food service fund transferred \$25,950 to the General Fund for indirect costs.

N. Other Information

1. Commitments and Contingencies

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required, and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the District.

Prior to June 30, 2019, the District has committed to spend approximately \$37,000 to refinish the high school gym floor. The District has also awarded a contract in the amount of \$290,267 for an elementary parent bus loop.

2. Single Audit

Current federal guidelines require entities with federal expenditures exceeding \$750,000 to have a “single audit” of federally funded programs. This audit is being performed and the reports based thereon will be issued under a separate cover.

O. 2016 School Building and Site Capital Projects Fund

The capital projects funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of §1351a of the Revised School Code.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

P. Subsequent Event

Subsequent to the end of the District's fiscal year, the District approved to spend approximately \$38,500 for a door canopy at the elementary school gym.

No adjustments were made to the financial statements as a result of the subsequent event.

NOTE 4 – UPCOMING ACCOUNTING PRONOUNCEMENTS

The District is currently evaluating the impact these standards will have on the financial statements when adopted.

GASB Statement No. 84, *Fiduciary Activities*, was issued by the GASB in January 2017 and will be effective for the District's 2020 fiscal year-end. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Districts with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

Governmental Account Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017 and will be effective for the District's 2021 year end. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2019

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>REVENUES</u>			
Local Sources	\$ 1,913,737	\$ 2,004,825	\$ 2,101,172
State Sources	6,081,948	6,544,667	6,489,828
Federal Sources	365,863	581,917	496,056
Other Transactions	165,000	212,357	242,390
Total Revenues	8,526,548	9,343,766	9,329,446
<u>EXPENDITURES</u>			
Instruction			
Basic Programs	4,633,129	4,763,186	4,538,352
Added Needs	968,980	989,067	922,802
Adult/Continuing Education	18,778	21,898	24,276
Supporting Services			
Pupil	447,618	416,057	398,204
Instructional Staff	124,589	144,574	104,571
General Administration	95,992	94,762	87,711
School Administration	543,615	537,370	513,616
Business	221,493	225,493	217,047
Operation and Maintenance	893,105	958,500	921,475
Pupil Transportation Services	656,990	727,995	677,047
Central Services	166,608	182,793	162,028
Athletics	198,085	197,785	319,246
Community Services			
Community Activities	5,000	5,057	4,540
Non-Public Schools	3,965	6,841	5,688
Debt Service			
Principal	19,447	20,447	11,077
Interest	553	553	553
Total Expenditures	8,997,947	9,292,378	8,908,233
Excess (Deficiency) of Revenues Over Expenditures	(471,399)	51,388	421,213
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In	0	0	25,950
Net Change in Fund Balance	(471,399)	51,388	447,163
<u>FUND BALANCE</u> - Beginning of Year	1,731,527	1,731,527	1,731,527
<u>FUND BALANCE</u> - End of Year	\$ 1,260,128	\$ 1,782,915	\$ 2,178,690

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)
JUNE 30, 2019

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability (%)						0.05197%	0.05257%	0.05203%	0.05243%	0.05423%
District's proportionate share of net pension liability						\$ 15,622,408	\$ 13,622,562	\$ 12,980,860	\$ 12,805,734	\$ 11,945,288
District's covered payroll						4,373,115	4,438,437	4,382,250	4,363,808	4,602,567
District's proportionate share of net pension liability as a percentage of its covered payroll						357.24%	306.92%	296.21%	293.45%	259.54%
Plan fiduciary net position as a percentage of total pension liability						62.36%	64.21%	63.27%	63.17%	66.20%

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2019

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions						\$ 1,360,669	\$ 1,323,194	\$ 1,258,730	\$ 1,213,043	\$ 1,021,749
Contributions in relation to statutorily required contributions *						\$ 1,360,669	1,323,194	1,258,730	1,213,043	1,021,749
Contribution deficiency (excess)						\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll						\$ 4,440,466	\$ 4,363,510	\$ 4,576,930	\$ 4,381,052	\$ 4,390,142
Contributions as a percentage of covered payroll						30.64%	30.32%	27.50%	27.69%	23.27%

* Contributions in relation to statutorily contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)
JUNE 30, 2019

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability (%)									0.05141%	0.05257%
District's proportionate share of net OPEB liability									\$ 4,086,440	\$ 4,656,572
District's covered payroll									4,373,115	4,438,437
District's proportionate share of net OPEB liability as a percentage of its covered payroll									93.44%	104.91%
Plan fiduciary net position as a percentage of total OPEB liability									42.95%	36.39%

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OTHER POSTEMPLOYMENT CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)
JUNE 30, 2019

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions									\$ 338,501	\$ 315,198
Contributions in relation to statutorily required contributions *									338,501	315,198
Contribution deficiency (excess)									\$ 0	\$ 0
Covered Payroll									\$ 4,440,466	\$ 4,363,510
Contributions as a percentage of covered payroll									7.62%	7.22%

* Contributions in relation to statutorily contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR YEAR ENDED JUNE 30, 2019

A. Changes of Benefit Terms:

There were no changes of benefit terms for the plan year ended September 30, 2018.

B. Changes of Assumptions:

There were no changes of benefit assumptions for the plan year ended September 30, 2018.

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EVART PUBLIC SCHOOLS
EVART, MICHIGAN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2019

	<u>FOOD SERVICE</u>	<u>2016 DEBT RETIREMENT FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 212,580	\$ 365,854	\$ 578,434
Accounts Receivable	531	0	531
Due from Other Funds	0	10,183	10,183
Due from Other Governments	15,995	0	15,995
Inventory	6,045	0	6,045
	<hr/>		
TOTAL ASSETS	\$ 235,151	\$ 376,037	\$ 611,188
<hr/>			
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,131	\$ 0	\$ 2,131
Accrued Expenditures	549	0	549
	<hr/>		
Total Liabilities	2,680	0	2,680
<hr/>			
<u>FUND BALANCE</u>			
Nonspendable			
Inventory	6,045	0	6,045
Restricted for:			
Food Service	226,426	0	226,426
Debt Service	0	376,037	376,037
	<hr/>		
Total Fund Balance	232,471	376,037	608,508
<hr/>			
TOTAL LIABILITIES AND FUND BALANCE	\$ 235,151	\$ 376,037	\$ 611,188
<hr/>			

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2019

	<u>FOOD SERVICE</u>	<u>2016 DEBT RETIREMENT FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>			
Local Sources	\$ 73,729	\$ 562,064	\$ 635,793
State Sources	18,330	19,822	38,152
Federal Sources	465,846	0	465,846
	<hr/>		
Total Revenues	557,905	581,886	1,139,791
<hr/>			
<u>EXPENDITURES</u>			
Food Service Activities	493,300	0	493,300
Debt Service	0	502,850	502,850
	<hr/>		
Total Expenditures	493,300	502,850	996,150
<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	64,605	79,036	143,641
<hr/>			
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer In/(Out)	(25,950)	0	(25,950)
	<hr/>		
Net Change in Fund Balance	38,655	79,036	117,691
<hr/>			
<u>FUND BALANCE</u> - Beginning of Year	193,816	297,001	490,817
	<hr/>		
<u>FUND BALANCE</u> - End of Year	\$ 232,471	\$ 376,037	\$ 608,508
	<hr/> <hr/>		

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

GENERAL FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash	\$ 2,069,283	\$ 1,775,497
Due from Other Funds	9,830	0
Accounts Receivable	12,991	2,848
Prepaid Expenditures	11,721	0
Due from Other Governmental Units	1,260,307	1,162,654
	<hr/>	<hr/>
TOTAL ASSETS	\$ 3,364,132	\$ 2,940,999
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 51,971	\$ 84,656
Accrued Expenditures	246,971	246,616
Salaries Payable	485,734	487,812
Due to Other Funds	10,183	11,631
Due to Other Governmental Units	321,082	342,737
Unearned Revenue	69,501	36,020
	<hr/>	<hr/>
Total Liabilities	1,185,442	1,209,472
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Nonspendable, Prepaid Expenditures	9,037	0
Assigned for Subsequent Year Budget Shortfall	565,005	471,399
Unassigned	1,604,648	1,260,128
	<hr/>	<hr/>
Total Fund Balance	2,178,690	1,731,527
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,364,132	\$ 2,940,999
	<hr/> <hr/>	<hr/> <hr/>

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2018

	<u>2019</u>		<u>2018</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Local Sources	\$ 2,004,825	\$ 2,101,172	\$ 2,021,175
State Sources	6,544,667	6,489,828	6,209,665
Federal Sources	581,917	496,056	463,499
Other Transactions	212,357	242,390	190,882
	<hr/>		
Total Revenues	9,343,766	9,329,446	8,885,221
	<hr/>		
<u>EXPENDITURES</u>			
Instruction			
Basic Programs			
Elementary	1,782,798	1,682,315	1,575,570
Middle School	1,644,586	1,576,645	1,541,315
High School	1,284,398	1,255,621	1,119,123
Summer School	51,404	23,771	8,622
Added Needs			
Special Education	625,036	587,507	686,368
Compensatory Education	364,031	335,295	324,680
Adult/Continuing Education	21,898	24,276	11,710
Supporting Services			
Pupil			
Guidance Services	88,241	87,798	107,076
Health Services	21,000	18,397	289
Social Work Services	120,100	117,934	43,997
Other Pupil Services	186,716	174,075	175,309
Instructional Staff			
Improvement of Instruction	45,493	22,684	30,311
Educational Media Services	52,623	43,288	59,201
Technology Assisted Instruction	23,734	20,191	18,124
Supervision and Direction of Instructional Staff	22,724	18,408	17,012
General Administration			
Board of Education	43,786	37,334	38,440
Executive Administration	50,976	50,377	55,867
School Administration			
Office of the Principal	537,370	513,616	545,973

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2018

	<u>2019</u>		<u>2018</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Business			
Fiscal Services	191,493	183,276	192,645
Other Business Services	34,000	33,771	25,970
Operation and Maintenance	958,500	921,475	805,298
Pupil Transportation Services	727,995	677,047	605,699
Central Services			
Staff Personnel Services	36,826	31,058	26,907
Technology	145,967	130,970	133,959
Support Services - Other			
Athletics	197,785	319,246	226,142
Community Services			
Community Activities	5,057	4,540	5,024
Non-Public School Pupils	6,841	5,688	3,587
Debt Service			
Principal	20,447	11,077	11,630
Interest	553	553	0
Prior Period Adjustments	0	0	17,632
	<hr/>	<hr/>	<hr/>
Total Expenditures	9,292,378	8,908,233	8,413,480
Excess (Deficiency) of Revenues Over Expenditures	51,388	421,213	471,741
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	0	25,950	25,950
Net Change in Fund Balance	51,388	447,163	497,691
<u>FUND BALANCE</u> - Beginning of Year	1,233,836	1,731,527	1,233,836
<u>FUND BALANCE</u> - End of Year	<hr/> <u>\$ 1,285,224</u>	<hr/> <u>\$ 2,178,690</u>	<hr/> <u>\$ 1,731,527</u>

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
<u>LOCAL SOURCES</u>		
Property Tax Levy	\$ 1,887,411	\$ 1,866,010
Tuition		
Drivers Education Tuition	10,000	7,425
Earnings on Investments and Deposits	2,200	1,608
Rental of School Property	24,650	23,736
Donations	2,500	102,652
USF Refunds	850	850
Athletics	0	34,229
Miscellaneous	77,214	64,662
	<u>2,004,825</u>	<u>2,101,172</u>
 <u>STATE SOURCES</u>		
Grants-In-Aid Unrestricted		
State School Aid		
Proposal A Obligation	2,147,000	2,152,996
Discretionary Payment	2,867,309	2,855,318
Other Unrestricted State Aid	55,000	52,255
Grants-In-Aid Restricted		
State School Aid		
MPSERS	688,455	688,455
At Risk	460,550	428,677
Special Education Headlee	226,050	226,050
Other Restricted State Aid	100,303	86,077
	<u>6,544,667</u>	<u>6,489,828</u>
 <u>FEDERAL SOURCES</u>		
Grants-In-Aid Restricted		
Title I	419,571	381,396
Title II - Part A - Improving Teacher Quality	117,877	71,072
Title V	17,266	17,266
Title IV	25,241	24,360
Medicaid Administrative Outreach	1,962	1,962
	<u>581,917</u>	<u>496,056</u>

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

GENERAL FUND
ANALYSIS OF REVENUES
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>ACTUAL</u>
<u>OTHER TRANSACTIONS</u>		
Transfers Intermediate School District		
Special Education	156,782	156,781
School Based Medicaid	55,575	55,575
Prior Period Adjustments	0	30,034
	<hr/>	<hr/>
Total Other Transactions	212,357	242,390
	<hr/>	<hr/>
TOTAL REVENUES	\$ 9,343,766	\$ 9,329,446
	<hr/> <hr/>	<hr/> <hr/>

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

<u>INSTRUCTION</u>	<u>BUDGET</u>	<u>ACTUAL</u>
<u>Basic Programs</u>		
<u>Elementary</u>		
Salaries	\$ 890,933	\$ 882,323
Employee Benefits	774,180	738,054
Purchased Services	45,116	13,888
Supplies and Materials	71,819	47,730
Other Expenditures	750	320
Total Elementary	<u>1,782,798</u>	<u>1,682,315</u>
<u>Middle School</u>		
Salaries	845,442	837,847
Employee Benefits	706,024	667,772
Purchased Services	20,347	16,731
Supplies and Materials	72,149	53,740
Other Expenditures	624	555
Total Middle School	<u>1,644,586</u>	<u>1,576,645</u>
<u>High School</u>		
Salaries	604,382	594,089
Employee Benefits	524,289	510,820
Purchased Services	107,320	106,129
Supplies and Materials	47,432	44,183
Other Expenditures	975	400
Total High School	<u>1,284,398</u>	<u>1,255,621</u>
<u>Summer School</u>		
Salaries	33,800	16,150
Employee Benefits	11,693	5,369
Supplies and Materials	5,911	2,252
Total Summer School	<u>51,404</u>	<u>23,771</u>
<u>Added Needs</u>		
<u>Special Education</u>		
Salaries	390,275	375,283
Employee Benefits	228,586	206,684
Purchased Services	6,175	5,540
Total Special Education	<u>625,036</u>	<u>587,507</u>

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>ACTUAL</u>
<u>Compensatory Education</u>		
Salaries	209,122	205,490
Employee Benefits	119,240	111,143
Purchased Services	3,163	3,162
Supplies and Materials	19,536	4,262
Other Expenditures	12,970	11,238
Total Compensatory Education	<u>364,031</u>	<u>335,295</u>
<u>Adult/Continuing Education</u>		
Salaries	13,082	18,050
Employee Benefits	5,340	5,934
Purchased Services	500	292
Supplies and Materials	2,976	0
Total Adult/Continuing Education	<u>21,898</u>	<u>24,276</u>
TOTAL INSTRUCTION	<u>5,774,151</u>	<u>5,485,430</u>
<u>SUPPORTING SERVICES</u>		
<u>Pupil</u>		
<u>Guidance Services</u>		
Salaries	51,065	51,064
Employee Benefits	28,647	28,244
Purchased Services	2,744	2,743
Supplies and Materials	5,785	5,747
Total Guidance Services	<u>88,241</u>	<u>87,798</u>
<u>Health Services</u>		
Purchased Services	20,000	18,334
Supplies and Materials	1,000	63
Total Health Services	<u>21,000</u>	<u>18,397</u>
<u>Social Work Services</u>		
Salaries	72,982	72,727
Employee Benefits	46,421	44,510
Purchased Services	197	197
Supplies and Materials	500	500
Total Health Services	<u>120,100</u>	<u>117,934</u>

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>ACTUAL</u>
<u>Other Pupil Services</u>		
Salaries	114,090	108,535
Employee Benefits	59,442	52,361
Purchased Services	10,734	10,734
Outgoing Transfers and Other Transactions	2,450	2,445
Total Other Pupil Services	<u>186,716</u>	<u>174,075</u>
<u>Instructional Staff</u>		
<u>Improvement of Instruction</u>		
Salaries	20,167	12,939
Employee Benefits	7,225	4,345
Purchased Services	12,246	3,118
Supplies and Materials	2,260	2,260
Other Expense	3,595	22
Total Improvement of Instruction	<u>45,493</u>	<u>22,684</u>
<u>Educational Media Services</u>		
Salaries	33,100	27,719
Employee Benefits	19,439	15,533
Supplies and Materials	84	36
Total Educational Media Services	<u>52,623</u>	<u>43,288</u>
<u>Technology Assisted Instruction</u>		
Purchased Services	2,968	2,925
Supplies and Materials	20,766	17,266
Total Technology Assisted Instruction	<u>23,734</u>	<u>20,191</u>
<u>Supervision and Direction of Instructional Staff</u>		
Salaries	12,279	10,092
Employee Benefits	7,717	5,816
Supplies and Materials	2,478	2,500
Other Expense	250	0
Total Supervision and Direction of Instructional Staff	<u>22,724</u>	<u>18,408</u>

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>ACTUAL</u>
<u>General Administration</u>		
<u>Board of Education</u>		
Salaries	4,000	2,648
Employee Benefits	36	14
Purchased Services	35,450	30,624
Supplies and Materials	1,600	1,375
Other Expense	2,700	2,673
Total Board of Education	<u>43,786</u>	<u>37,334</u>
<u>Executive Administration</u>		
Salaries	40,000	40,000
Employee Benefits	3,176	3,079
Purchased Services	5,000	4,616
Supplies and Materials	1,100	1,026
Other Expenditures	1,700	1,656
Total Executive Administration	<u>50,976</u>	<u>50,377</u>
<u>School Administration</u>		
<u>Office of the Principal</u>		
Salaries	329,153	320,580
Employee Benefits	204,442	191,290
Purchased Services	3,775	1,746
Total Office of the Principal	<u>537,370</u>	<u>513,616</u>
<u>Business</u>		
<u>Fiscal Services</u>		
Salaries	106,910	106,534
Employee Benefits	72,483	67,019
Purchased Services	10,100	8,112
Supplies and Materials	2,000	1,611
Total Fiscal Services	<u>191,493</u>	<u>183,276</u>
<u>Other Business Services</u>		
Insurance	<u>34,000</u>	<u>33,771</u>

EVART PUBLIC SCHOOLS

EVART, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>ACTUAL</u>
<u>Operation and Maintenance</u>		
Salaries	252,500	245,736
Employee Benefits	182,000	169,263
Purchased Services	278,200	253,034
Supplies and Materials	244,800	233,442
Capital Outlay	1,000	20,000
Total Operation and Maintenance	<u>958,500</u>	<u>921,475</u>
<u>Pupil Transportation Services</u>		
Salaries	296,137	278,797
Employee Benefits	175,853	166,668
Purchased Services	21,700	17,347
Supplies and Materials	111,300	103,782
Capital Outlay	119,705	108,066
Other Expense	3,300	2,387
Total Pupil Transportation Services	<u>727,995</u>	<u>677,047</u>
<u>Central Services</u>		
<u>Staff Personnel Services</u>		
Salaries	16,963	16,962
Employee Benefits	6,056	6,055
Purchased Services	13,807	8,041
Total Staff Personnel Services	<u>36,826</u>	<u>31,058</u>
<u>Technology</u>		
Salaries	67,000	63,100
Employee Benefits	32,067	28,859
Purchased Services	21,500	21,211
Supplies and Materials	19,000	15,189
Capital Outlay	6,400	2,611
Total Technology	<u>145,967</u>	<u>130,970</u>

EVART PUBLIC SCHOOLS
EVART, MICHIGAN
GENERAL FUND
ANALYSIS OF EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
<u>Support Services - Other</u>		
<u>Athletics</u>		
Salaries	141,900	138,666
Employee Benefits	55,885	53,573
Purchased Services	0	23,942
Supplies and Materials	0	79,425
Capital Outlay	0	17,581
Other Expenditures	0	6,059
Total Athletics	197,785	319,246
 TOTAL SUPPORTING SERVICES	 3,485,329	 3,400,945
 <u>COMMUNITY SERVICES</u>		
<u>Community Activities</u>		
Supplies and Materials	5,057	4,540
 <u>Non-Public School Pupils</u>		
Purchased Services	6,841	5,688
 TOTAL COMMUNITY SERVICES	 11,898	 10,228
 <u>DEBT SERVICE</u>		
Principal	20,447	11,077
Interest	553	553
Total Debt Service	21,000	11,630
 TOTAL EXPENDITURES	 \$ 9,292,378	 \$ 8,908,233

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

SCHOOL SERVICE FUNDS - FOOD SERVICE
BALANCE SHEET

AS OF JUNE 30, 2019

ASSETS

Cash	\$ 212,580
Accounts Receivable	531
Due From Other Governments	15,995
Inventory - Food	<u>6,045</u>
 TOTAL ASSETS	 <u><u>\$ 235,151</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 2,131
Accrued Expenditures	<u>549</u>
 Total Liabilities	 <u>2,680</u>

FUND BALANCE

Nonspendable	
Inventory	6,045
Restricted for Food Service	<u>226,426</u>
 Total Fund Balance	 <u>232,471</u>

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 235,151</u></u>
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EVART PUBLIC SCHOOLS

EVART, MICHIGAN

SCHOOL SERVICE FUNDS - FOOD SERVICE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF JUNE 30, 2019

REVENUES

Local Sources

Food Sales to Pupils	\$ 41,700
Headstart	16,414
Ala Carte Sales	10,049
Food Sales to Adults	2,020
Refunds and Rebates	3,045
Interest on Investments	501

State Sources

State Aid - Regular	18,330
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Federal Sources

Federal Aid	426,306
U.S.D.A. Entitlement Commodities	39,540

Total Revenues	<u>557,905</u>
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EXPENDITURES

Salaries	125,465
Employee Benefits	51,852
Purchased Services	10,530
Supplies and Materials	
Food Purchases	165,067
Milk	39,327
Donated Commodities	39,540
Miscellaneous Supplies	12,284
Capital Outlay	47,724
Other Expense	1,511
Total Expenditures	<u>493,300</u>

Excess (Deficiency) of Revenues Over Expenditures	64,605
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OTHER FINANCING SOURCES (USES)

Transfer Out	<u>(25,950)</u>
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Net Change in Fund Balance	38,655
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<u>FUND BALANCE</u> - Beginning of Year	<u>193,816</u>
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<u>FUND BALANCE</u> - End of Year	<u>\$ 232,471</u>
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EVART PUBLIC SCHOOLS
EVART, MICHIGAN

2016 CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Restricted Cash	\$ 590,692	\$ 1,119,713
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 21,967
<u>FUND BALANCE</u>		
Restricted for Capital Projects	<u>590,692</u>	<u>1,097,746</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 590,692</u>	<u>\$ 1,119,713</u>

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

2016 CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2019</u>	<u>2018</u>
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 12,601	\$ 20,683
<u>EXPENDITURES</u>		
Capital Improvements	487,218	2,668,448
Technology	32,437	36,976
Total Expenditures	<u>519,655</u>	<u>2,705,424</u>
Net Change in Fund Balance	(507,054)	(2,684,741)
<u>FUND BALANCE</u> - Beginning of Year	<u>1,097,746</u>	<u>3,782,487</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 590,692</u>	<u>\$ 1,097,746</u>

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

2016 DEBT RETIREMENT FUND
BALANCE SHEET

JUNE 30, 2019

ASSETS

Cash	\$ 365,854
Due from Other Funds	<u>10,183</u>

TOTAL ASSETS	<u><u>\$ 376,037</u></u>
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LIABILITIES AND FUND BALANCE

<u>LIABILITIES</u>	\$ 0
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FUND BALANCE

Restricted for Debt Service	<u>376,037</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 376,037</u></u>
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EVART PUBLIC SCHOOLS
EVART, MICHIGAN

2016 DEBT RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

REVENUES

Local Sources	
Property Tax Levy	\$ 560,220
Earnings on Investments and Deposits	1,844
State Sources	<u>19,822</u>
 Total Revenues	 <u>581,886</u>

EXPENDITURES

Redemption of Serial Bonds	210,000
Interest on Debt	290,902
Taxes Abated	1,448
Paying Agent Fees	<u>500</u>
 Total Expenditures	 <u>502,850</u>

Net Change in Fund Balance 79,036

FUND BALANCE - Beginning of Year 297,001

FUND BALANCE - End of Year \$ 376,037

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

AGENCY FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

YEAR ENDED JUNE 30, 2019

	BALANCE 7/01/18	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/19
Athletic Revolving Account				
Boy's Basketball Camp	\$ 1,608	\$ 68	\$ 125	\$ 1,551
Girl's Basketball Camp	1,078	7,592	6,336	2,334
Girl's Volleyball	1,581	269	369	1,481
Cross Country	820	11,190	8,473	3,537
Baseball	6,105	2,290	5,421	2,974
Business Club	447	0	0	447
Care for Kids	170	0	0	170
Cat Shack Store	855	0	0	855
Champions of Evart	2,426	6,200	6,800	1,826
Cheerleaders	583	8,420	6,805	2,198
Class of 2002	786	0	0	786
Class of 2014	396	0	0	396
Class of 2016	971	0	0	971
Class of 2017	52	55	55	52
Class of 2018	3,279	0	0	3,279
Class of 2019	113	0	113	0
Class of 2020	19,965	29,688	21,963	27,690
Class of 2021	1,723	5,067	1,497	5,293
Class of 2022	1,481	9,029	4,494	6,016
Class of 2023	634	1,147	1,002	779
Class of 2024	121	1,136	0	1,257
Class of 2025	177	3,645	3,160	662
Class of 2026	0	7,822	7,053	769
Computer Club	609	0	0	609
Drama Class	578	0	0	578
Elementary Bookstore	10,918	11,263	6,566	15,615
Elementary Leader in Me	1,868	5,119	5,532	1,455
Flower Fund	62	463	296	229
Football	2,744	25,201	13,804	14,141
Forensics	360	0	0	360
French Club	114	0	0	114
Future Homemakers of America	9	0	0	9
Girls on the Run	305	2,275	926	1,654
Great Outdoors	2	0	0	2
High School Art	19	0	0	19
High School Bookstore	0	781	804	(23)
High School Choir	517	0	0	517
High School Shop	604	1,445	0	2,049

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

AGENCY FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE</u>
	<u>7/01/18</u>	<u>(Including Transfers)</u>		<u>6/30/19</u>
High School Tree Fund	361	0	0	361
High School Yearbook	2,133	2,877	3,797	1,213
Interest Account	1,363	396	34	1,725
J Stevens BB/SB Memorial Fund	1,120	0	0	1,120
Middle School Bookstore	1,583	20,970	17,629	4,924
Middle School Physical Education	1,358	4,071	4,133	1,296
Middle School Track	238	0	0	238
Middle School Robotics	0	3,042	857	2,185
Middle School Student Council	1,969	1,232	712	2,489
Music Department	6,001	3,799	2,897	6,903
National Honor Society	1,260	3,454	2,373	2,341
National Junior Honors Society	272	0	0	272
Parents for Kids	13,603	14,860	14,991	13,472
Playground	0	9,455	9,455	0
Robotics	5,066	8,545	7,321	6,290
Senior D.C. Trip	1,160	25,370	26,372	158
Softball	919	1,521	1,594	846
Students for Environmental Action	330	0	0	330
Spanish Club	126	180	180	126
Student Council	1,733	5,187	5,807	1,113
Students Against Drunk Driving	303	0	0	303
Sweet Shop	139	0	0	139
Varsity Track	2,793	6,767	5,408	4,152
Wrestling Club	9,001	6,519	6,135	9,385
	<u>\$ 116,911</u>	<u>\$ 258,410</u>	<u>\$ 211,289</u>	<u>\$ 164,032</u>
 Represented by				
Assets				
Cash	<u>\$ 116,911</u>			<u>\$ 173,862</u>
 Liabilities				
Due to Other Funds	\$ 0			\$ 9,830
Due to Groups and Organizations	<u>116,911</u>			<u>164,032</u>
Total Liabilities	<u>\$ 116,911</u>			<u>\$ 173,862</u>

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EVART PUBLIC SCHOOLS
EVART, MICHIGAN

2016 SCHOOL BUILDING AND SITE BONDS
JUNE 30, 2019

<u>TITLE OF ISSUE</u>	2016 School Building and Site Bonds		
<u>DATE OF ISSUE</u>	February 23, 2016		
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year		
<u>AMOUNT OF ISSUE</u>		\$	7,660,000
<u>AMOUNT REDEEMED</u>			
Prior to Current Year	\$	385,000	
During Current Year		210,000	595,000
<u>BALANCE OUTSTANDING - June 30, 2019</u>		\$	7,065,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2019		\$ 141,300	\$ 141,300	
May 1, 2020	4.000 %	361,300	141,300	\$ 220,000
November 1, 2020		136,900	136,900	
May 1, 2021	4.000 %	366,900	136,900	230,000
November 1, 2021		132,300	132,300	
May 1, 2022	4.000 %	372,300	132,300	240,000
November 1, 2022		127,500	127,500	
May 1, 2023	4.000 %	377,500	127,500	250,000
November 1, 2023		122,500	122,500	
May 1, 2024	4.000 %	382,500	122,500	260,000
November 1, 2024		117,300	117,300	
May 1, 2025	4.000 %	387,300	117,300	270,000
November 1, 2025		111,900	111,900	
May 1, 2026	4.000 %	391,900	111,900	280,000
November 1, 2026		106,300	106,300	
May 1, 2027	4.000 %	396,300	106,300	290,000
November 1, 2027		100,500	100,500	
May 1, 2028	4.000 %	405,500	100,500	305,000
November 1, 2028		94,400	94,400	
May 1, 2029	4.000 %	409,400	94,400	315,000
November 1, 2029		88,100	88,100	
May 1, 2030	4.000 %	418,100	88,100	330,000
November 1, 2030		81,500	81,500	

EVART PUBLIC SCHOOLS
EVART, MICHIGAN

2016 SCHOOL BUILDING AND SITE BONDS
JUNE 30, 2019

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2031	4.000 %	421,500	81,500	340,000
November 1, 2031		74,700	74,700	
May 1, 2032	4.000 %	429,700	74,700	355,000
November 1, 2032		67,600	67,600	
May 1, 2033	4.000 %	437,600	67,600	370,000
November 1, 2033		60,200	60,200	
May 1, 2034	4.000 %	445,200	60,200	385,000
November 1, 2034		52,500	52,500	
May 1, 2035	4.000 %	452,500	52,500	400,000
November 1, 2035		44,500	44,500	
May 1, 2036	4.000 %	459,500	44,500	415,000
11/1/206		36,200	36,200	
May 1, 2037	4.000 %	466,200	36,200	430,000
November 1, 2037		27,600	27,600	
May 1, 2038	4.000 %	472,600	27,600	445,000
November 1, 2038		18,700	18,700	
May 1, 2039	4.000 %	478,700	18,700	460,000
November 1, 2029		9,500	9,500	
May 1, 2040	4.000 %	484,500	9,500	475,000
		<u>\$ 10,569,000</u>	<u>\$ 3,504,000</u>	<u>\$ 7,065,000</u>

