

GENESEE INTERMEDIATE SCHOOL DISTRICT

REPORT ON FINANCIAL STATEMENTS
(with required supplementary and additional
supplementary information)

JUNE 30, 2019

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October 29, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Genesee Intermediate School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

-I-

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genesee Intermediate School District's basic financial statements. The combining and individual non-major fund and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such combining and individual non-major fund and other schedules and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2019, on our consideration of the Genesee Intermediate School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Genesee Intermediate School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Genesee Intermediate School District's internal control over financial reporting and compliance.

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GENESEE INTERMEDIATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

As administration of Genesee Intermediate School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019.

Financial Highlights

- * The liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$55,754,970 (net position).
- * The District's total net position increased by \$2,715,037. The increase was primarily due to an increase in property tax revenue and other local revenue, as well as increases in District assets.

Governmental Activities

- * The general fund had an increase in fund balance of \$1,322,956. Total fund balance for the general fund was \$10,792,262, or 19%, of total general fund expenditures.
- * The special education fund had an increase in fund balance of \$2,409,105. Total fund balance for the special education fund was \$13,919,496, or 17%, of total special education fund expenditures.
- * The career technical education fund had an increase in fund balance of \$452,666. Total fund balance for the career technical fund was \$4,421,786, or 27%, of total career technical education fund expenditures.

Business-Type Activities

- * The general local district services fund had an increase in net position of \$1,118,355. Total net position for the general local district services fund was (\$5,624,376).
- * The special education local district services fund had a decrease in net position of \$1,224,658. Total net position for the special education district services fund was (\$7,426,671).

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District financially as a whole. The District-Wide Financial Statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The financial statements then proceed to provide an increasingly detailed look at specific financial activities included in the fund financial statements. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements provide information about the School District's most significant funds - the General Fund, Special Education Fund, Career Technical Education Fund, and Special Education Capital Projects Fund. All other funds are presented in one column as non-major funds.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities - One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by private-sector corporations. However, the School District's goal is to provide services to our students, not to generate profits as private-sector corporations do. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

GENESEE INTERMEDIATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

Reporting the District as a Whole (Continued)

The statement of net position and the statement of activities present information about the following:

Governmental Activities - All of the District's basic services are considered to be governmental activities, including instruction, support services, community services, food services, and transfers to other local districts. Property taxes, intergovernmental revenues (unrestricted and restricted State Aid), and charges for services finance most of these activities. These two statements report the District's net position and changes therein. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, political conditions at the State Capitol, student enrollment growth, birth rates, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Proprietary funds – Consists of county-wide interactive voice, data and video network (GENNET), shared services for technology, business, and custodial, energy savings consortium, Interactive Television (ITV) and online courses, transportation services for special education students in the county and transportation services for vocational education students in the county to and from the Genesee Career Institute.

The government-wide financial statements can be found on pages 1 - 2 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements - The fund financial statements provide detailed information about the most significant funds - not the District as a whole. The fund financial statements begin on page 3 and provide detailed information about the most significant funds. The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." The District's two types of funds: governmental funds and fiduciary funds use different accounting approaches as further discussed in the notes to the financial statements. In the fund financial statements, capital assets purchased by cash are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 3 and 4 of this report.

Proprietary Funds - use the accrual basis of accounting, the same as on the government-wide statements, therefore the statements will essentially match the business-type activities portion of the government-wide statements.

The financial statements can be found on page 5 - 7 of this report.

Fiduciary Funds - The District is the fiduciary for various student group activities. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets.

The basic fiduciary fund financial statement can be found on page 8 of this report.

Additional Information - The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 9 - 32 of this report.

GENESEE INTERMEDIATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF NET POSITION:

	(IN MILLIONS)					
	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	ACTIVITIES		ACTIVITIES			
	2019	2018	2019	2018	2019	2018
<u>Assets</u>						
Other Assets	\$74.3	\$76.8	\$11.2	\$9.4	\$85.5	\$86.2
Capital Assets	39.5	33.6	5.1	4.7	44.6	38.3
Total Assets	\$113.8	\$110.4	\$16.3	\$14.1	\$130.1	\$124.5
<u>Deferred Outflows of Resources</u>						
Total Assets and Deferred Outflows of Resources	45.1	26.7	10.5	5.9	55.6	32.6
	\$158.9	\$137.1	\$26.8	\$20.0	\$185.7	\$157.1
<u>Liabilities</u>						
Other Liabilities	174.0	163.7	34.7	30.1	208.7	193.8
Long-Term Liabilities	7.7	7.9	0.0	0.0	7.7	7.9
Total Liabilities	\$181.7	\$171.6	\$34.7	\$30.1	\$216.4	\$201.7
<u>Deferred Inflows of Resources</u>						
Total Liabilities and Deferred Inflows of Resources	20.3	11.3	4.8	2.5	25.1	13.8
	\$202.0	\$182.9	\$39.5	\$32.6	\$241.5	\$215.5
<u>Net Position</u>						
Net Investment in Capital Assets	32.3	26.1	5.1	4.7	37.4	30.8
Unrestricted	(75.4)	(71.9)	(17.7)	(17.3)	(93.1)	(89.2)
<u>TOTAL NET POSITION</u>	<u>(\$43.1)</u>	<u>(\$45.8)</u>	<u>(\$12.6)</u>	<u>(\$12.6)</u>	<u>(\$55.7)</u>	<u>(\$58.4)</u>

The above analysis focuses on the net position. The change in net position of the School District's governmental activities is discussed below. The net position differs from fund balances and the reconciliation appears on page 3.

The District's net position reflects its investment in capital assets, and capital projects (i.e. land, buildings, vehicles, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The results of this year's operations for the School District as a whole are reported in the statement of activities (see table above), which shows the changes in net position for fiscal year 2019.

GENESEE INTERMEDIATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS:

For the fiscal years ended June 30, 2019 and 2018, the District wide results of operations were:

	(IN MILLIONS)					
	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	ACTIVITIES		ACTIVITIES			
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$0.8	\$1.5	\$21.8	\$21.7	\$22.6	\$23.2
Operating Grants and Contributions	68.2	61.4	0.0	0.0	68.2	61.4
General Revenues:					0.0	
Property Taxes	37.1	36.2	0.0	0.0	37.1	36.2
Grants and State Aid	47.9	49.3	0.0	0.0	47.9	49.3
Other	0.9	2.8	4.4	1.2	5.3	4.0
Total Revenues	\$154.9	\$151.2	\$26.2	\$22.9	\$181.1	\$174.1
Functions/Program Expenses						
Instruction	47.0	44.8	0.0	0.0	47.0	44.8
Support Services	66.1	66.1	0.0	0.0	66.1	66.1
Community Services	1.9	1.7	0.0	0.0	1.9	1.7
Depreciation and Other	3.2	2.9	0.0	0.0	3.2	2.9
Local District Services	0.0	0.0	26.2	24.3	26.2	24.3
Total Expenses	\$118.2	\$115.5	\$26.2	\$24.3	\$144.4	\$139.8
Excess Before Transfers	\$36.7	\$35.7	\$0.0	(\$1.4)	\$36.7	\$34.3
Transfers to Local Districts	34.0	31.7	0.0	0.0	34.0	31.7
<u>Change in Net Position</u>	<u>\$2.7</u>	<u>\$4.0</u>	<u>\$0.0</u>	<u>(\$1.4)</u>	<u>\$2.7</u>	<u>\$2.6</u>

The District's net position increased by \$2.7 million during the current fiscal year. The increase in net position differs from the change in fund balances and the reconciliation appears on page 4.

The net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State aid constitute the vast majority of the School District's operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

GENESEE INTERMEDIATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

Budgeting and Operating Highlights

The School District's budgets are prepared according to Michigan law. The most significant budgeted funds are the General Fund, Special Education Fund and Career Technical Education Fund.

During the fiscal year ended June 30, 2019, the School District amended the budgets of the General Fund, Special Education, Vocational Education and Special Education Capital Projects Fund three times. State law requires that the budget be amended to ensure that expenditures do not exceed appropriation. A schedule showing the School District's General Fund, Special Education Fund and Vocational Education Fund original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

General Fund

The general fund actual revenue and other financing sources was \$59.06 million. The amount is less than the final budget estimate of \$63.06 million. The variance was \$4 million, or 6%. The variance is primarily due to aligning grant revenues allocated for Great Start Readiness Program, Early Head Start, Competitive School Safety, and Flint Water Emergency.

The actual expenditures and other financing uses of the general fund was \$57.74 million, which is below the final budget estimate of \$61.95 million. The variance was \$4.2 million, or 7%. The variance is primarily due to aligning grant expenditures allocated for Great Start Readiness Program, Early Head Start, Competitive School Safety, and Flint Water Emergency.

The general fund had total revenues of \$59.06 million and total expenditures of \$57.74 million with a net increase in fund balance of \$1.32 million and an ending fund balance of \$10.79 million.

Special Education Fund

The special education fund actual revenue and other financing sources was \$81.96 million. The amount is more than the final budget estimate of \$81.91 million. The variance was \$50 thousand, or less than 1%.

The actual expenditures and other financing uses of the special education fund was \$79.56 million, which is below the final budget estimate of \$79.81 million. The variance was \$250 thousand, or less than 1%.

The special education fund had total revenues of \$81.96 million and total expenditures of \$79.56 million with a net increase in fund balance of \$2.4 million and an ending fund balance of \$13.92 million.

Vocational Education Fund

The vocational education fund actual revenue and other financing sources was \$16.64 million. The amount is more than the final budget estimate of \$16.55 million. The variance was \$89 thousand, or 1%.

The actual expenditures and other financing uses of the vocational education fund was \$16.19 million, which is below the final budget estimate of \$16.13 million. The variance was \$60 thousand, or less than 1%.

The vocational education fund had total revenues of \$16.64 million and total expenditures of \$16.19 million with a net increase in fund balance of \$452 thousand and an ending fund balance of \$4.42 million.

GENESEE INTERMEDIATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

A. Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2019 amounted to \$31.62 million (net of accumulated depreciation). This investment in capital assets included land, building, land improvements, machinery and equipment, and licensed vehicles. Capital assets at fiscal year-end included the following:

	Capital Assets	
	(Net of Depreciation)	
	2019	2018
Construction in Progress	\$7,881,175	\$2,091,316
Land	186,167	186,167
Buildings and Improvements	17,071,296	17,839,576
Land Improvements	12,150,121	11,379,996
Furniture and Equipment	1,156,619	1,169,747
Vehicles and Buses	1,051,168	919,994
<u>Total capital assets, net</u>	\$31,615,371	\$31,495,480

The District's investment in capital assets for its business-type activities as of June 30, 2019 amounted to \$5.07 million (net of accumulated depreciation). This investment in capital assets included furniture, equipment and buses. Capital assets at fiscal year-end included the following:

	Capital Assets	
	(Net of Depreciation)	
	2019	2018
Furniture and Equipment	\$644,098	\$782,513
Buses	4,422,090	3,928,456
<u>Total capital assets, net</u>	\$5,066,188	\$4,710,969

Additional information on the District's capital assets can be found in Note 4.

B. Debt

At the end of the current fiscal year, the District had total long-term debt outstanding of \$7.71 million. Long-term debt at fiscal year-end included the following:

	Governmental		Business-Type	
	2019	2018	2019	2018
	General Obligation Bonds	\$7,188,765	\$7,450,258	\$0
Compensated Absences	525,251	482,715	167,482	133,314
Total Long-Term Debt	\$7,714,016	\$7,932,973	\$167,482	\$133,314

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

GENESEE INTERMEDIATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget

The following factors will affect the District in the future and were considered in preparing the District's budget for the 2019-2020 fiscal year:

- * Foundation Allowance – The foundation allowance for 2019-2020 is budgeted to remain flat.

- * Retirement Rate
The continuing cost of health insurance to current and potential retirees continues to drive the rate increase the Michigan School Employees Retirement System recommends to the legislature for approval. In 2019-20, the rate is anticipated to increase to 27.5% for the 2019-2020 fiscal year. Additionally, the District will be required to pay 12.41%, for all wages earned October 1, 2019 and later, for the Unfunded Actuarial Accrued Liability (UAAL). Additional funding through state aid Section 147c MPSERS UAAL Stabilization is projected to assist with the increased retirement rate, although the annual reconciliation recognized a \$340,000 shortfall in expenses in comparison to the amount of Section 147c funds received.

- * The Genesee Intermediate School District 2019/2020 adopted budget is as follows:

	<u>General</u>	<u>Special Ed.</u>	<u>Career Tech.</u>	<u>Total</u>
<u>REVENUE</u>	\$53,624,157	\$81,290,388	\$16,688,586	\$151,603,131
<u>EXPENDITURES</u>	<u>56,401,938</u>	<u>80,593,959</u>	<u>17,152,005</u>	<u>154,147,902</u>
<u>NET OVER (UNDER) BUDGET</u>	<u>(\$2,777,781)</u>	<u>\$696,429</u>	<u>(\$463,419)</u>	<u>(\$2,544,771)</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Genesee Intermediate School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Cynthia McCain
Assistant Superintendent for Business
Genesee Intermediate School District
2413 West Maple Avenue, Flint, Michigan 48507-3493
Fax (810) 591-4864, Office Telephone (810) 591-4400
or Email - cmccain@geneseeisd.org

BASIC FINANCIAL STATEMENTS

GENESEE INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$37,278,817	\$8,918,293	\$46,197,110
Investments	12,661,564	0	12,661,564
Accounts Receivable	3,136,454	2,105,111	5,241,565
Taxes Receivable	6,338	0	6,338
Due from Other Governmental Units	20,831,684	92	20,831,776
Inventory	8,264	0	8,264
Prepaid Expenditures	423,053	223,752	646,805
Capital Assets, Not Being Depreciated - Construct. in Progress	7,881,175	0	7,881,175
Capital Assets, Not Being Depreciated - Land	186,167	0	186,167
Capital Assets, Net of Accumulated Depreciation	31,429,204	5,066,188	36,495,392
Total Assets	<u>\$113,842,720</u>	<u>\$16,313,436</u>	<u>\$130,156,156</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Related to Pensions	39,094,095	9,140,445	48,234,540
Related to Postemployment Benefits	5,975,475	1,397,103	7,372,578
Total Deferred Outflows of Resources	<u>\$45,069,570</u>	<u>\$10,537,548</u>	<u>\$55,607,118</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
	\$158,912,290	\$26,850,984	\$185,763,274
<u>LIABILITIES</u>			
Accounts Payable	13,527,371	345,861	13,873,232
Due to Other Governmental Units	1,269,225	0	1,269,225
Salaries Payable	2,216,192	750	2,216,942
Accrued Expenditures	789,381	937	790,318
Unearned Revenue	9,901,772	14,213	9,915,985
Long-Term Obligations - Due in One Year	266,493	0	266,493
Long-Term Obligations - Due in More than One Year	7,447,523	167,482	7,615,005
Net Pension Liability	115,572,123	27,021,490	142,593,613
Net Other Postemployment Benefits Liability	30,702,533	7,178,446	37,880,979
Total Liabilities	<u>\$181,692,613</u>	<u>\$34,729,179</u>	<u>\$216,421,792</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to State Aid Funding for Pension & OPEB	4,268,268	997,949	5,266,217
Related to Pensions	9,090,478	2,125,411	11,215,889
Related to Other Postemployment Benefits	6,981,927	1,632,419	8,614,346
Total Deferred Inflows of Resources	<u>\$20,340,673</u>	<u>\$4,755,779</u>	<u>\$25,096,452</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
	\$202,033,286	\$39,484,958	\$241,518,244
<u>NET POSITION</u>			
Net Investment in Capital Assets	32,307,781	5,066,188	37,373,969
Restricted	(38,800)	0	(38,800)
Unrestricted	<u>(75,389,977)</u>	<u>(17,700,162)</u>	<u>(93,090,139)</u>
<u>TOTAL NET POSITION</u>	<u>(\$43,120,996)</u>	<u>(\$12,633,974)</u>	<u>(\$55,754,970)</u>

See notes to the financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges For Services	Program Specific Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction	\$46,986,031	\$0	\$0	(\$46,986,031)	\$0	(\$46,986,031)
Support Services	66,142,058	825,054	51,520,475	(13,796,529)	0	(13,796,529)
Community Services	1,864,967	0	0	(1,864,967)	0	(1,864,967)
Outgoing Transfers and Other Uses	427,407	0	0	(427,407)	0	(427,407)
Transfers to Local Districts	33,979,771	0	16,682,234	(17,297,537)	0	(17,297,537)
Food Service	425,522	20,701	0	(404,821)	0	(404,821)
Depreciation - Unallocated	2,374,555	0	0	(2,374,555)	0	(2,374,555)
Total Governmental Activities	<u>\$152,200,311</u>	<u>\$845,755</u>	<u>\$68,202,709</u>	<u>(\$83,151,847)</u>	<u>\$0</u>	<u>(\$83,151,847)</u>
Business-Type Activities:						
Local District Services	<u>26,210,257</u>	<u>21,770,545</u>	<u>0</u>	<u>0</u>	<u>(4,439,712)</u>	<u>(4,439,712)</u>
<u>TOTALS</u>	<u>\$178,410,568</u>	<u>\$22,616,300</u>	<u>\$68,202,709</u>	<u>(\$83,151,847)</u>	<u>(\$4,439,712)</u>	<u>(\$87,591,559)</u>
General Revenues:						
Property Taxes, Levied for General Purpose				4,048,729	0	4,048,729
Property Taxes, Levied for Special Education Purpose				23,584,617	0	23,584,617
Property Taxes, Levied for Career Technical Education Purpose				9,434,345	0	9,434,345
State Aid				40,887,574	0	40,887,574
Interdistrict Sources				6,184,372	0	6,184,372
Grants and Contributions Not Restricted to Specific Program:				845,443	0	845,443
Investment Earnings				590,692	0	590,692
Miscellaneous				1,102,266	3,628,558	4,730,824
Transfers				(805,963)	805,963	0
Total General Revenues and Transfers				<u>\$85,872,075</u>	<u>\$4,434,521</u>	<u>\$90,306,596</u>
Change in Net Position				<u>\$2,720,228</u>	<u>(\$5,191)</u>	<u>\$2,715,037</u>
Change in Net Position - Beginning of Year				<u>(45,841,224)</u>	<u>(12,628,783)</u>	<u>(58,470,007)</u>
<u>Net Position - End of Year</u>				<u>(\$43,120,996)</u>	<u>(\$12,633,974)</u>	<u>(\$55,754,970)</u>

See notes to the financial statements

GENESEE INTERMEDIATE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Education Fund	Career Technical Education Fund	Special Education Capital Projects
<u>ASSETS</u>				
Cash and Cash Equivalents	\$8,542,802	\$6,904,641	\$4,596,994	\$9,997,772
Investments	3,827,598	7,429,129	1,404,837	0
Receivables:				
Accounts Receivable	1,942,540	106,681	36,711	25
Taxes Receivable	692	4,033	1,613	0
Due From Other Governmental Units	8,806,817	10,786,033	1,215,498	0
Due From Other Funds	22	0	0	0
Inventory	0	0	0	0
Prepaid Expenditures	286,501	133,050	3,502	0
<u>TOTAL ASSETS</u>	<u>\$23,406,972</u>	<u>\$25,363,567</u>	<u>\$7,259,155</u>	<u>\$9,997,797</u>
<u>LIABILITIES</u>				
Accounts Payable	\$4,841,968	\$6,001,000	\$1,917,188	\$443,737
Due to Other Governmental Units	854,226	371,095	43,904	0
Due to Other Funds	0	0	0	0
Salaries Payable	356,259	1,337,510	522,423	0
Accrued Expenditures	116,860	454,366	179,355	0
Unearned Revenue	6,445,397	3,280,100	174,499	0
Total Liabilities	<u>\$12,614,710</u>	<u>\$11,444,071</u>	<u>\$2,837,369</u>	<u>\$443,737</u>
<u>FUND BALANCES</u>				
Non-Spendable				
Inventory	0	0	0	0
Prepaid Expenditures	286,501	133,050	3,502	0
Committed				
Capital Projects	0	0	0	9,554,060
Restricted				
School Service	0	0	0	0
Special Education	0	13,786,446	0	0
Career Technical Education	0	0	4,418,284	0
Assigned	6,104,716	0	0	0
Unassigned	4,401,045	0	0	0
Total Fund Balances	<u>\$10,792,262</u>	<u>\$13,919,496</u>	<u>\$4,421,786</u>	<u>\$9,554,060</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$23,406,972</u>	<u>\$25,363,567</u>	<u>\$7,259,155</u>	<u>\$9,997,797</u>

See notes to the financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

		Total Governmental Fund Balances:	\$46,681,033
		Amounts reported for governmental activities in the statement of net position are different because:	
Non-Major Governmental Funds	Total Governmental Funds	Deferred Outflows of Resources - Related to Pensions	39,094,095
\$7,236,608	\$37,278,817	Deferred Outflows of Resources - Related to OPEB	5,975,475
0	12,661,564	Deferred Inflow Related to State Aid Funding for Pension & OPEB	(4,268,268)
1,050,497	3,136,454	Deferred Inflows of Resources - Related to Pensions	(9,090,478)
0	6,338	Deferred Inflows of Resources - Related to OPEB	(6,981,927)
23,336	20,831,684	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds	
0	22	Capital Assets	\$60,537,986
8,264	8,264	Less: Accumulated Depreciation	<u>(28,922,615)</u>
0	423,053	Capital Assets, Net of Accumulated Depreciation	31,615,371
<u>\$8,318,705</u>	<u>\$74,346,196</u>		
		Construction in Progress	7,881,175
\$323,478	\$13,527,371	Accrued Interest on Long-Term Debt	(38,800)
0	1,269,225	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
22	22	General Obligation Bonds	\$7,188,765
0	2,216,192	Compensated Absences Payable	<u>525,251</u>
0	750,581	Total	(7,714,016)
1,776	9,901,772	Net Pension Liability	(115,572,123)
<u>\$325,276</u>	<u>\$27,665,163</u>	Net Other Postemployment Benefits Liability	<u>(30,702,533)</u>
8,264	8,264	<u>TOTAL NET POSITION -</u>	
0	423,053	<u>GOVERNMENTAL ACTIVITIES</u>	
7,958,773	17,512,833	<u>(\$43,120,996)</u>	
26,392	26,392		
0	13,786,446		
0	4,418,284		
0	6,104,716		
0	4,401,045		
<u>\$7,993,429</u>	<u>\$46,681,033</u>		
<u>\$8,318,705</u>	<u>\$74,346,196</u>		

GENESEE INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General Fund	Special Education Fund	Career Technical Education Fund	Special Education Capital Projects
<u>REVENUES</u>				
Local Sources	\$6,159,752	29,368,879	\$9,885,002	\$20,109
State Sources	23,598,687	31,926,614	5,235,732	0
Federal Sources	23,173,699	18,302,425	1,265,920	0
Interdistrict Sources	5,690,943	493,429	0	0
Total Revenues	<u>\$58,623,081</u>	<u>\$80,091,347</u>	<u>\$16,386,654</u>	<u>\$20,109</u>
<u>EXPENDITURES</u>				
Instruction	19,398,123	20,429,408	5,546,626	0
Student Services	4,405,139	14,576,002	319,137	0
Instructional Staff	9,496,431	1,706,117	1,658,737	0
General Administration	756,875	613,803	72,023	0
School Administration	759,324	1,341,906	709,924	0
Business Administration	942,228	1,677,389	205,587	0
Operation & Maintenance	3,053,548	2,026,194	1,245,610	0
Transportation	1,233,381	7,823,041	838,116	0
Support Services - Other	4,378,880	3,794,206	405,822	0
Community Services	1,818,179	46,788	0	0
Outgoing Transfers and Other Uses	73,384	117,056	487,800	0
Food Service	0	0	0	0
Capital Outlay	0	0	0	3,534,894
Total Expenditures	<u>\$46,315,492</u>	<u>\$54,151,910</u>	<u>\$11,489,382</u>	<u>\$3,534,894</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$12,307,589	\$25,939,437	\$4,897,272	(\$3,514,785)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers (to) Local Districts	(9,579,957)	(22,257,621)	(2,142,193)	0
Transfers In From Other Funds	445,000	1,820,000	145,000	1,900,000
Transfers Out to Other Funds	(1,850,000)	(3,150,000)	(2,560,000)	(570,000)
Other Transfers	324	57,289	112,587	0
Total Other Financing Sources (Uses)	<u>(\$10,984,633)</u>	<u>(\$23,530,332)</u>	<u>(\$4,444,606)</u>	<u>\$1,330,000</u>
Net Change in Fund Balance	\$1,322,956	\$2,409,105	\$452,666	(\$2,184,785)
<u>FUND BALANCE - BEGINNING OF YEAR</u>				
	<u>9,469,306</u>	<u>11,510,391</u>	<u>3,969,120</u>	<u>11,738,845</u>
<u>FUND BALANCE - END OF YEAR</u>				
	<u>\$10,792,262</u>	<u>\$13,919,496</u>	<u>\$4,421,786</u>	<u>\$9,554,060</u>

See notes to the financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
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

<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Total net change in fund balances - governmental funds	\$198,285
		Amounts reported for governmental activities in the statement of activities are different because:	
\$44,039	\$45,477,781	Governmental funds report capital outlays as expenditures.	
28,864	60,789,897	However, in the statement of activities, the cost of those assets is	
362,208	43,104,252	allocated over their estimated useful lives as depreciation expense.	
0	6,184,372	Capital Outlay	\$2,494,446
<u>\$435,111</u>	<u>\$155,556,302</u>	Depreciation Expense	<u>(2,374,555)</u>
		Total	119,891
0	45,374,157	Construction in Progress	5,789,859
0	19,300,278		
0	12,861,285	Principal Payments on Bonds	250,000
0	1,442,701		
0	2,811,154	Amortization of Bond Premium	11,493
0	2,825,204		
0	6,325,352	Change in accrued interest on long-term liabilities	833
0	9,894,538		
0	8,578,908	Change in accrued compensated absences	(42,536)
0	1,864,967		
0	678,240	Some expenses reported in the statement of activities do not require the use of	
420,471	420,471	current financial resources and, therefore, are not reported as expenditures in	
4,830,334	8,365,228	the governmental Funds.	
<u>\$5,250,805</u>	<u>\$120,742,483</u>	State Aid Funding for Pension & OPEB	476,403
		Pension Related Items	(5,277,898)
(\$4,815,694)	\$34,813,819	OPEB Related Items	<u>1,193,898</u>
		<u>CHANGE IN NET POSITION OF</u>	
		<u>GOVERNMENTAL ACTIVITIES</u>	<u>\$2,720,228</u>
0	(33,979,771)		
4,029,037	8,339,037		
(1,015,000)	(9,145,000)		
0	170,200		
<u>\$3,014,037</u>	<u>(\$34,615,534)</u>		
(\$1,801,657)	\$198,285		
9,795,086	46,482,748		
<u>\$7,993,429</u>	<u>\$46,681,033</u>		

GENESEE INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	General Local District Services	Special Education Local District Services	Non-Major Career Tech Education Local District Services	Total
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash	\$3,333,290	\$4,369,925	\$1,215,078	\$8,918,293
Accounts Receivable	1,702,616	335,405	67,090	2,105,111
Due from Other Governmental Units	92	0	0	92
Prepaid Expenditures	223,752	0	0	223,752
Total Current Assets	<u>\$5,259,750</u>	<u>\$4,705,330</u>	<u>\$1,282,168</u>	<u>\$11,247,248</u>
<u>NON-CURRENT ASSETS</u>				
Capital Assets, Net of Accumulated Depreciation	644,098	3,908,360	513,730	5,066,188
<u>TOTAL ASSETS</u>	<u>\$5,903,848</u>	<u>\$8,613,690</u>	<u>\$1,795,898</u>	<u>\$16,313,436</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Related to Pensions	3,588,650	5,112,861	438,934	9,140,445
Related to Postemployment Benefits	548,520	781,493	67,090	1,397,103
Total Deferred Outflows of Resources	<u>\$4,137,170</u>	<u>\$5,894,354</u>	<u>\$506,024</u>	<u>\$10,537,548</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>\$10,041,018</u>	<u>\$14,508,044</u>	<u>\$2,301,922</u>	<u>\$26,850,984</u>
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable	228,991	111,403	5,467	345,861
Salaries Payable	750	0	0	750
Accrued Expenditures	937	0	0	937
Unearned Revenue	14,213	0	0	14,213
Total Current Liabilities	<u>\$244,891</u>	<u>\$111,403</u>	<u>\$5,467</u>	<u>\$361,761</u>
<u>NON-CURRENT LIABILITIES</u>				
Pension Liability	10,608,965	15,114,923	1,297,602	27,021,490
Net Other Postemployment Benefits Liability	2,818,345	4,015,384	344,717	7,178,446
Compensated Absences	126,017	32,781	8,684	167,482
Total Non-Current Liabilities	<u>\$13,553,327</u>	<u>\$19,163,088</u>	<u>\$1,651,003</u>	<u>\$34,367,418</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Related to State Aid Funding for Pension & OPEB	391,807	558,219	47,923	997,949
Related to Pensions	834,462	1,188,884	102,065	2,125,411
Related to Other Postemployment Benefits	640,907	913,121	78,391	1,632,419
Total Deferred Inflows of Resources	<u>\$1,867,176</u>	<u>\$2,660,224</u>	<u>\$228,379</u>	<u>\$4,755,779</u>
<u>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>	<u>\$15,665,394</u>	<u>\$21,934,715</u>	<u>\$1,884,849</u>	<u>\$39,484,958</u>
<u>NET POSITION</u>				
<u>NET POSITION</u>				
Net Investment in Capital Assets	644,098	3,908,360	513,730	5,066,188
Unrestricted	(6,268,474)	(11,335,031)	(96,657)	(17,700,162)
<u>TOTAL NET POSITION</u>	<u>(\$5,624,376)</u>	<u>(\$7,426,671)</u>	<u>\$417,073</u>	<u>(\$12,633,974)</u>

See notes to the financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	General Local District Services	Special Education Local District Services	Non-Major Career Tech Education Local District Services	Total After Interfund Eliminations
<u>OPERATING REVENUES</u>				
Charges for Services	\$10,229,585	\$10,449,619	\$1,091,341	\$21,770,545
Other Miscellaneous Revenue	2,992,753	586,230	49,575	3,628,558
Total Operating Revenues	<u>\$13,222,338</u>	<u>\$11,035,849</u>	<u>\$1,140,916</u>	<u>\$25,399,103</u>
<u>OPERATING EXPENSES</u>				
Salaries & Wages	3,067,552	4,400,151	377,900	7,845,603
Employee Benefits	2,037,227	3,209,546	250,120	5,496,893
Purchased Services	6,296,488	1,010,335	88,023	7,394,846
Supplies & Materials	119,284	1,608,679	192,965	1,920,928
Capital Outlay	5,885	135	30	6,050
Other Expenses	679,377	13,344	329	693,050
Depreciation Expense	150,432	592,106	20,884	763,422
Pension Expense	601,210	1,316,090	103,694	2,020,994
OPEB (Revenue) Expense	(47,509)	110,121	5,859	68,471
Total Operating Expenses	<u>\$12,909,946</u>	<u>\$12,260,507</u>	<u>\$1,039,804</u>	<u>\$26,210,257</u>
Net Operating Revenue (Expense)	\$312,392	(\$1,224,658)	\$101,112	(\$811,154)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from Other Funds	850,000	743,858	230,243	1,824,101
Transfers to Other Funds	(44,037)	(743,858)	(230,243)	(1,018,138)
Total Other Financing Sources (Uses)	<u>\$805,963</u>	<u>\$0</u>	<u>\$0</u>	<u>\$805,963</u>
Net Revenue (Expense)	\$1,118,355	(\$1,224,658)	\$101,112	(\$5,191)
<u>NET POSITION - BEGINNING OF YEAR</u>	<u>(6,742,731)</u>	<u>(6,202,013)</u>	<u>315,961</u>	<u>(12,628,783)</u>
<u>NET POSITION - END OF YEAR</u>	<u>(\$5,624,376)</u>	<u>(\$7,426,671)</u>	<u>\$417,073</u>	<u>(\$12,633,974)</u>

See notes to the financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	General Local District Services	Special Education Local District Services	Non-Major Career Tech Education Local District Services	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from Local Districts	\$9,808,714	\$10,454,334	\$1,079,604	\$21,342,652
Receipts from Other Sources	2,963,137	586,230	49,575	3,598,942
Payments to Suppliers	(7,109,843)	(2,649,772)	(291,863)	(10,051,478)
Payments to Employees	(5,076,787)	(7,604,742)	(626,799)	(13,308,328)
Net Cash Provided By Operating Activities	<u>\$585,221</u>	<u>\$786,050</u>	<u>\$210,517</u>	<u>\$1,581,788</u>
<u>CASH FLOWS FROM INVESTING AND RELATED FINANCING ACTIVITIES</u>				
Purchases of Capital Assets	<u>(12,017)</u>	<u>(918,684)</u>	<u>(187,940)</u>	<u>(1,118,641)</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>				
	\$573,204	(\$132,634)	\$22,577	\$463,147
<u>BALANCES - BEGINNING OF YEAR</u>				
	<u>2,760,086</u>	<u>4,502,559</u>	<u>1,192,501</u>	<u>8,455,146</u>
<u>BALANCES - END OF YEAR</u>				
	<u>\$3,333,290</u>	<u>\$4,369,925</u>	<u>\$1,215,078</u>	<u>\$8,918,293</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided</u>				
<u>By Operating Activities</u>				
Operating Income (Loss)	\$1,118,355	(\$1,224,658)	\$101,112	(\$5,191)
Adjustments to Reconcile Operating Income to Net Cash				
Provided By Operating Activities:				
Depreciation Expense	150,432	592,106	20,884	763,422
Change in Assets and Liabilities:				
Receivables	(420,871)	4,715	(11,737)	(427,893)
Prepays	(108,728)	0	0	(108,728)
Compensated Absences	27,992	4,955	1,221	34,168
Payables	99,919	(17,279)	(10,516)	72,124
Due to Other Funds	(850,000)	0	0	(850,000)
Pension Related Assets & Liabilities	553,701	1,426,211	109,553	2,089,465
Accrued Expenses	208	0	0	208
Unearned Revenue	14,213	0	0	14,213
<u>Net Cash Provided By Operating Activities</u>				
	<u>\$585,221</u>	<u>\$786,050</u>	<u>\$210,517</u>	<u>\$1,581,788</u>

See notes to the financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

	<u>Trust & Agency</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	<u>\$261,381</u>
<u>TOTAL ASSETS</u>	<u><u>\$261,381</u></u>
<u>LIABILITIES</u>	
Due to Student Groups	\$246,533
Due to Employee Groups	<u>14,848</u>
<u>TOTAL LIABILITIES</u>	<u><u>\$261,381</u></u>

See notes to the financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

B) REPORTING ENTITY

The District is governed by an elected five-member Board of Education. The accompanying basic financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are part of the District's reporting entity and which organizations are legally separate component units of the District. Based on application of the criteria, the District does not contain component units.

The District receives funding from local, state, federal and interdistrict government sources and must comply with the accompanying requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" body that has separate legal standing and is fiscally independent of the governmental entities. As such, the Board of Education has decision-making authority, the authority to levy taxes, and determine its budget, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

C) BASIS OF PRESENTATION

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements – Fund financial statements report detailed information about the School District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) BASIS OF PRESENTATION (Continued)

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

D) BASIC FINANCIAL STATEMENTS

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. The same element of the individual governmental fund or proprietary fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

The District reports the following major funds:

Major Governmental Funds

General Fund – The general fund is used to account for all financial resources except those required to be accounted for and reported in another fund. A new fund, Genesee Opportunity fund, was created in the current year. This fund is included in the general fund and its net fund balance is shown as restricted. The general fund balance is available for any purpose provided it is expended or transferred according to the laws of the State of Michigan.

Special Education Fund – The special education fund is used to account for financial resources to be used specifically for providing special education services to students within the School District.

Career Technical Education Fund - The career technical education fund is used to account for financial resources to be used specifically for providing vocational education services to students within the School District.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) BASIC FINANCIAL STATEMENTS (Continued)

Major Governmental Funds(Continued)

Special Education Capital Projects – The capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

Major Proprietary Funds

General Local Districts Services Fund - The activities of the General Fund within the Proprietary Fund are county-wide interactive voice, data and video network (GENNET), shared services for technology, business, and custodial, energy savings consortium, Interactive Television (ITV) and online courses.

Special Education Local Districts Services Fund - The activity of Special Education within the Proprietary Fund is transportation services for special education students in the county.

The District reports the following non-major funds:

Non-Major Governmental Funds

Special Revenue Funds – The Special Revenue Funds are used to segregate the transactions of particular activities from regular revenue and expenditure accounts. The District maintains full control of these funds. The District maintains one special revenue fund: School Service.

Capital Projects Funds – The capital projects funds account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds. The District maintains two capital projects funds (General and Durant Capital Projects).

Career Technical Education Capital Projects – The capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

Non-Major Proprietary Funds

Career Technical Education Local Districts Services Fund - The activity of Career Technical Education within the Proprietary Fund is transportation services for vocational education students in the county to and from the Genesee Area Skill Center.

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The District's fiduciary funds consist of agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are used to account for amount held for student and employee groups.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available, means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within approximately sixty days of the fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before it can be recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Unearned Revenue – Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as Unearned Revenue. The long-term portion of the receivable for fees charged to local districts for the GENNET project have also been recorded as Unearned Revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as Unearned Revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) CASH AND CASH EQUIVALENTS/INVESTMENTS

Cash and cash equivalents include amounts in demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the district intends to hold the investment until maturity.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by no less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

G) INVENTORIES AND PREPAID COSTS

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

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements.

H) CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) using a \$5,000 capitalization threshold. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u> <u>Estimated Lives</u>
Buildings and Improvements	20 – 50 years
Land Improvements	5 – 20 years
Furniture and Equipment	5 – 10 years
Vehicles and Buses	5 – 10 years

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

J) COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated vacation, sick leave, and severance benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts are included both for employees who are currently eligible to receive termination payments and for other employees who are expected to become eligible in the future to receive such payments upon termination.

K) LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

L) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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 the 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 expensed in the plan year in which they apply.

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualifies for reporting in this category. The first is restricted state aid funding deferred to offset deferred outflows related to section 147c pension and other postemployment benefit contributions subsequent to the measurement period. The second and third items 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. The amounts are amortized over a period determined by the actuary.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M) DEFINED BENEFIT PLAN

For purposes of measuring the net pension and other postemployment benefit liability, 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 Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N) FUND BALANCE

Fund balances for each of the District's governmental funds (General Fund, special revenue funds, capital projects funds, and debt service funds) are displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- * Nonspendable fund balance - amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- * Restricted fund balance - amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The District's Genesee Opportunity Fund (included in General Fund), Special Education Fund, Career Technical Education Fund, and School Service balances are considered restricted.
- * Committed fund balance - amounts that can be spent only for specific purposes determined by a formal action resolution of the District's highest level of decision-making authority, the Board of Education.
- * Assigned fund balance - amounts the District intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The intent is expressed by the Board of Education.
- * Unassigned fund balance - amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The District would typically use restricted fund balance first, followed by committed resources, and then assigned resources as appropriate opportunities arise, but reserve the right to selectively spend unassigned resources first to defer the use of these classified funds.

O) NET POSITION

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

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P) REVENUES

Program Revenues – Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues are primary fees collected for providing transportation of special education students, fees collected for transportation of students in the Flint Community School Districts and fees collected for local district use of the GENNET interactive voice, data and video system.

The State of Michigan utilizes a foundation allowance funding approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation allowance is funded from a combination of state and local sources. The School Aid Act and the School Code of Michigan primarily govern revenues from state sources. The state portion of the foundation is provided from the state's School Aid Fund and is recognized as revenue in accordance with state law.

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The District levies its property taxes in summer and winter and various municipalities collect its property taxes and remit them to the District through February. The delinquent real property taxes of the District are purchased by the County, and delinquent personal property taxes continue to be collected by the municipalities and recorded as revenue as they are collected. The county sells tax notes, the proceeds of which have been used to pay the District for these delinquent real property taxes. These delinquent real property taxes have been recorded as revenue in the current year.

Q) CONTRIBUTIONS OF CAPITAL

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R) INTERFUND ACTIVITY

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S) EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended June 30, 2019.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T) USE OF ESTIMATES

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

U) MICHIGAN PUBLIC SCHOOL ACCOUNTING MANUAL

The accompanying financial statements have been prepared on a basis substantially consistent with the Michigan Public School Accounting Manual (Bulletin 1022), which outlines the accounting procedures and policies for school districts required by the Michigan State Board of Education.

V) BUDGETARY DATA

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

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

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). 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 financing 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. Violations, if any, in the general fund are noted in the required supplementary information section.
4. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
5. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2019. The District does not consider these amendments to be significant.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

2) DEPOSITS AND INVESTMENTS

As of June 30, 2019, the District had the following investments.

<u>Investment Type</u>	<u>Fair value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Standard & Poor's Rating</u>	<u>%</u>
MILAF External Investment Pool - MICMS	\$ 6,246,115	N/A	AAA	49.33%
MILAF External Investment Pool - MIMAX	6,415,449	N/A	AAA	50.67%
<u>TOTAL</u>	<u>\$ 12,661,564</u>			<u>100.00%</u>

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF is an external pooled investment fund of “qualified” investments for Michigan school districts. MILAF is not regulated nor is it registered with the SEC. MILAF reports as of June 30, 2019, the fair value of the District’s investments is the same as the value of the pooled shares.

MILAF funds are considered external investment pools as defined by the GASB and as such are recorded at amortized cost which approximate fair value. The MILAF (MAX Class) fund requires notification of redemptions prior to 14 days to avoid penalties. These funds are not subject to the fair value disclosures.

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.

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.

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, \$50,421,068 of the District’s bank balance of \$51,235,904 was exposed to custodial credit risk.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

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

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

2) DEPOSITS AND INVESTMENTS (Continued)

Fair value measurement. 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.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair measurement level with 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.

MILAF-MIMAX investments fair value measurement is level 2.

The above amounts as previously report in Note 2:

Cash Agency Fund	\$ 261,381
Cash – District Wide – Governmental Funds	37,278,817
Cash – Proprietary Funds	8,918,293
Investments – District Wide – Governmental Funds	<u>12,661,564</u>
 <u>TOTAL</u>	 <u>\$ 59,120,055</u>

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

Petty Cash	\$ 1,930
Checking/Savings Accounts – Governmental Funds Including Fiduciary Funds (\$261,381)	37,538,268
Checking/Savings Accounts – Proprietary Funds	8,918,293
Investments – Governmental Funds	<u>12,661,564</u>
 <u>TOTAL</u>	 <u>\$ 59,120,055</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

3) RECEIVABLES

Receivables at June 30, 2019, consist of taxes, accounts (fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables (due from other governmental units) follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>AMOUNT</u>
State Aid	\$ 9,906,723
Federal Grants	10,488,181
Other Grant Programs & Fees	<u>436,780</u>
 <u>TOTAL GOVERNMENTAL ACTIVITIES</u>	 <u>\$ 20,831,684</u>

4) CAPITAL ASSETS

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

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Ending</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Construction in Progress	\$2,091,316	\$6,147,599	(\$357,740)	\$7,881,175
Land, Not Being Depreciated	186,167	0	0	186,167
Buildings and Improvements	28,322,235	295,237	0	28,617,472
Land Improvements	18,049,700	1,633,316	0	19,683,016
Furniture and Equipment	9,451,540	219,762	0	9,671,302
Vehicles and Buses	2,199,881	346,131	(165,983)	2,380,029
Totals at Historical Cost	<u>\$58,209,523</u>	<u>\$2,494,446</u>	<u>(\$165,983)</u>	<u>\$60,537,986</u>
Less: Accumulated Depreciation				
Buildings and Improvements	(10,482,659)	(1,063,517)	0	(11,546,176)
Land Improvements	(6,669,704)	(863,191)	0	(7,532,895)
Furniture and Equipment	(8,281,793)	(232,890)	0	(8,514,683)
Vehicles and Buses	(1,279,887)	(214,957)	165,983	(1,328,861)
Total Accumulated Depreciation	<u>(\$26,714,043)</u>	<u>(\$2,374,555)</u>	<u>\$165,983</u>	<u>(\$28,922,615)</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
<u>CAPITAL ASSETS - NET</u>	<u>\$31,495,480</u>	<u>\$119,891</u>	<u>\$0</u>	<u>\$31,615,371</u>
<u>BUSINESS - TYPE ACTIVITIES</u>				
Furniture and Equipment	\$13,513,322	\$12,017	\$0	\$13,525,339
Buses	11,763,869	1,106,624	(577,607)	12,292,886
Totals at Historical Cost	<u>\$25,277,191</u>	<u>\$1,118,641</u>	<u>(\$577,607)</u>	<u>\$25,818,225</u>
Less: Accumulated Depreciation				
Furniture and Equipment	(12,730,809)	(150,432)	0	(12,881,241)
Buses	(7,835,413)	(612,990)	577,607	(7,870,796)
Total Accumulated Depreciation	<u>(\$20,566,222)</u>	<u>(\$763,422)</u>	<u>\$577,607</u>	<u>(\$20,752,037)</u>
<u>BUSINESS - TYPE ACTIVITIES</u>				
<u>CAPITAL ASSETS - NET</u>	<u>\$4,710,969</u>	<u>\$355,219</u>	<u>\$0</u>	<u>\$5,066,188</u>

Depreciation expense was unallocated on the Statement of Activities as the District considers all fixed assets to have mixed use.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

5) **SHORT-TERM DEBT**

The District has various options for short-term financing including tax anticipation notes, state aid anticipation notes and lines of credit. The District entered into no short-term financing arrangements during the fiscal year ended June 30, 2019.

6) **GENERAL LONG-TERM DEBT**

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

	Balance			Balance	Amount Due
	Beginning	Additions	Deductions	Ending	in One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$7,450,258	\$0	\$261,493	\$7,188,765	\$266,493
Compensated Absences	482,715	42,536	0	525,251	0
<u>Total Governmental Activities</u>	<u>\$7,932,973</u>	<u>\$42,536</u>	<u>\$261,493</u>	<u>\$7,714,016</u>	<u>\$266,493</u>
<u>Business-Type Activities</u>					
Compensated Absences	\$133,314	\$34,168	\$0	\$167,482	\$0

GOVERNMENTAL FUNDS

GENERAL OBLIGATIONS BONDS

2012 School Building and Site Bonds - dated November 12, 2014, in the amount of \$8,000,000, bearing interest at rates varying from 2% to 4% per annum, matures in 2030.

\$ 7,070,000

Bond Premium

118,765

\$ 7,188,765

TOTAL GENERAL OBLIGATION BONDS

COMPENSATED ABSENCES

525,251

TOTAL GENERAL LONG-TERM OBLIGATIONS

\$ 7,714,016

The annual requirements to amortize long-term obligations outstanding exclusive of employment benefit obligation payments as of June 30, 2019 are as follows:

	General Obligation Bonds		Total
	Principal	Interest	
June 30, 2020	\$266,493	\$232,800	\$499,293
June 30, 2021	276,493	227,700	504,193
June 30, 2022	641,493	221,076	862,569
June 30, 2023	666,493	205,324	871,817
June 30, 2024	691,493	185,676	877,169
June 30, 2025-2029	3,812,465	590,124	4,402,589
June 30, 2030	833,835	33,200	867,035
<u>TOTAL</u>	<u>\$7,188,765</u>	<u>\$1,695,900</u>	<u>\$8,884,665</u>

Interest expense (all funds) for the year ended June 30, 2019 was \$237,800.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

7) INTERFUND ACTIVITY

Interfund balances at June 30, 2019 consisted of the following:

DUE TO	
DUE FROM	General Fund
<u>Durant Capital Projects</u>	<u>\$22</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursed expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

8) INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019, consisted of the following:

TRANSFERS FROM						
TRANSFERS TO	General	Special	Career	Capital	Enterprise	Total
	Fund	Education Fund	Technical Ed. Fund	Projects Fund	Fund	
General Fund	\$350,000	\$0	\$0	\$95,000	\$0	\$445,000
Special Education Fund	0	1,250,000	0	570,000	0	1,820,000
Career Tech Ed. Fund	0	0	75,000	70,000	0	145,000
Capital Projects Fund	1,500,000	1,900,000	2,485,000	0	44,037	5,929,037
Enterprise Fund	0	0	0	850,000	974,101	1,824,101
<u>TOTAL</u>	<u>\$1,850,000</u>	<u>\$3,150,000</u>	<u>\$2,560,000</u>	<u>\$1,585,000</u>	<u>\$1,018,138</u>	<u>\$10,163,138</u>

Transfers were used to finance various capital projects accounted for in other funds in accordance with budgetary authorizations.

9) FUND BALANCE

Assigned fund balances consisted of the following:

	General Fund
Mott Middle College	\$565,258
Genesee Early College	934,137
Greater Flint Educational Consortium	181,746
Genesee Opportunity	3,476,612
GF - Technology	197,198
GF - Professional Development	749,765
<u>TOTAL</u>	<u>\$6,104,716</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

10) OPERATING LEASES

The District had multiple leases for copiers from IKON Office Solutions, Inc. The leases call for 60 monthly payments and expire at varying times through June 30, 2021.

The future minimum payments are as follows:

2020	\$ 305,129
2021	<u>221,716</u>
 <u>TOTAL</u>	 <u>\$ 526,845</u>

11) TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by cities and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. The property taxes abated for all funds by municipality under these programs are as follows:

<u>Municipality</u>	<u>Taxes Abated</u>
Burton City	\$ 28,008
Davison City	179
Deerfield Township	1,941
Fenton City	5,186
Flint City	137,772
Flint Township	6,842
Flushing City	996
Genesee Township	441
Grand Blanc City	1,360
Grand Blanc Township	26,294
Linden City	10,110
Mt. Morris City	2,577
Mt Morris Township	28,632
Mundy Township	3,230
Tyrone Township	<u>642</u>
 <u>TOTAL</u>	 <u>\$ 254,210</u>

12) RESTRICTED NET POSITION

Restricted net position consists of the following:

Less: Accrued Interest - General Obligation Bonds	<u><u>(\$38,800)</u></u>
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GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT 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.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

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

Benefits Provided - Overall

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

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

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

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.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 20-year period for the 2017 fiscal year.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2016 valuation will be amortized over a 19-year period for the 2017 fiscal year.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2018.

<u>Benefit Structure</u>	<u>Member</u>	<u>Employer</u>
Basic	0.0 – 4.0%	17.89%
Member Investment Plan	3.0 – 7.0%	17.89%
Pension Plus	3.0 – 6.4%	16.61%
Pension Plus 2	6.2%	19.74%
Defined Contribution	0.0%	13.54%

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2018.

<u>Benefit Structure</u>	<u>Member</u>	<u>Employer</u>
Premium Subsidy	3.0%	6.44%
Personal Healthcare Fund (PHF)	0.00%	6.13%

The District's pension contributions for the year ended June 30, 2019 were equal to the required contribution total. Pension contributions were approximately \$12,540,000, with \$12,297,000 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 \$3,548,000, with \$3,355,000 specifically for the Defined Benefit Plan.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

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 \$142,593,613 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2018. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2018, the District's proportion was 0.47433483 percent, which was *increase* of 0.0052 percent from its proportion measured as of September 30, 2017.

<u>MPSERS (Plan) Non-University Employers</u>	<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	<u>49,801,889,205</u>	<u>46,492,967,573</u>
Net Pension Liability	\$30,061,805,239	\$25,914,251,115
Proportionate Share	0.47433483%	0.46913606%
Net Pension Liability for the District	142,593,613	121,573,097

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

For the year ended September 30, 2018, the District recognized pension expense of \$19,555,506.

At June 30, 2019, the Reporting Unit 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 Actual and Expected Experience	\$661,661	(\$1,036,203)
Changes of Assumptions	33,024,563	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	(9,749,778)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,786,519	(429,908)
Employer Contributions Subsequent to the Measurement Date	<u>10,761,797</u>	<u>0</u>
<u>TOTAL</u>	<u>\$48,234,540</u>	<u>(\$11,215,889)</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending Sept. 30,</u>	<u>Amount</u>
2019	\$10,853,581
2020	7,987,639
2021	5,383,093
2022	2,032,541

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 \$37,880,979 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2017. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2018, the District's proportion was 0.47655314 percent, which was an increase of 0.0082 percent from its proportion measured as of October 1, 2017.

<u>MPSERS (Plan) Non-University Employers</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Total Other Postemployment Benefits Liability	\$13,932,170,264	\$13,920,945,991
Plan Fiduciary Net Position	5,983,218,473	5,065,474,948
Net Other Postemployment Benefits Liability	\$7,948,951,791	\$8,855,471,043
Proportionate Share	0.47655314%	0.46832436%
Net Other Postemployment Benefits Liability for the District	37,880,979	41,472,328

For the year ending September 30, 2018, the District recognized OPEB expense of \$1,978,762.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences Between Actual and Expected Experience	\$0	(\$7,050,623)
Changes of Assumptions	4,011,615	0
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	0	(1,455,857)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	683,454	(107,866)
Employer Contributions Subsequent to the Measurement Date	<u>2,677,509</u>	<u>0</u>
<u>TOTAL</u>	<u>\$7,372,578</u>	<u>(\$8,614,346)</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending Sept. 30,</u>	<u>Amount</u>
2019	(\$980,413)
2020	(980,413)
2021	(980,413)
2022	(693,060)
2023	(284,978)

Actuarial Assumptions

Valuation Date:	September 30, 2017
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
- MIP and Basic Plans:	7.05%
- Pension Plus Plan:	7.00%
- Pension Plus 2 Plan:	6.00%
- OPEB	7.15%
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members
Healthcare Cost Trend Rate:	7.5% Year 1 graded to 3.0% Year 12
Mortality:	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.
- Retirees	
- Active Members:	P-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Other Assumptions OPEB	
- 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.
- Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
- Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Notes:

- * *Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2018, is based on the results of an actuarial valuation date of September 30, 2017, and rolled forward using generally accepted actuarial procedures, including the experience study.*
- * *Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.5304 for non-university employers]*
- * *Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2017 valuation. The total OPEB liability as of September 30, 2018, is based on the results of an actuarial valuation date of September 30, 2017, and rolled forward using generally accepted actuarial procedures, including the experience study.*
- * *Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [5.6018 for non-university employers].*
- * *Recognition period for assets in years: 5.0000*
- * *Full actuarial assumptions are available in the 2018 MPSERS Comprehensive Annual Financial Report found on the ORS website at www.michigan.gov/orsschools.*

Long-Term Expected Return on Plan Assets

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

Investment Category	Target Allocation*	Long-term Expected Real Rate of Return*
Domestic Equity Pools	28.0%	5.7%
Private Equity Pools	18.0%	9.72
International Equity	16.0%	7.2%
Fixed Income Pools	10.5%	0.5%
Real Estate and Infrastructure Pools	10.0%	3.9%
Absolute Return Pools	15.5%	5.0%
Short Term Investment Pools	2.0%	0%
Total	100.0%	

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

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Rate of Return

For the fiscal year ended September 30, 2018, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 13.24% and 10.75% for OPEB. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate - Pension

A discount rate of 7.05% was used to measure the total pension liability (7.0% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 7.05% (7.0% for the Pension Plus plan, 6.0% 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate - OPEB

A discount rate of 7.15% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 7.15%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

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

	Pension		
	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.05%/6.0%/5.0%	7.05%/7.0%/6.0%	8.05% /8.0%/7.0%
District's proportionate share of the net pension liability	\$187,214,400	\$142,593,613	\$105,520,992

Sensitivity of the net OPEB liability to changes in the discount rate

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

	Other Postemployment Benefit		
	1% Decrease	Discount Rate	1% Increase
	(6.15%)	(7.15%)	(8.15%)
District's proportionate share of the net other postemployment benefit liability	\$45,475,345	\$37,880,979	\$31,493,190

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

13) DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Sensitivity to the net OPEB liability to changes in the healthcare cost trend rates

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

	Other Postemployment Benefit		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District proportionate share of the net other postemployment benefit liability	\$31,156,688	\$37,880,979	\$45,595,114

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2018 MPERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

Payable to the Pension and OPEB Plan - At year-end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year-end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from state revenue Section 147c restricted to fund the MPERS Unfunded Actuarial Accrued Liability (UAAL).

14) RISK MANAGEMENT

The District is exposed to various risks of loss in conducting its operations, from property and casualty, theft, damage to various tort and liability claims and workman's compensation claims. The District limits its exposure to such claims through its participation in and payments of premiums to SET-SEG, Inc. Insurance Trust. The pool maintains a loss fund and is also required by the terms of the participation agreement to obtain insurance and reinsurance as necessary.

The terms of the participation agreement with the pool indicate that, should losses of the pool incurred in a given coverage period exceed the loss fund and the aggregate excess reinsurance, the fund may access its member districts on a pro-rata basis to cover excess losses. In past years the loss fund has exceeded the amount necessary to maintain prudent loss reserves, resulting in annual premium refunds to member districts. The District's management believes that participation in this pool provides sufficient coverage to protect the District from significant adverse financial impact.

15) CONTINGENCIES AND COMMITMENTS

The District is involved in several legal matters as a result of worker's compensation claims and other business matters. The suits are being handled by the District's insurance carrier. The amounts of potential liability to the District, if any, is unknown as of the date of the auditor's opinion.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

16) UPCOMING ACCOUNTING PRONOUNCEMENTS

- A) Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, was issued by the GASB in January 2017 and will be effective for the District's 2020 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.
- B) Governmental Accounting 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.

REQUIRED SUPPLEMENTARY
INFORMATION

GENESEE INTERMEDIATE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$5,981,157	\$6,174,436	\$6,159,752	(\$14,684)
State Sources	22,403,823	26,717,853	23,598,687	(3,119,166)
Federal Sources	18,446,994	23,991,108	23,173,699	(817,409)
Total Revenues	<u>\$46,831,974</u>	<u>\$56,883,397</u>	<u>\$52,932,138</u>	<u>(\$3,951,259)</u>
<u>EXPENDITURES</u>				
Instruction	16,397,864	20,060,296	19,398,123	662,173
Student Services	3,252,063	4,657,686	4,405,139	252,547
Instructional Staff	8,785,546	9,999,215	9,496,431	502,784
General Administration	1,229,370	774,669	756,875	17,794
School Administration	797,380	778,229	759,324	18,905
Business Administration	1,207,670	1,057,964	942,228	115,736
Operation & Maintenance	2,682,885	3,514,494	3,053,548	460,946
Transportation	1,353,563	1,338,465	1,233,381	105,084
Support Services - Other	4,516,908	4,809,840	4,378,880	430,960
Community Services	3,654,668	1,877,234	1,818,179	59,055
Total Expenditures	<u>\$43,877,917</u>	<u>\$48,868,092</u>	<u>\$46,242,108</u>	<u>\$2,625,984</u>
Excess of Revenues Over Expenditures	\$2,954,057	\$8,015,305	\$6,690,030	(\$1,325,275)
<u>OTHER FINANCING SOURCES (USES)</u>				
Other Financing Sources	5,846,000	6,177,866	6,136,267	(41,599)
Other Financing (Uses)	<u>(9,729,500)</u>	<u>(13,086,699)</u>	<u>(11,503,341)</u>	<u>1,583,358</u>
Total Other Financing Sources (Uses)	<u>(\$3,883,500)</u>	<u>(\$6,908,833)</u>	<u>(\$5,367,074)</u>	<u>1,541,759</u>
Net Change in Fund Balance	(\$929,443)	\$1,106,472	\$1,322,956	\$216,484
<u>FUND BALANCE - BEGINNING OF YEAR</u>			<u>9,469,306</u>	
<u>FUND BALANCE - END OF YEAR</u>			<u>\$10,792,262</u>	

GENESEE INTERMEDIATE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL EDUCATION FUND
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$28,745,800	\$29,142,433	\$29,368,879	\$226,446
State Sources	40,926,836	32,214,992	31,926,614	(288,378)
Federal Sources	17,483,097	18,224,945	18,302,425	77,480
Total Revenues	<u>\$87,155,733</u>	<u>\$79,582,370</u>	<u>\$79,597,918</u>	<u>\$15,548</u>
<u>EXPENDITURES</u>				
Instruction	22,088,788	20,539,361	20,429,408	109,953
Student Services	20,890,806	14,736,521	14,576,002	160,519
Instructional Staff	2,258,930	1,774,250	1,706,117	68,133
General Administration	431,488	646,917	613,803	33,114
School Administration	1,402,786	1,352,546	1,341,906	10,640
Business Administration	1,900,220	1,748,875	1,677,389	71,486
Operation & Maintenance	2,214,649	2,167,833	2,026,194	141,639
Transportation	9,110,985	7,902,873	7,823,041	79,832
Support Services - Other	4,004,065	3,942,342	3,794,206	148,136
Community Services	116,440	96,072	46,788	49,284
Total Expenditures	<u>\$64,419,157</u>	<u>\$54,907,590</u>	<u>\$54,034,854</u>	<u>\$872,736</u>
Excess of Revenues Over Expenditures	<u>\$22,736,576</u>	<u>\$24,674,780</u>	<u>\$25,563,064</u>	<u>\$888,284</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Other Financing Sources	1,188,885	2,329,475	2,370,718	41,243
Other Financing (Uses)	<u>(23,090,929)</u>	<u>(24,907,350)</u>	<u>(25,524,677)</u>	<u>(617,327)</u>
Total Other Financing Sources (Uses)	<u>(\$21,902,044)</u>	<u>(\$22,577,875)</u>	<u>(\$23,153,959)</u>	<u>(\$576,084)</u>
Net Change in Fund Balance	<u>\$834,532</u>	<u>\$2,096,905</u>	<u>\$2,409,105</u>	<u>\$312,200</u>
<u>FUND BALANCE - BEGINNING OF YEAR</u>			<u>11,510,391</u>	
<u>FUND BALANCE - END OF YEAR</u>			<u>\$13,919,496</u>	

GENESEE INTERMEDIATE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CAREER TECHNICAL EDUCATION FUND
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$9,553,209	\$9,789,616	\$9,885,002	\$95,386
State Sources	4,811,946	5,226,430	5,235,732	9,302
Federal Sources	1,246,066	1,281,071	1,265,920	(15,151)
Total Revenues	<u>\$15,611,221</u>	<u>\$16,297,117</u>	<u>\$16,386,654</u>	<u>\$89,537</u>
<u>EXPENDITURES</u>				
Instruction	5,724,931	5,762,893	5,546,626	216,267
Student Services	322,443	317,968	319,137	(1,169)
Instructional Staff	2,136,580	1,712,151	1,658,737	53,414
General Administration	110,670	86,848	72,023	14,825
School Administration	760,351	722,380	709,924	12,456
Business Administration	231,787	232,245	205,587	26,658
Operation & Maintenance	1,376,794	1,366,706	1,245,610	121,096
Transportation	818,908	858,095	838,116	19,979
Support Services - Other	411,836	472,999	405,822	67,177
Total Expenditures	<u>\$11,894,300</u>	<u>\$11,532,285</u>	<u>\$11,001,582</u>	<u>\$530,703</u>
Excess of Revenues Over Expenditures	\$3,716,921	\$4,764,832	\$5,385,072	\$620,240
<u>OTHER FINANCING SOURCES (USES)</u>				
Other Financing Sources	261,820	257,590	257,587	(3)
Other Financing (Uses)	<u>(3,589,946)</u>	<u>(4,596,857)</u>	<u>(5,189,993)</u>	<u>(593,136)</u>
Total Other Financing Sources (Uses)	<u>(\$3,328,126)</u>	<u>(\$4,339,267)</u>	<u>(\$4,932,406)</u>	<u>(\$593,139)</u>
Net Change in Fund Balance	\$388,795	\$425,565	\$452,666	\$27,101
<u>FUND BALANCE - BEGINNING OF YEAR</u>			<u>3,969,120</u>	
<u>FUND BALANCE - END OF YEAR</u>			<u>\$4,421,786</u>	

GENESEE INTERMEDIATE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL EDUCATION CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$3,200	\$20,000	\$20,109	\$109
<u>EXPENDITURES</u>				
Capital Outlay	4,818,000	5,583,000	3,534,894	2,048,106
Excess of Revenues Over Expenditures	(\$4,814,800)	(\$5,563,000)	(\$3,514,785)	\$2,048,215
<u>OTHER FINANCING SOURCES (USES)</u>				
Net Change in Fund Balance	1,400,000	1,900,000	1,330,000	(570,000)
	(\$3,414,800)	(\$3,663,000)	(\$2,184,785)	\$1,478,215
<u>FUND BALANCE - BEGINNING OF YEAR</u>			<u>11,738,845</u>	
<u>FUND BALANCE - END OF YEAR</u>			<u>\$9,554,060</u>	

GENESEE INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting unit's proportion of net pension liability (%)						0.47433%	0.46914%	0.45510%	0.45049%	0.44009%
Reporting unit's proportionate share of net pension liability						\$142,593,613	\$121,573,097	\$113,543,457	\$110,032,613	\$96,935,396
Reporting unit's covered-employee payroll						\$40,639,661	\$39,788,920	\$38,596,598	\$37,131,323	\$37,099,793
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll						350.87%	305.55%	294.18%	296.33%	261.28%
Plan fiduciary net position as a percentage of total pension liability						62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

GENESEE INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S CONTRIBUTIONS - PENSION
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions						\$12,916,239	\$11,003,731	\$10,705,007	\$8,690,561	\$6,834,787
Contributions in relation to statutorily required contributions						<u>12,916,239</u>	<u>11,003,731</u>	<u>10,705,007</u>	<u>8,690,561</u>	<u>6,834,787</u>
Contribution deficiency (excess)						<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Reporting unit's covered- employee payroll						\$40,726,870	\$40,585,356	\$38,535,567	\$37,036,903	\$37,100,955
Contributions as a percentage of covered-employee payroll						31.71%	27.11%	27.78%	23.46%	18.42%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

GENESEE INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Reporting unit's proportion of net OPEB liability (%)								0.47650%	0.46832%
Reporting unit's proportionate share of net OPEB liability								\$37,880,979	\$41,472,328
Reporting unit's covered-employee payroll								\$40,639,661	\$39,788,920
Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll								93.21%	104.23%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)								42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

GENESEE INTERMEDIATE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S CONTRIBUTIONS - OPEB
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	<u>2027</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions									\$3,093,289	\$3,646,102
Contributions in relation to statutorily required contributions									<u>3,093,289</u>	<u>3,646,102</u>
Contribution deficiency (excess)									<u>\$0</u>	<u>\$0</u>
Reporting unit's covered-employee payroll									\$40,726,870	\$40,585,356
Contributions as a percentage of covered-employee payroll									7.60%	8.98%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

GENESEE INTERMEDIATE SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Special Education Fund and Career Technical Education Fund. All annual appropriations lapse at fiscal year-end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. The School District increased/decreased budgeted amounts during the year in response to changes in funding and related expenditures.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

During the year, Genesee Intermediate School District did not have any significant expenditure budget variances.

PENSION AND OPEB RELATED

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

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

ADDITIONAL SUPPLEMENTARY
INFORMATION

GENESEE INTERMEDIATE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	School Service Fund	Career Technical Capital Projects	General Capital Projects	Durant Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$6,271	\$5,247,251	\$1,983,064	\$22	\$7,236,608
Accounts Receivable	497	650,000	400,000	0	1,050,497
Due from Other Governmental Units	23,336	0	0	0	23,336
Inventory	8,264	0	0	0	8,264
<u>TOTAL ASSETS</u>	<u>\$38,368</u>	<u>\$5,897,251</u>	<u>\$2,383,064</u>	<u>\$22</u>	<u>\$8,318,705</u>
<u>LIABILITIES</u>					
Accounts Payable	\$1,936	\$176,390	\$145,152	\$0	\$323,478
Due to Other Funds	0	0	0	22	22
Unearned Revenue	1,776	0	0	0	1,776
Total Liabilities	\$3,712	\$176,390	\$145,152	\$22	\$325,276
<u>FUND BALANCE</u>					
Non-Spendable					
Inventory	8,264	0	0	0	8,264
Committed	0	5,720,861	2,237,912	0	7,958,773
Restricted					
School Service Fund	26,392	0	0	0	26,392
Total Fund Balance	\$34,656	\$5,720,861	\$2,237,912	\$0	\$7,993,429
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$38,368</u>	<u>\$5,897,251</u>	<u>\$2,383,064</u>	<u>\$22</u>	<u>\$8,318,705</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>School Service Fund</u>	<u>Career Technical Capital Projects</u>	<u>General Capital Projects</u>	<u>Durant Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>REVENUES</u>					
Local Sources	\$20,701	\$19,663	\$3,590	\$85	\$44,039
State Sources	28,864	0	0	0	28,864
Federal Sources	362,208	0	0	0	362,208
Total Revenues	<u>\$411,773</u>	<u>\$19,663</u>	<u>\$3,590</u>	<u>\$85</u>	<u>\$435,111</u>
<u>OTHER FINANCING SOURCES</u>					
Transfers In	0	2,485,000	1,544,037	0	4,029,037
Total Revenues and Other Financing Uses	<u>\$411,773</u>	<u>\$2,504,663</u>	<u>\$1,547,627</u>	<u>\$85</u>	<u>\$4,464,148</u>
<u>EXPENDITURES</u>					
Food Service	420,471	0	0	0	420,471
Capital Outlay	0	3,004,813	1,666,701	158,820	4,830,334
Total Expenditures	<u>\$420,471</u>	<u>\$3,004,813</u>	<u>\$1,666,701</u>	<u>\$158,820</u>	<u>\$5,250,805</u>
<u>OTHER FINANCING USES</u>					
Transfers to Other Funds	0	70,000	945,000	0	1,015,000
Total Expenditures and Other Financing Uses	<u>\$420,471</u>	<u>\$3,074,813</u>	<u>\$2,611,701</u>	<u>\$158,820</u>	<u>\$6,265,805</u>
Net Change in Fund Balance	(\$8,698)	(\$570,150)	(\$1,064,074)	(\$158,735)	(\$1,801,657)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>43,354</u>	<u>6,291,011</u>	<u>3,301,986</u>	<u>158,735</u>	<u>9,795,086</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>\$34,656</u>	<u>\$5,720,861</u>	<u>\$2,237,912</u>	<u>\$0</u>	<u>\$7,993,429</u>

INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES AND
OTHER FINANCING SOURCES AND USES

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
YEAR ENDED JUNE 30, 2019

REVENUES FROMLocal Sources

Current Tax Levy	\$4,034,720
Payments in Lieu of Taxes	14,009
Earnings on Investments and Deposits	99,208
Other Local Grants	799,257
Mott Middle College	150,000
Charges for Services	647,250
Miscellaneous	415,308
Total Local Sources	<u>\$6,159,752</u>

State Sources

Intermediate Districts - Section 81	3,646,229
Renaissance Zone - Section 26a	78,999
Bus Driver Safety - Section 74	209,971
Math and Science - Section 99.1	220,482
Other State Grants	19,443,006
Total State Sources	<u>\$23,598,687</u>

Federal Sources

Title I Regional Assistance	748,255
Headstart	14,876,642
Homeless Children and Youth	85,689
Title III Immigrant Education	91,976
21st Century Learning	2,519,975
Child Care & Development Block Grant	2,494,648
Other Federal Grants	1,463,386
PeNut Foundation	893,128
Total Federal Sources	<u>\$23,173,699</u>

Interdistrict Sources

Total Revenues	<u>5,690,943</u>
	<u>\$58,623,081</u>

OTHER FINANCING SOURCES

Due from Other Funds	445,000
Other Transfers	324
Total Other Financing Sources	<u>\$445,324</u>

TOTAL REVENUES AND OTHER FINANCING SOURCES

\$59,068,405

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SPECIAL EDUCATION FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
YEAR ENDED JUNE 30, 2019

REVENUES FROMLocal Sources

Current Tax Levy	\$23,523,707
Payments in Lieu of Taxes	60,910
Earnings on Investments and Deposits	365,254
Miscellaneous	194,892
Contributions	30,088
Charges for Services	5,025
Other Local Grants	181,793
Medicaid Fee-for-Service Program	5,007,210
Total Local Sources	<u>\$29,368,879</u>

State Sources

Special Education Foundation - Section 51a.2	5,860,029
Special Education - Section 51a	10,343,681
Court Placed - Section 53a	7,260
Other State Grants	7,569,319
School for the Deaf/Blind - Section 54	675,067
Special Education - Section 56	7,471,258
Total State Sources	<u>\$31,926,614</u>

Federal Sources

IDEA Flowthrough	17,199,070
Preschool Incentive	476,340
Other Federal Grants	495,591
Medicaid Administrative Outreach Claims	131,424
Total Federal Sources	<u>\$18,302,425</u>

Interdistrict Sources

Total Revenues	<u>493,429</u>
	<u>\$80,091,347</u>

OTHER FINANCING SOURCES

Transfers from Other Funds	1,820,000
Other Transfers	57,289
Total Other Financing Sources	<u>\$1,877,289</u>

TOTAL REVENUES AND OTHER FINANCING SOURCES

	<u>\$81,968,636</u>
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GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
CAREER TECHNICAL EDUCATION FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
YEAR ENDED JUNE 30, 2019

REVENUES FROMLocal Sources

Current Tax Levy	\$9,409,989
Payments in Lieu of Taxes	24,356
Earnings on Investments and Deposits	92,783
Contributions	6,098
Charges for Services	22,779
Other Local Grants	7,131
Miscellaneous	321,866
Total Local Sources	<u>\$9,885,002</u>

State Sources

Career Technical Education Administration - Section 61a.2	14,500
Career Technical Education - Section 61a.1	894,608
Career Technical Education Millage Equalization - Section 62	3,542,171
Other State Grants	784,453
Total State Sources	<u>\$5,235,732</u>

Federal Sources

Secondary Regional Allocation	1,265,920
Total Revenues	<u>\$16,386,654</u>

OTHER FINANCING SOURCES

Transfers from Other Funds	145,000
Other Transfers	112,587
Total Other Financing Sources	<u>\$257,587</u>

TOTAL REVENUES AND OTHER FINANCING SOURCES

\$16,644,241

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

INSTRUCTION

Salaries - Professional	\$1,394,474
Salaries - Non-Professional	9,330
Insurances	241,304
Fica, Retirement, Etc.	637,984
Other Benefits	31,215
Purchased Services	15,535,539
Supplies & Materials	1,412,503
Capital Outlay	36,699
Other	99,075
Total Instruction	<u>\$19,398,123</u>

SUPPORT SERVICESSTUDENT SERVICES

Salaries - Professional	497,076
Salaries - Non-Professional	4,094
Insurances	84,472
Fica, Retirement, Etc.	223,614
Other Benefits	12,450
Purchased Services	3,447,341
Supplies & Materials	106,728
Capital Outlay	24,642
Other	4,722
Total Student Services	<u>\$4,405,139</u>

INSTRUCTIONAL STAFF

Salaries - Professional	2,219,117
Salaries - Non-Professional	509,293
Insurances	473,959
Fica, Retirement, Etc.	1,346,941
Other Benefits	83,247
Purchased Services	4,333,224
Supplies & Materials	501,961
Other	28,689
Total Instructional Staff	<u>\$9,496,431</u>

GENERAL ADMINISTRATION

Salaries - Professional	\$219,200
Salaries - Non-Professional	96,666
Insurances	35,595
Fica, Retirement, Etc.	135,986
Other Benefits	4,679
Purchased Services	193,153
Supplies & Materials	46,381
Other	25,215
Total General Administration	<u>\$756,875</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

SUPPORT SERVICES (Continued)

SCHOOL ADMINISTRATION

Salaries - Professional	\$231,819
Salaries - Non-Professional	170,324
Insurances	64,173
Fica, Retirement, Etc.	183,399
Other Benefits	12,008
Purchased Services	77,290
Supplies & Materials	16,110
Other	4,201
Total School Administration	\$759,324

BUSINESS ADMINISTRATION

Salaries - Professional	244,711
Salaries - Non-Professional	156,630
Insurances	76,763
Fica, Retirement, Etc.	186,271
Other Benefits	11,234
Purchased Services	197,083
Supplies & Materials	6,695
Other	62,841
Total Business Administration	\$942,228

OPERATION & MAINTENANCE

Salaries - Professional	36,805
Salaries - Non-Professional	73,995
Insurances	29,325
Fica, Retirement, Etc.	54,423
Other Benefits	21
Purchased Services	2,157,577
Supplies & Materials	528,430
Capital Outlay	28,671
Other	144,301
Total Operation & Maintenance	\$3,053,548

TRANSPORTATION

Salaries - Professional	42,783
Salaries - Non-Professional	153,602
Insurances	35,439
Fica, Retirement, Etc.	86,796
Other Benefits	5,915
Purchased Services	825,903
Supplies & Materials	82,694
Other	249
Total Transportation	\$1,233,381

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

SUPPORT SERVICES (Continued)

SUPPORT SERVICES - OTHER

Salaries - Professional	\$483,801
Salaries - Non-Professional	364,535
Insurances	178,588
Fica, Retirement, Etc.	384,848
Other Benefits	44,759
Purchased Services	1,376,346
Supplies & Materials	378,489
Capital Outlay	6,126
Other	1,161,388
Total Support Services - Other	\$4,378,880

Total Support Services \$25,025,806

COMMUNITY SERVICES

Salaries - Professional	27
Salaries - Non-Professional	15,892
Insurances	8,965
Fica, Retirement, Etc.	7,045
Purchased Services	1,659,860
Supplies & Materials	112,772
Other	13,618
Total Community Services	\$1,818,179

Total Expenditures \$46,242,108

OTHER FINANCING USES

Transfers to Other Funds	1,850,000
Transfers to Other Districts	9,579,957
Other Transfers	73,384
Total Other Financing Uses	\$11,503,341

TOTAL EXPENDITURES AND OTHER FINANCING USES \$57,745,449

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SPECIAL EDUCATION FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

INSTRUCTION

Salaries - Professional	\$5,982,914
Salaries - Non-Professional	4,849,566
Insurances	2,677,247
Fica, Retirement, Etc.	5,289,646
Other Benefits	291,272
Purchased Services	769,655
Supplies & Materials	372,902
Other	196,206
Total Instruction	<u>\$20,429,408</u>

SUPPORT SERVICESSTUDENT SERVICES

Salaries - Professional	6,820,807
Salaries - Non-Professional	339,343
Insurances	1,399,994
Fica, Retirement, Etc.	3,287,069
Other Benefits	140,456
Purchased Services	2,424,523
Supplies & Materials	160,328
Other	3,482
Total Student Services	<u>\$14,576,002</u>

INSTRUCTIONAL STAFF

Salaries - Professional	405,858
Salaries - Non-Professional	204,080
Insurances	135,718
Fica, Retirement, Etc.	276,736
Other Benefits	17,543
Purchased Services	398,577
Supplies & Materials	263,990
Other	3,615
Total Instructional Staff	<u>\$1,706,117</u>

GENERAL ADMINISTRATION

Salaries - Professional	203,603
Salaries - Non-Professional	55,001
Insurances	39,763
Fica, Retirement, Etc.	113,969
Other Benefits	3,195
Purchased Services	158,728
Supplies & Materials	26,976
Other	12,568
Total General Administration	<u>\$613,803</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SPECIAL EDUCATION FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

SUPPORT SERVICES (Continued)

SCHOOL ADMINISTRATION

Salaries - Professional	\$528,041
Salaries - Non-Professional	254,038
Insurances	127,484
Fica, Retirement, Etc.	358,213
Other Benefits	24,046
Purchased Services	37,015
Supplies & Materials	9,989
Other	3,080
Total School Administration	\$1,341,906

BUSINESS ADMINISTRATION

Salaries - Professional	294,181
Salaries - Non-Professional	505,131
Insurances	157,235
Fica, Retirement, Etc.	378,509
Other Benefits	29,423
Purchased Services	286,666
Supplies & Materials	19,051
Other	7,193
Total Business Administration	\$1,677,389

OPERATION & MAINTENANCE

Salaries - Professional	63,136
Salaries - Non-Professional	208,878
Insurances	66,180
Fica, Retirement, Etc.	133,751
Other Benefits	83
Purchased Services	1,141,078
Supplies & Materials	412,631
Other	457
Total Operation & Maintenance	\$2,026,194

TRANSPORTATION

Purchased Services	617,393
Supplies & Materials	19,454
Other	7,186,194
Total Transportation	\$7,823,041

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SPECIAL EDUCATION FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

SUPPORT SERVICES (Continued)

SUPPORT SERVICES - OTHER

Salaries - Professional	\$821,670
Salaries - Non-Professional	588,330
Insurances	213,983
Fica, Retirement, Etc.	644,222
Other Benefits	58,930
Purchased Services	1,182,699
Supplies & Materials	159,717
Capital Outlay	2,618
Other	122,037
Total Support Services - Other	\$3,794,206

Total Support Services \$33,558,658

COMMUNITY SERVICES

Salaries - Professional	18,833
Insurances	4,128
Fica, Retirement, Etc.	8,713
Other Benefits	37
Purchased Services	10,413
Supplies & Materials	4,457
Other	207
Total Community Services	\$46,788

Total Expenditures \$54,034,854

OTHER FINANCING USES

Transfers to Other Districts	22,257,621
Transfers to Other Funds	3,150,000
Capital Improvement	117,056
Total Other Financing Uses	\$25,524,677

TOTAL EXPENDITURES AND OTHER FINANCING USES \$79,559,531

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
CAREER TECHNICAL EDUCATION FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

INSTRUCTION

Salaries - Professional	\$2,393,180
Salaries - Non-Professional	247,348
Insurances	554,249
Fica, Retirement, Etc.	1,289,532
Other Benefits	56,263
Purchased Services	263,281
Supplies	712,569
Capital Outlay	6,368
Other	23,836
Total Instruction	<u>\$5,546,626</u>

SUPPORT SERVICESSTUDENT SERVICES

Salaries - Professional	192,480
Insurances	37,277
Fica, Retirement, Etc.	88,027
Other Benefits	935
Purchased Services	418
Total Student Services	<u>\$319,137</u>

INSTRUCTIONAL STAFF

Salaries - Professional	502,887
Salaries - Non-Professional	44,485
Insurances	95,613
Fica, Retirement, Etc.	251,583
Other Benefits	10,092
Purchased Services	649,622
Supplies & Materials	62,977
Capital Outlay	37,841
Other	3,637
Total Instructional Staff	<u>\$1,658,737</u>

GENERAL ADMINISTRATION

Salaries - Professional	15,527
Salaries - Non-Professional	7,097
Insurances	2,438
Fica, Retirement, Etc.	9,784
Other Benefits	293
Purchased Services	31,150
Supplies & Materials	3,897
Other	1,837
Total General Administration	<u>\$72,023</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
CAREER TECHNICAL EDUCATION FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

SUPPORT SERVICES (Continued)

SCHOOL ADMINISTRATION

Salaries - Professional	\$247,991
Salaries - Non-Professional	122,356
Insurances	69,871
Fica, Retirement, Etc.	162,423
Other Benefits	6,166
Purchased Services	76,468
Supplies & Materials	23,173
Other	1,476
Total Business Administration	\$709,924

BUSINESS ADMINISTRATION

Salaries - Professional	29,507
Salaries - Non-Professional	61,713
Insurances	17,604
Fica, Retirement, Etc.	43,187
Other Benefits	3,537
Purchased Services	32,842
Supplies & Materials	2,381
Other	14,816
Total Business Administration	\$205,587

OPERATION & MAINTENANCE

Salaries - Professional	64,537
Salaries - Non-Professional	60,590
Insurances	33,569
Fica, Retirement, Etc.	59,699
Other Benefits	104
Purchased Services	760,902
Supplies & Materials	265,836
Other	373
Total Operation & Maintenance	\$1,245,610

TRANSPORTATION

Purchased Services	21,433
Supplies & Materials	534
Other	816,149
Total Transportation	\$838,116

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
CAREER TECHNICAL EDUCATION FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
YEAR ENDED JUNE 30, 2019

SUPPORT SERVICES (Continued)

SUPPORT SERVICES - OTHER

Salaries - Professional	\$75,959
Salaries - Non-Professional	136,188
Insurances	28,961
Fica, Retirement, Etc.	98,211
Other Benefits	9,193
Purchased Services	36,120
Supplies & Materials	13,438
Capital Outlay	383
Other	7,369
Total Support Services - Other	<u>\$405,822</u>

Total Support Services \$5,454,956

Total Expenditures \$11,001,582

OTHER FINANCING USES

Transfers to Other Districts	2,142,193
Transfers to Other Funds	2,560,000
Bond Payment	487,800
Total Other Financing Uses	<u>\$5,189,993</u>

TOTAL EXPENDITURES AND OTHER FINANCING USES \$16,191,575

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
TRUST AND AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - OTHER GROUPS
YEAR ENDED JUNE 30, 2019

	Due to (From) Other Groups July 1, 2018	Receipts	Disbursements	Due to (From) Other Groups June 30, 2019
<u>LEARNING CENTER ACTIVITIES</u>				
Adult Jr Workshop	\$572	\$583	\$697	\$458
Adult Worksites	349	1,237	461	1,125
Alumni Party	728	100	275	553
Aric Genta Fundraiser	762	0	0	762
Burton Workshop	399	1,014	290	1,123
Cultural Enrichment	3,983	447	214	4,216
Donations	18,216	6,433	1,918	22,731
Earth Day	4,569	1,078	898	4,749
Elementary Fundraiser	827	0	15	812
Formal Wear	30	0	0	30
Graduation	535	612	574	573
Phys Ed	113	0	0	113
Physical Therapy	401	0	0	401
Prom	1,945	1,236	2,370	811
Robotics	120	0	0	120
Room & Building Accounts	1,000	0	518	482
Senior Trip	2,937	2,972	1,575	4,334
Social Fund	253	0	0	253
Social Work	0	389	0	389
Special Olympics	335	4,616	3,010	1,941
Student Council	125	0	77	48
VSA	557	15	0	572
Total Learning Center Activities	<u>\$38,756</u>	<u>\$20,732</u>	<u>\$12,892</u>	<u>\$46,596</u>
<u>MCIC ACTIVITIES</u>				
Arts	3,154	0	652	2,502
Bowling	759	605	950	414
CBI	266	170	0	436
Clothes Closet	523	150	137	536
Donations	15,845	4,580	8,770	11,655
Family Fun Nite - Summer Carniva	417	0	0	417
Fishing	1	0	1	0
Food Baskets	220	0	0	220
Fundraisers	1,459	876	1,741	594
Graduation	1	20	0	21
Homecoming	297	0	17	280
Music	17	0	0	17
Playgrounds	1,245	0	0	1,245
Popcorn	371	1,355	733	993
Rembcom	779	4,465	4,109	1,135
Rooms	6,509	7,776	4,682	9,603
School Store	98	0	0	98
Special Olympics	2,334	5,661	3,740	4,255
Speech	580	0	0	580
Student Portfolios	20	0	20	0
VSA Arts	1,074	4,125	2,559	2,640
Wellness	29	0	0	29
Total MCIC Activities	<u>\$35,999</u>	<u>\$29,783</u>	<u>\$28,111</u>	<u>\$37,671</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
TRUST AND AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - OTHER GROUPS
YEAR ENDED JUNE 30, 2019

	Due to (From)		Due to (From)	
	Other Groups July 1, 2018	Receipts	Disbursements	Other Groups June 30, 2019
<u>MOTT MIDDLE COLLEGE</u>				
Band CD	\$260	\$0	\$260	\$0
Band Trip	244	100	344	0
Conference	1,621	0	0	1,621
Graduates	90	409	392	107
Holocaust Class	1,306	0	537	769
Music Dept.	3	0	3	0
Parent Organization	2,328	1,133	1,166	2,295
Prom Account	803	2,934	907	2,830
School Store	407	0	0	407
Student Gov	946	87	0	1,033
Tuition	442	0	0	442
Yearbook	306	0	0	306
Young Women	427	0	0	427
Total Mott Middle College	<u>\$9,183</u>	<u>\$4,663</u>	<u>\$3,609</u>	<u>\$10,237</u>
<u>EARLY CHILDHOOD PROGRAMS</u>				
Adult CI Programs	0	39	0	39
Clothing Sales	697	0	0	697
Fundraiser	412	0	0	412
Holy Redeemer	40	0	0	40
Library	121	0	0	121
Physical Therapy	684	0	0	684
Raffle	480	1,118	490	1,108
Rooms	6,446	1,963	1,417	6,992
Snack Sales	62	0	27	35
VG's	523	0	0	523
VSA	1,259	1,958	2,478	739
Yearbook	375	0	375	0
Total Early Childhood Programs	<u>\$11,099</u>	<u>\$5,078</u>	<u>\$4,787</u>	<u>\$11,390</u>
<u>OTHER</u>				
Bus Svc Comm Proj	744	25,685	19,151	7,278
Bus SVC Enhance	348	211	210	349
Contributions	113	0	113	0
Employee Activities	88	0	88	0
EO Social Community	3,579	0	0	3,579
Flower Fund	121	0	121	0
HR Wellness	2,157	1,690	637	3,210
HSN Fundraiser	71	0	71	0
Pac Library Materials	417	0	0	417
Sales Tax Collected	0	285	270	15
Supt Donations	163	0	163	0
TMS Care Fund	148	310	458	0
United Way	24	0	24	0
Total Other	<u>\$7,973</u>	<u>\$28,181</u>	<u>\$21,306</u>	<u>\$14,848</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
TRUST AND AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - OTHER GROUPS
YEAR ENDED JUNE 30, 2019

	Due to (From)		Due to (From)	
	Other Groups July 1, 2018	Receipts	Disbursements	Other Groups June 30, 2019
<u>COUNTRY CRAFTERS FAIR</u>				
Carman Ainsworth	\$43	\$0	\$43	\$0
Carter	29	0	7	22
Clio	0	420	305	115
Cookbooks	62	0	0	62
Flushing Cntrl Mark	4	0	4	0
Garner	498	0	112	386
Grand Blanc Middle	313	75	105	283
Lake Fenton	14	0	0	14
Misc.	148	0	0	148
Northern (McKinley-Peters)	1,288	0	566	722
Room and Building Accounts	8,209	4,924	4,861	8,272
West Bendle	241	0	75	166
Total Country Crafters Fair	\$10,849	\$5,419	\$6,078	\$10,190
<u>TRANSITION CENTER</u>				
Boxtops	708	0	0	708
Craft Sales	1,012	1,014	373	1,653
Donations	1,187	0	469	718
Graduation	471	2,560	1,776	1,255
Ink Cartridges	574	0	0	574
Miscellaneous	8	30	0	38
Proj Choice Spe Oly	5,229	7,665	12,725	169
Recycling	4,937	1,770	2,784	3,923
School Store	3,875	3,592	3,562	3,905
Senior Trip	26	39	54	11
Social Fund	678	105	0	783
VSA Clio/Flushing	415	15	0	430
VSA Grand Blanc Proj	2,327	15	0	2,342
Workshop	424	0	0	424
Total Transition Center	\$21,871	\$16,805	\$21,743	\$16,933
<u>GENESEE EARLY COLLEGE</u>				
Europe Trip	36	0	0	36
Field Trips	513	0	513	0
Graduation	586	1,447	1,383	650
Key Club	205	793	944	54
National Honor Society	180	39	59	160
Newspaper	132	0	0	132
Parent Organization	3,758	956	1,223	3,491
PSAT	0	294	294	0
Robotics	2,860	1,000	915	2,945
Student Government	122	1,001	120	1,003
Theatre Group	299	0	160	139
Total Genesee Early College	\$8,691	\$5,530	\$5,611	\$8,610

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
TRUST AND AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - OTHER GROUPS
YEAR ENDED JUNE 30, 2019

	Due to (From)		Due to (From)	
	Other Groups July 1, 2018	Receipts	Disbursements	Other Groups June 30, 2019
<u>GENESEE CAREER INSTITUTE</u>				
3D Gaming	\$106	\$112	\$83	\$135
Agriscience	717	203	680	240
Allied Health	230	0	60	170
Architecture	190	0	0	190
Automotive	1,688	5,783	5,543	1,928
Automotive Scholarship	2,128	0	2,128	0
BPA	561	1,865	2,426	0
Certified Nursing Assistant	1,396	0	210	1,186
Computers	6,206	17	6,206	17
Construction	245	40	64	221
Cosmetology	5,357	48,669	51,568	2,458
Culinary	12,870	4,111	3,633	13,348
DECA	29	748	290	487
Diesel/Heavy Equipment	731	0	57	674
Digital Multimedia	1,495	6,307	125	7,677
Education	2,641	725	2,012	1,354
Electrical	626	405	0	1,031
Emergency Medical	2,650	2,099	2,220	2,529
Engineering	6,371	1,040	968	6,443
FFA	3,053	7,771	5,369	5,455
Forensic II	4,031	484	1,787	2,728
Graphics/Print	22,583	2,991	2,582	22,992
HOSA	5,890	8,598	14,394	94
JROTC	5,289	23,899	23,776	5,412
Marketing	7,567	1,552	2,262	6,857
Medical Assistant	661	0	0	661
Medical Career Foundations	2,285	1,756	1,266	2,775
NTHS	41	1,100	1,090	51
Nursing	577	0	375	202
Public Safety	1,738	0	153	1,585
Radio	75	0	0	75
Guest - Risk	0	9	0	9
Skills USA	1,646	5,621	7,267	0
Sports Medicine	4,550	1,334	2,227	3,657
Student Support	9,199	14,337	19,404	4,132
Veterinary Medicine	5,477	648	819	5,306
Weekdays - Tips	1,481	11	47	1,445
Welding	640	222	73	789
Yearbook	593	0	0	593
Total Genesee Career Institute	<u>\$123,613</u>	<u>\$142,457</u>	<u>\$161,164</u>	<u>\$104,906</u>
<u>TOTAL TRUST AND AGENCY FUNDS</u>	<u>\$268,034</u>	<u>\$258,648</u>	<u>\$265,301</u>	<u>\$261,381</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2019

2014 SCHOOL IMPROVEMENT BONDS

Date Authorized : November 12, 2014

Amount Authorized: \$8,000,000

<u>PAYMENT DATE - MAY 1ST</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST AMOUNT NOVEMBER 1</u>	<u>INTEREST AMOUNT MAY 1</u>	<u>TOTAL</u>
2019-2020	2.000%	\$255,000	\$116,400	\$116,400	\$487,800
2020-2021	2.500%	265,000	113,850	113,850	492,700
2021-2022	2.500%	630,000	110,537	110,538	851,075
2022-2023	3.000%	655,000	102,663	102,662	860,325
2023-2024	3.000%	680,000	92,838	92,837	865,675
2024-2025	3.000%	700,000	82,637	82,638	865,275
2025-2026	3.250%	725,000	72,138	72,137	869,275
2026-2027	3.500%	750,000	60,356	60,356	870,712
2027-2028	3.750%	775,000	47,231	47,231	869,462
2028-2029	4.000%	805,000	32,700	32,700	870,400
2029-2030	4.000%	830,000	16,600	16,600	863,200
<u>TOTAL</u>		<u>\$7,070,000</u>	<u>\$847,950</u>	<u>\$847,949</u>	<u>\$8,765,899</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Project Number	Program Or Award Amount	Accrued (Deferred) Revenue July 1, 2018	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payments In Kind Received	Accrued (Deferred) Revenue June 30, 2019	Transferred to Subrecipients as of June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION</u>										
<u>Passed Through Michigan Department of Education:</u>										
Title I Grants to Local Education Agencies										
Title I - Reg Assistance (17-18)	84.010	181570-1718	\$783,802	\$67,831	\$135,471	\$177,576	\$0	\$245,407	\$0	\$0
Title I - Reg Assistance (18-19)		191570-1819	1,620,755	0	0	570,679	0	387,119	183,560	135,444
Total Title I Grants to Local Education Agencies			\$2,404,557	\$67,831	\$135,471	\$748,255	\$0	\$632,526	\$183,560	\$135,444
Special Education - Grants to States										
IDEA Flowthrough (16-17)	84.027	170450-1617	16,629,964	115,969	16,628,712	1,252	0	117,221	0	75,098
IDEA Flowthrough (17-18)		180450-1718	16,642,144	6,698,649	15,977,891	664,253	0	7,223,789	139,113	5,374,221
IDEA Flowthrough (18-19)		190450-1819	16,846,601	0	0	16,390,565	0	10,676,565	5,714,000	9,801,656
General Supervision Grant (18-19)		190493	143,000	0	0	143,000	0	118,102	24,898	0
Transition Services (17-18)		180490-TC	70,000	19,538	70,000	0	0	19,538	0	0
Enhancing Opportunities (17-18)		180480-EOSD	60,000	8,391	60,000	0	0	8,391	0	0
Total Special Education - Grants to States			\$50,391,709	\$6,842,547	\$32,736,603	\$17,199,070	\$0	\$18,163,606	\$5,878,011	\$15,250,975
<u>Passed Through Grand Valley State University</u>										
Special Education - Grants to States										
Start Regional (17-18)	84.027A	2200XX-40800-7046-400	25,000	16,329	24,898	0	0	16,329	0	0
Special Education - Preschool Grants										
Preschool Incentive (16-17)	84.173	170460-1617	461,561	4,067	457,634	3,927	0	7,994	0	4,821
Preschool Incentive (17-18)		180460-1718	460,600	167,515	449,836	10,764	0	175,209	3,070	122,957
Preschool Incentive (18-19)		190460-1819	476,892	0	0	461,649	0	282,077	179,572	245,676
Total Special Education - Preschool Grants			\$1,399,053	\$171,582	\$907,470	\$476,340	\$0	\$465,280	\$182,642	\$373,454
Total Special Education Cluster			\$51,815,762	\$7,030,458	\$33,668,971	\$17,675,410	\$0	\$18,645,215	\$6,060,653	\$15,624,429
Career Technical Education - Basic Grants to States										
Secondary Regional Allocation (17-18)	84.048	183520-1812-15	1,240,399	489,878	1,227,386	0	0	489,878	0	281,829
Secondary Regional Allocation (18-19)		193520-1912-15	1,281,071	0	0	1,265,920	0	935,348	330,572	593,960
Total Career Technical Education - Basic Grants to States			\$2,521,470	\$489,878	\$1,227,386	\$1,265,920	\$0	\$1,425,226	\$330,572	\$875,789
Special Ed - Grants for Infants & Families With Disabilities										
Infant and Toddlers Formula Grant (17-18)	84.181	181340-1718	550,565	58,761	550,565	0	0	58,761	0	0
Infant and Toddlers Formula Grant (18-19)		191340-1819	396,388	0	0	396,388	0	396,388	0	0
Total Special Ed - Grants for Infants & Families With Disabilities			\$946,953	\$58,761	\$550,565	\$396,388	\$0	\$455,149	\$0	\$0
Education for Homeless Children and Youth										
HAA VII-B Homeless Child Education (17-18)	84.196	182320-1718	111,108	30,536	65,396	18,226	0	48,762	0	0
HAA VII-B Homeless Child Education (18-19)		192320-1819	120,797	0	0	67,463	0	57,612	9,851	0
Total Education for Homeless Children and Youth			\$231,905	\$30,536	\$65,396	\$85,689	\$0	\$106,374	\$9,851	\$0

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Project Number	Program Or Award Amount	Accrued (Deferred) Revenue July 1, 2018	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payments In Kind Received	Accrued (Deferred) Revenue June 30, 2019	Transferred to Subrecipients as of June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>										
<u>Passed Through Michigan Department of Education (Continued):</u>										
21st Century Learning Grant	84.287C									
21st Century Learning Cohort J (17-18)		182110-J17040	\$675,000	\$318,169	\$658,848	\$0	\$0	\$318,169	\$0	\$0
21st Century Learning Cohort Ia (17-18)		182110-I14042	675,000	222,012	647,207	0	0	222,012	0	0
21st Century Learning Cohort Ib (17-18)		182110-I14044	675,000	241,126	653,537	0	0	241,126	0	0
21st Century Learning Cohort K (18-19)		192110-K181501	675,000	0	0	633,864	0	439,707	194,157	0
21st Century Learning Cohort J (18-19)		192110-J17040	675,000	0	0	672,494	0	566,859	105,635	0
21st Century Learning Cohort Ia (18-19)		192110-I14042	675,000	0	0	591,171	0	498,830	92,341	0
21st Century Learning Cohort Ib (18-19)		192110-I14044	675,000	0	0	622,446	0	534,558	87,888	0
Total 21st Century Learning Grant			\$4,725,000	\$781,307	\$1,959,592	\$2,519,975	\$0	\$2,821,261	\$480,021	\$0
English Language Acquisition Grants	84.365									
Title III - Limited English (17-18)		180580-1718	93,513	19,521	73,885	10,053	0	29,574	0	0
Title III - Immigrant (18-19)		190570-1819	93	0	0	80	0	80	0	0
Title III - Limited English (18-19)		190580-1819	104,024	0	0	81,843	0	72,863	8,980	0
Total English Language Acquisition Grants			\$197,630	\$19,521	\$73,885	\$91,976	\$0	\$102,517	\$8,980	\$0
RTT Trusted Advisors	84.412									
RTT Trusted Advisors		144740-1718	60,000	14,022	14,022	45,978	0	60,000	0	0
<u>Passed Through Columbia College</u>										
Investing in Innovation (I3)	84.411									
Investing in Innovation (I3) (16-17)		U411B130043-511139	189,291	201,497	219,494	0	0	201,497	0	0
Investing in Innovation (I3) (17-18)		U411B130043-511139	105,862	23,247	23,247	82,615	0	23,247	82,615	0
Total Passed Through Columbia College			\$295,153	\$224,744	\$242,741	\$82,615	\$0	\$224,744	\$82,615	\$0
TOTAL U.S. DEPARTMENT OF EDUCATION			\$63,198,430	\$8,717,058	\$37,938,029	\$22,912,206	\$0	\$24,473,012	\$7,156,252	\$16,635,662
<u>U.S. DEPARTMENT OF AGRICULTURE</u>										
<u>Passed Through Michigan Department of Education</u>										
Non-Cash Assistance										
Commodities	10.555	N/A	31,705	0	0	31,705	0	31,705	0	0
Cash Assistance										
National School Lunch Program	10.553	171960	174,025	13,249	135,626	38,399	0	51,648	0	0
National School Lunch Program	10.555	181960	165,176	0	0	165,176	0	151,416	13,760	0
Total			\$370,906	\$13,249	\$135,626	\$235,280	\$0	\$234,769	\$13,760	\$0
School Breakfast Program	10.555	171970	95,282	7,408	73,349	21,933	0	29,341	0	0
School Breakfast Program	10.553	181970	101,748	0	0	101,748	0	93,103	8,645	0
Total			\$197,030	\$7,408	\$73,349	\$123,681	\$0	\$122,444	\$8,645	\$0
Total Nutrition Cluster			\$567,936	\$20,657	\$208,975	\$358,961	\$0	\$357,213	\$22,405	\$0
NSLP Equipment Grant (18-19)	10.579	171991 EAG2019	3,247	0	0	3,247	0	3,247	0	0
Fresh Fruits & Vegetables (17-18)	10.582	180950 FW	4,519	620	4,519	0	0	620	0	0

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Project Number	Program Or Award Amount	Accrued (Deferred) Revenue July 1, 2018	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payments In Kind Received	Accrued (Deferred) Revenue June 30, 2019	Transferred to Subrecipients as of June 30, 2019
<u>U.S. DEPARTMENT OF AGRICULTURE</u> (Continued)										
<u>Passed Through Michigan Fitness Foundation</u>										
	10.561									
SNAP-ED (8) (17-18) (8578-577)		E20182657-00	\$950,000	\$338,750	\$615,276	\$170,288	\$0	\$509,038	\$0	\$0
SNAP-ED (9) (18-19) (8579-577)		E20190792-00	950,000	0	0	722,840	0	455,169	267,671	0
Total Passed Through Michigan Fitness Foundation			\$1,900,000	\$338,750	\$615,276	\$893,128	\$0	\$964,207	\$267,671	\$0
<u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u>			\$2,475,702	\$360,027	\$828,770	\$1,255,336	\$0	\$1,325,287	\$290,076	\$0
<u>U.S. DEPARTMENT OF LABOR</u>										
<u>Passed Through GSMW/CAIWDASOM</u>										
WIA Youth Activities										
	17.259									
WIA Youth Activities (17-18) (6608-735)		220-17B-WIY-135	100,000	15,062	100,000	0	0	15,062	0	0
WIOA Youth Activities (6609-735)		220-18-WIY-135	75,000	0	0	66,331	0	55,164	11,168	0
<u>TOTAL U.S. DEPARTMENT OF LABOR</u>			\$175,000	\$15,062	\$100,000	\$66,331	\$0	\$70,226	\$11,168	\$0
<u>U.S. DEPARTMENT OF JUSTICE</u>										
<u>Passed Through Michigan State University</u>										
MSU Safe (6) (15-16)	16.560	2015-CK-BX-0017	1,500,223	270,140	528,202	1,024,720	0	828,228	466,632	0
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>										
<u>Direct Grant</u>										
	93.600									
Head Start - Operations (7238-521)		05CH832705	11,549,957	2,887,671	10,558,878	534,621	0	3,422,292	0	0
Head Start - Operations (7239-521)		05CH010618-01-00	9,794,463	0	0	9,794,463	0	8,601,156	1,193,307	0
Head Start - Supplemental (7236-520)		05CH8327/03-04-05	3,029,534	402,468	2,416,455	0	0	402,468	0	0
Head Start - Operations (7238-522)		05CH832705	110,288	49,681	107,883	2,405	0	52,086	0	0
Head Start - Duration (7237-519)		05CH832705	59,312	33,169	56,954	1,600	0	34,769	0	0
Early Head Start (7238-523)		05HP00010401	3,856,819	847,123	2,862,592	815,858	0	1,662,981	0	0
Early Head Start (7237-523)		05HP00010401	556,992	109,650	484,022	72,970	0	182,620	0	0
Early Head Start - Train/Tech (7239-523)		05HP000104-02-00	2,628,533	0	0	2,410,005	0	2,151,224	258,781	0
Head Start - Operations (7239-522)		05CH010618-01-00	119,787	0	0	119,787	0	64,338	55,449	0
Early Head Start (7238-524)		05HP00010401	169,923	24,282	81,613	88,310	0	112,592	0	0
Early Head Start (7239-524)		05HP000104-02-00	64,047	0	0	30,614	0	11,124	19,490	0
Early Head Start - B (7238-529)		05CH010618-01-01	274,379	0	0	202,664	0	185,025	17,639	0
Early Head Start - B T&TA (7239-530)		05CH010618-01-00	767,385	0	0	767,385	0	612,839	154,546	0
Early Head Start - B T&TA (7239-530)		05CH010618-01-00	9,818	0	0	7,170	0	2,673	4,497	0
Early Head Start - C Start Up (7238-534)		05HP000121-01-00	333,097	0	0	24,643	0	0	24,643	0
Early Head Start - C (7239-534)		05HP000121-01-00	1,259,616	0	0	3,972	0	0	3,972	0
Early Head Start - (7239-535)		05HP000121-01-00	31,490	0	0	175	0	0	175	0
Total Head Start			\$34,615,440	\$4,354,044	\$16,568,397	\$14,876,642	\$0	\$17,498,187	\$1,732,499	\$0
CDC Adolescent Health (18-19)	93.079	7879-533	360,000	0	0	253,261	0	90,783	162,478	0
<u>CTF Healthy Families</u>										
	93.590									
CTF Healthy Families (17-18)		CTFDS18-25001	50,000	6,967	34,251	15,749	0	22,716	0	0
CTF Healthy Families (18-19)		CTFDS19-25001	50,000	0	0	37,008	0	37,008	0	0
Total CTF Healthy Families			\$100,000	\$6,967	\$34,251	\$52,757	\$0	\$59,724	\$0	\$0
Total Direct Grants			\$35,075,440	\$4,361,011	\$16,602,648	\$15,182,660	\$0	\$17,648,694	\$1,894,977	\$0

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Project Number	Program Or Award Amount	Accrued (Deferred) Revenue July 1, 2018	Prior Year Expenditures	Current Year Expenditures	Adjustments Prior Years	Current Year Cash/ Payments In Kind Received	Accrued (Deferred) Revenue June 30, 2019	Transferred to Subrecipients as of June 30, 2019
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u> (Continued)										
<u>Passed Through Michigan Department of Education</u>										
Child Care and Development Block Grant	93.575									
Sec 401 - CCDF (6908-518)		172FPP-ELEG2	\$2,420,050	\$70,213	\$278,112	\$389,190	\$1,181	\$460,584	\$0	\$0
Sec 401 - CCDF (6908-518)		182FPP-ELEG2	4,043,192	0	0	2,105,458	0	1,441,276	664,182	0
Total Child Care and Development Block Grant			<u>\$6,463,242</u>	<u>\$70,213</u>	<u>\$278,112</u>	<u>\$2,494,648</u>	<u>\$1,181</u>	<u>\$1,901,860</u>	<u>\$664,182</u>	<u>\$0</u>
<u>Passed Through Genesee County Health Department</u>										
HV HUB (17-18)	93.505	MC231151	5,000	360	2,840	2,155	0	2,515	0	0
HV HUB (18-19)		MC231151	3,200	0	0	1,900	0	1,360	540	0
Total Passed Through Genesee County Health Department			<u>\$8,200</u>	<u>\$360</u>	<u>\$2,840</u>	<u>\$4,055</u>	<u>\$0</u>	<u>\$3,875</u>	<u>\$540</u>	<u>\$0</u>
<u>Passed Through GSMW/CAIWDASOM</u>										
Temporary Asst. for Needy Families (6608-738)	93.558	405-18-WIY-135	2,000	569	569	350	0	919	0	0
<u>Chafee Foster Care Independence Program</u>										
Chafee F.C. Independence Program (6608-737)	93.674	400-18-WIY-135	42,000	1,711	1,711	28,168	0	29,879	0	0
Chafee F.C. Independence Program (6609-737)		400-19-WIY-135	40,500	0	0	3,265	0	0	3,265	0
Chafee F.C. Independence Program (6609-738)		405-19-WIY-135	2,000	0	0	1,089	0	0	1,089	0
Total Chafee Foster Care Independence Program			<u>\$84,500</u>	<u>\$1,711</u>	<u>\$1,711</u>	<u>\$32,522</u>	<u>\$0</u>	<u>\$29,879</u>	<u>\$4,354</u>	<u>\$0</u>
Total Passed Through GSMW/CAIWDASOM			<u>\$86,500</u>	<u>\$2,280</u>	<u>\$2,280</u>	<u>\$32,872</u>	<u>\$0</u>	<u>\$30,798</u>	<u>\$4,354</u>	<u>\$0</u>
<u>Passed Through the Michigan Department of Community Health</u>										
Medical Assistance Program Title XIX	93.778									
Medicaid Outreach (18-19)		N/A	131,424	0	0	131,424	0	131,424	0	46,572
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			<u>\$41,764,806</u>	<u>\$4,433,864</u>	<u>\$16,885,880</u>	<u>\$17,845,659</u>	<u>\$1,181</u>	<u>\$19,716,651</u>	<u>\$2,564,053</u>	<u>\$46,572</u>
TOTAL SCHEDULE OF FEDERAL AWARDS			<u>\$109,114,161</u>	<u>\$13,796,152</u>	<u>\$56,280,882</u>	<u>\$43,104,252</u>	<u>\$1,181</u>	<u>\$46,413,404</u>	<u>\$10,488,181</u>	<u>\$16,682,234</u>

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL REVENUE RECOGNIZED FOR THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS

\$43,104,252

FEDERAL REVENUE RECOGNIZED PER THE GENERAL
PURPOSE FINANCIAL STATEMENTS

General Fund	23,173,699
Special Education Fund	18,302,425
Career Technical Education Fund	1,265,920
Food Service	<u>362,208</u>

TOTAL

\$43,104,252

- 1) Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Genesee Intermediate School District for the year ended June 30, 2019.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (the "Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Genesee Intermediate School District, it is not intended to and does not present the financial position or changes in net position of Genesee Intermediate School District.

- 2) Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Expenditures are recognized following the cost principles in OMB Circular A-87 or the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.
- 3) The District has elected not to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.
- 4) Management has utilized the Cash Management System (CMS) in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Grant Auditor's Report have been reconciled in the attached reconciliation on page 66 of this report.
- 5) Noncash Assistance - The value of noncash assistance received was determined in accordance with the provisions of the Uniform Guidance. The grantee received no noncash assistance during the year ended June 30, 2019 that is not included on the schedule of expenditures of federal awards.
- 6) An adjustment of \$1,181 was made to the Child Care and Development Block grant due to disallowed costs that happened after the year end.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
RECONCILIATION OF "GRANT SECTION AUDITOR'S REPORT"
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Current Payments Per the Grant Auditor's Report - Cash Management System		\$26,700,096
Less: State Grant - MP Innovation Educators Corps Implementation		(235,174)
Add: Recorded on Cash Management in Prior Year but Received by District in the Current Year		
School Lunch Program (CFDA 10.555)	\$13,249	
School Breakfast Program (CFDA 10.553)	7,408	
Total		20,657
Less: Recorded on Cash Management in Current Year but Recorded by the District as Receivable		
School Lunch Program (CFDA 10.555)	(\$13,760)	
School Breakfast Program (CFDA 10.553)	(8,645)	
Total		(22,405)
Add: <u>Grants Passed Through Other Agencies</u>		
<u>Direct Grants</u>		
Head Start (CFDA #93.600)	\$17,498,187	
CDC Adolescent Health (CFDA 93.079)	90,783	
CTF Healthy Families (CFDA 93.590)	59,724	
Total Direct Grants		17,648,694
<u>Passed Through Grand Valley State University</u>		
Start Regional (CFDA 84.027A)		16,329
<u>Passed Through Columbia College</u>		
Investing in Innovation (I3) (CFDA 84.411)		224,744
<u>Passed Through Michigan Department of Education</u>		
Commodities (CFDA 10.553)		31,705
<u>Passed Through Michigan Fitness Foundation</u>		
SNAP-ED (CFDA 10.561)		964,207
<u>Passed Through GSMW/CAIWDASOM</u>		
WIA Youth Activities (CFDA 17.259)	\$70,226	
Temporary Asst. for Needy Families (CFDA 93.558)	919	
Chafee Foster Care Independence Program (CFDA 93.674)	29,879	
Passed Through GSMW/CAIWDASOM		101,024
<u>Passed Through Michigan State University</u>		
MSU Safe (CFDA 16.560)		828,228
<u>Passed Through Genesee County Health Department</u>		
HV Hub (CFDA 93.505)		3,875
<u>Passed Through the Michigan Department of Community Health</u>		
Medical Assistance Program (CFDA 93.778)		131,424
<u>TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</u>		<u>\$46,413,404</u>



October 29, 2019

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education of
Genesee Intermediate School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Genesee Intermediate School District's basic financial statements, and have issued our report thereon dated October 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Genesee Intermediate School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Genesee Intermediate School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Genesee Intermediate School District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



October 29, 2019

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

To the Board of Education of
Genesee Intermediate School District

Report on Compliance for Each Major Federal Program

We have audited Genesee Intermediate School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Genesee Intermediate School District's major federal programs for the year ended June 30, 2019. Genesee Intermediate School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Genesee Intermediate School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GENESEE INTERMEDIATE SCHOOL DISTRICT
SUMMARY OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency (ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency (ies) identified? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.287C	21 st Century Learning Grant
93.600	Head Start
93.575	Child Care and Development Block Grant

Dollar threshold use to distinguish between type A and type B programs: \$ 1,293,128

Auditee qualified as a low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings for the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings for the current year.

STATUS OF PRIOR YEAR FINDINGS

There were no findings for the prior year.

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION</u>								
<u>Title I - Regional Assistance Grant (18-19)</u>								
	84.010							
Clio Area Schools		191570-1819	\$35,175	\$0	\$0	\$0	\$763	\$763
Davison Alt		191570-1819	90,411	0	0	34,852	60,684	25,832
Flint Community Schools		191570-1819	190,522	0	0	0	0	0
Genesee STEM		191570-1819	58,780	0	0	7,385	33,038	25,653
Swartz Creek		191570-1819	83,188	0	0	41,049	58,642	17,593
Way Academy		191570-1819	90,594	0	0	30,084	34,091	4,007
Westwood Heights		191570-1819	70,568	0	0	22,074	44,528	22,454
Total Title I Regional Assistance Grant (18-19)			\$619,238	\$0	\$0	\$135,444	\$231,746	\$96,302

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>IDEA Flowthrough (16-17)</u>	84.027							
Atherton Community Schools		170450-1617	\$237,972	\$6,446	\$29,552	\$6,446	\$0	\$0
Beecher School District		170450-1617	245,236	0	5,417	0	0	0
Bendle Public Schools		170450-1617	316,060	0	4,915	0	0	0
Bentley Community School District		170450-1617	190,756	0	6,113	0	0	0
Burton Glen Academy		170450-1617	176,228	0	0	0	0	0
Carman-Ainsworth School District		170450-1617	1,151,420	27,585	126,615	27,585	0	0
Clio Area Schools		170450-1617	606,620	0	0	0	0	0
Davison Community Schools		170450-1617	1,007,956	5,634	5,634	5,634	0	0
Eagles Nest Academy		170450-1617	10,972	0	0	0	0	0
Fenton Area Public Schools		170450-1617	690,156	0	28,663	0	0	0
Flint Community Schools		170450-1617	1,639,924	8,803	29,645	8,803	0	0
Flushing Community Schools		170450-1617	980,716	0	13,696	0	0	0
Genesee School District		170450-1617	270,660	0	0	0	0	0
Genesee STEM		170450-1617	32,764	0	0	0	0	0
Goodrich Area Schools		170450-1617	308,796	0	0	0	0	0
Grand Blanc Community Schools		170450-1617	1,525,516	0	0	0	0	0
Grand Blanc Academy		170450-1617	98,140	265	7,736	265	0	0
Greater Heights Academy		170450-1617	50,924	0	0	0	0	0
International Academy of Flint		170450-1617	236,156	11,840	29,002	13,092	1,252	0
Kearsley Community Schools		170450-1617	831,804	0	0	0	0	0
Lake Fenton Community Schools		170450-1617	348,748	0	0	0	0	0
LakeVille Community Schools		170450-1617	403,228	0	0	0	0	0
Linden Community Schools		170450-1617	771,876	0	0	0	0	0
Linden Charter Academy		170450-1617	150,804	0	0	0	0	0
Madison Academy		170450-1617	123,564	0	0	0	0	0
Montrose Community Schools		170450-1617	414,124	0	13,658	0	0	0
Mt. Morris Consolidated Schools		170450-1617	704,684	13,273	95,419	13,273	0	0
Northridge Academy		170450-1617	63,636	0	0	0	0	0
New Standard Academy		170450-1617	90,876	0	0	0	0	0
Richfield Academy		170450-1617	159,884	0	8,370	0	0	0
Swartz Creek Community Schools		170450-1617	953,476	0	0	0	0	0
Way Academy		170450-1617	90,876	0	0	0	0	0
Westwood Heights Schools		170450-1617	230,708	0	13,123	0	0	0
Woodland Park Academy		170450-1617	92,692	0	22,979	0	0	0
Total IDEA Flowthrough (16-17)			\$15,207,952	\$73,846	\$440,537	\$75,098	\$1,252	\$0

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>								
<u>IDEA Flowthrough (17-18)</u>								
	84.027							
Atherton Community Schools		180450-1718	\$246,322	\$63,766	\$243,603	\$66,485	\$2,719	\$0
Beecher School District		180450-1718	193,229	30,338	193,229	30,338	0	0
Bendle Public Schools		180450-1718	310,925	113,322	310,925	113,322	0	0
Bentley Community School District		180450-1718	153,473	58,143	149,631	61,985	3,842	0
Burton Glen Academy		180450-1718	150,932	0	150,932	0	0	0
Carman-Ainsworth School District		180450-1718	1,184,961	340,514	1,091,494	433,981	93,467	0
Clio Area Schools		180450-1718	616,199	213,066	616,199	213,066	0	0
Davison Community Schools		180450-1718	1,074,499	266,905	1,049,786	291,618	24,713	0
Eagle's Nest Academy		180450-1718	33,236	6,888	33,236	6,888	0	0
Fenton Area Public Schools		180450-1718	736,260	135,129	730,217	141,172	6,043	0
Flint Community Schools		180450-1718	1,577,514	830,141	1,542,597	865,058	34,917	0
Flushing Community Schools		180450-1718	969,098	99,053	954,058	114,093	15,040	0
Genesee School District		180450-1718	257,594	94,340	255,755	96,179	1,839	0
Genesee STEM		180450-1718	57,143	7,381	57,143	7,381	0	0
Goodrich Area Schools		180450-1718	326,698	116,173	317,065	125,806	9,633	0
Grand Blanc Community Schools		180450-1718	1,641,154	846,471	1,502,765	984,860	138,389	0
Grand Blanc Academy		180450-1718	95,762	35,263	95,762	35,263	0	0
Greater Heights Academy		180450-1718	57,143	0	57,143	0	0	0
International Academy of Flint		180450-1718	239,204	69,952	189,893	119,263	49,311	0
Kearsley Community Schools		180450-1718	845,996	215,119	829,864	231,251	16,132	0
Lake Fenton Community Schools		180450-1718	366,095	152,689	366,095	152,689	0	0
LakeVille Community Schools		180450-1718	408,392	151,060	408,392	151,060	0	0
Linden Community Schools		180450-1718	772,514	325,821	772,514	325,821	0	0
Linden Charter Academy		180450-1718	134,381	0	134,381	0	0	0
Madison Academy		180450-1718	103,118	11,368	103,118	11,368	0	0
Montrose Community Schools		180450-1718	378,968	0	350,552	28,416	28,416	0
Mt. Morris Consolidated Schools		180450-1718	735,734	181,150	583,010	280,404	152,724	53,470
Northridge Academy		180450-1718	49,787	13,919	49,787	13,919	0	0
New Standard Academy		180450-1718	70,016	19,169	70,016	19,169	0	0
Paris Academy		180450-1718	0	0	0	0	0	0
Richfield Academy		180450-1718	191,390	81,388	179,063	93,715	12,327	0
Swartz Creek Community Schools		180450-1718	899,757	191,387	897,566	193,578	2,191	0
Way Academy		180450-1718	95,762	28,996	95,762	28,996	0	0
Westwood Heights Schools		180450-1718	231,848	85,224	222,046	94,808	9,802	218
Woodland Park Academy		180450-1718	82,889	21,567	62,187	42,269	20,702	0
Total IDEA Flowthrough (17-18)			\$15,287,993	\$4,805,702	\$14,665,786	\$5,374,221	\$622,207	\$53,688

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>								
<u>IDEA Flowthrough (18-19)</u>	84.027							
Atherton Community Schools		190450-1819	\$250,398	\$0	\$0	\$171,973	\$251,149	\$79,176
Beecher School District		190450-1819	206,210	0	0	167,255	206,210	38,955
Bendle Public Schools		190450-1819	294,586	0	0	188,161	294,586	106,425
Bentley Community School District		190450-1819	167,681	0	0	99,704	167,681	67,977
Burton Glen Academy		190450-1819	123,358	0	0	123,358	123,358	0
Carman-Ainsworth School District		190450-1819	1,170,978	0	0	749,060	1,155,529	406,469
Clio Area Schools		190450-1819	591,012	0	0	374,645	591,012	216,367
Davison Community Schools		190450-1819	1,075,237	0	0	502,055	1,049,706	547,651
Eagles Nest Academy		190450-1819	29,459	0	0	29,459	29,459	0
Fenton Area Public Schools		190450-1819	754,876	0	0	483,388	720,706	237,318
Flex High School		190450-1820	16,570	0	0	16,570	16,570	0
Flint Community Schools		190450-1819	1,631,268	0	0	1,076,811	1,631,268	554,457
Flushing Community Schools		190450-1819	1,001,591	0	0	909,974	992,150	82,176
Genesee School District		190450-1819	222,780	0	0	135,023	222,780	87,757
Genesee STEM		190450-1819	71,805	0	0	41,790	69,929	28,139
Goodrich Area Schools		190450-1819	320,362	0	0	199,510	320,172	120,662
Grand Blanc Community Schools		190450-1819	1,658,885	0	0	860,732	1,532,508	671,776
Grand Blanc Academy		190450-1819	117,834	0	0	40,639	63,425	22,786
Greater Heights Academy		190450-1819	73,646	0	0	73,646	73,646	0
International Academy of Flint		190450-1819	198,845	0	0	108,643	193,368	84,725
Kearsley Community Schools		190450-1819	856,139	0	0	493,844	861,809	367,965
Lake Fenton Community Schools		190450-1819	353,503	0	0	206,014	353,503	147,489
LakeVille Community Schools		190450-1819	360,867	0	0	233,404	360,867	127,463
Linden Community Schools		190450-1819	815,634	0	0	491,096	815,634	324,538
Linden Charter Academy		190450-1819	141,769	0	0	141,769	141,769	0
Madison Academy		190450-1819	115,993	0	0	77,104	115,993	38,889
Montrose Community Schools		190450-1819	377,438	0	0	241,188	361,718	120,530
Mt. Morris Consolidated Schools		190450-1819	683,070	0	0	402,737	654,020	251,283
Northridge Academy		190450-1819	60,758	0	0	60,758	60,758	0
New Standard Academy		190450-1819	71,805	0	0	43,913	71,805	27,892
Richfield Academy		190450-1819	213,575	0	0	135,273	213,575	78,302
Swartz Creek Community Schools		190450-1819	902,168	0	0	643,567	902,168	258,601
Way Academy		190450-1819	81,011	0	0	67,175	81,011	13,836
Westwood Heights Schools		190450-1819	259,604	0	0	154,885	259,604	104,719
Woodland Park Academy		190450-1819	92,058	0	0	56,533	92,058	35,525
Total IDEA Flowthrough (18-19)			\$15,362,773	\$0	\$0	\$9,801,656	\$15,051,504	\$5,249,848

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>								
<u>Secondary Regional Allocation (17-18)</u>								
	84.048							
Carman-Ainsworth School District		183520-1812-15	\$30,247	\$0	\$30,186	\$0	\$0	\$0
Clio Area Schools		183520-1812-15	26,900	0	26,900	0	0	0
Davison Community Schools		183520-1812-15	102,267	7,922	100,611	7,922	0	0
Fenton Area Public Schools		183520-1812-15	51,276	25,721	47,646	25,721	0	0
Flint Community Schools		183520-1812-15	0	0	0	0	0	0
Flushing Community Schools		183520-1812-15	36,979	10,358	34,266	10,358	0	0
Genesee Early College		183520-1812-15	0	0	0	0	0	0
Goodrich Area Schools		183520-1812-15	3,650	750	3,475	750	0	0
Grand Blanc Community Schools		183520-1812-15	145,790	56,863	147,326	56,863	0	0
Kearsley Community Schools		183520-1812-15	32,385	0	32,385	0	0	0
Lake Fenton Schools		183520-1812-15	10,503	0	10,502	0	0	0
Montrose Community Schools		183520-1812-15	3,845	0	3,709	0	0	0
Mt. Morris Consolidated Schools		183520-1812-15	1,617	0	1,616	0	0	0
Shiawassee RESD		183520-1812-15	217,070	179,864	222,839	179,864	0	0
Swartz Creek Community Schools		183520-1812-15	0	0	0	0	0	0
Westwood Heights School District		183520-1812-15	5,095	351	4,847	351	0	0
Total Secondary Regional Allocation (17-18)			\$667,624	\$281,829	\$666,308	\$281,829	\$0	\$0
<u>Secondary Regional Allocation (18-19)</u>								
	84.048							
Carman-Ainsworth School District		193520-1912-15	21,123	0	0	21,123	21,123	0
Clio Area Schools		193520-1912-15	5,500	0	0	5,500	5,500	0
Davison Community Schools		193520-1912-15	119,455	0	0	108,573	117,051	8,478
Fenton Area Public Schools		193520-1912-15	17,288	0	0	2,873	16,838	13,965
Flushing Community Schools		193520-1912-15	29,815	0	0	22,534	27,700	5,166
Goodrich Area Schools		193520-1912-15	26,665	0	0	26,648	26,648	0
Grand Blanc Community Schools		193520-1912-15	122,177	0	0	92,991	121,286	28,295
Kearsley Community Schools		193520-1912-15	27,376	0	0	27,375	27,375	0
Lake Fenton Schools		193520-1912-15	42,512	0	0	42,337	42,337	0
Montrose Community Schools		193520-1912-15	28,798	0	0	27,509	28,214	705
Mt. Morris Consolidated Schools		193520-1912-15	1,250	0	0	1,172	1,172	0
Shiawassee RESD		193520-1912-15	230,593	0	0	209,825	221,269	11,444
Westwood Heights School District		193520-1912-15	30,767	0	0	5,500	30,767	25,267
Total Secondary Regional Allocation (18-19)			\$703,319	\$0	\$0	\$593,960	\$687,280	\$93,320

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>								
<u>IDEA Preschool Incentive (16-17)</u>								
	84.173							
Beecher School District		170460-1617	\$4,770	\$0	\$3,245	\$0	\$0	\$0
Bendle Public Schools		170460-1617	24,936	0	0	0	0	0
Burton Glen Academy		170460-1617	4,770	0	0	0	0	0
Carman-Ainsworth School District		170460-1617	18,432	0	0	0	0	0
Clio Area Schools		170460-1617	13,878	0	0	0	0	0
Davison Community Schools		170460-1617	34,371	0	0	0	0	0
Fenton Area Public Schools		170460-1617	43,911	0	10,624	0	0	0
Flint Community Schools		170460-1617	57,900	0	0	0	0	0
Flushing Community Schools		170460-1617	27,540	0	766	0	0	0
Genesee School District		170460-1617	4,011	0	0	0	0	0
Goodrich Area Schools		170460-1617	4,011	0	0	0	0	0
Grand Blanc Community Schools		170460-1617	39,684	0	0	0	0	0
International Academy		170460-1617	4,770	894	894	4,821	3,927	0
Kearsley Community Schools		170460-1617	25,263	0	0	0	0	0
LakeVille Community Schools		170460-1617	8,565	0	0	0	0	0
Montrose Community Schools		170460-1617	15,396	0	436	0	0	0
Mt. Morris Consolidated Schools		170460-1617	18,432	0	0	0	0	0
Richfield Public Academy		170460-1617	4,770	0	492	0	0	0
Swartz Creek Community Schools		170460-1617	37,407	0	0	0	0	0
Westwood Heights		170460-1617	1,734	0	1,734	0	0	0
Total IDEA Preschool Incentive (16-17)			\$394,551	\$894	\$18,191	\$4,821	\$3,927	\$0

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>								
<u>IDEA Preschool Incentive (17-18)</u>								
	84.173							
Beecher School District		180460-1718	\$3,753	\$3,295	\$3,753	\$3,295	\$0	\$0
Bendle Public Schools		180460-1718	17,406	6,747	17,406	6,747	0	0
Burton Glen Academy		180460-1718	5,802	0	5,802	0	0	0
Carman-Ainsworth School District		180460-1718	26,975	9,878	26,975	9,878	0	0
Clio Area Schools		180460-1718	13,315	0	13,315	0	0	0
Davison Community Schools		180460-1718	31,756	8,775	31,756	8,775	0	0
Fenton Area Public Schools		180460-1718	55,654	5,296	55,654	5,296	0	0
Flint Community Schools		180460-1718	72,053	36,621	72,053	36,621	0	0
Flushing Community Schools		180460-1718	21,511	3,866	21,511	3,866	0	0
Genesee School District		180460-1718	4,436	0	4,436	0	0	0
Goodrich Area Schools		180460-1718	10,583	3,054	10,583	3,054	0	0
Grand Blanc Community Schools		180460-1718	43,367	15,063	35,676	22,757	7,694	0
International Academy		180460-1718	3,070	0	0	0	3,070	3,070
Kearsley Community Schools		180460-1718	18,779	3,997	18,779	3,997	0	0
Lakeville Community Schools		180460-1718	3,753	731	3,753	731	0	0
Montrose Community Schools		180460-1718	10,583	0	10,583	0	0	0
Mt. Morris Consolidated Schools		180460-1718	16,730	4,751	16,730	4,751	0	0
Richfield Public Academy		180460-1718	7,851	4,638	7,851	4,638	0	0
Swartz Creek Community Schools		180460-1718	23,560	6,533	23,560	6,533	0	0
Westwood Heights		180460-1718	2,387	2,018	2,384	2,018	0	0
Total IDEA Preschool Incentive (17-18)			\$393,324	\$115,263	\$382,560	\$122,957	\$10,764	\$3,070

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>								
<u>IDEA Preschool Incentive (18-19)</u>								
	84.173							
Beecher School District		190460-1819	\$3,847	\$0	\$0	\$553	\$3,847	\$3,294
Bendle Public Schools		190460-1819	19,869	0	0	11,548	19,869	8,321
Burton Glen Academy		190460-1819	1,071	0	0	1,071	1,071	0
Carman-Ainsworth School District		190460-1819	26,055	0	0	17,019	26,055	9,036
Clio Area Schools		190460-1819	18,421	0	0	18,421	18,421	0
Davison Community Schools		190460-1819	37,853	0	0	17,964	37,853	19,889
Fenton Area Public Schools		190460-1819	59,427	0	0	33,357	59,427	26,070
Flint Community Schools		190460-1819	65,613	0	0	30,092	65,613	35,521
Flushing Community Schools		190460-1819	28,137	0	0	21,516	28,137	6,621
Genesee School District		190460-1819	3,847	0	0	3,847	3,847	0
Goodrich Area Schools		190460-1819	11,481	0	0	5,740	11,481	5,741
Grand Blanc Community Schools		190460-1819	44,099	0	0	34,562	34,562	0
International Academy		190460-1819	1,765	0	0	0	0	0
Kearsley Community Schools		190460-1819	28,137	0	0	16,623	28,137	11,514
Lakeville Community Schools		190460-1819	8,705	0	0	2,844	4,765	1,921
Montrose Community Schools		190460-1819	9,399	0	0	6,915	9,399	2,484
Mt. Morris Consolidated Schools		190460-1819	13,563	0	0	8,690	13,563	4,873
Richfield Public Academy		190460-1819	5,929	0	0	2,136	5,928	3,792
Swartz Creek Community Schools		190460-1819	17,727	0	0	11,475	17,727	6,252
Westwood Heights		190460-1819	4,541	0	0	1,303	4,541	3,238
Total IDEA Preschool Incentive (18-19)			\$409,486	\$0	\$0	\$245,676	\$394,243	\$148,567
<u>TOTAL U.S. DEPARTMENT OF EDUCATION</u>			\$49,046,260	\$5,277,534	\$16,173,382	\$16,635,662	\$17,002,923	\$5,644,795

GENESEE INTERMEDIATE SCHOOL DISTRICT - FLINT, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Program Title/ Subrecipient	Federal CFDA Number	Subrecipient Project Number	Subrecipient Award Amount	Due To Subrecipients July 1, 2018	Subrecipient's Prior Year Expenditures	Current Year Cash Transferred To Subrecipients	Federal Expenditures Reported By Subrecipients	Due To Subrecipients June 30, 2019
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>								
<u>Medicaid Outreach (18-19)</u>								
Atherton Community Schools		N/A	\$760	\$0	\$0	\$760	\$760	\$0
Beecher School District		N/A	397	0	0	397	397	0
Bendle Public Schools		N/A	1,243	0	0	1,243	1,243	0
Bentley Community Schools		N/A	490	0	0	490	490	0
Carman-Ainsworth School District		N/A	3,165	0	0	3,165	3,165	0
Clio Area Schools		N/A	2,461	0	0	2,461	2,461	0
Davison Community Schools		N/A	6,340	0	0	6,340	6,340	0
Fenton Area Public Schools		N/A	3,163	0	0	3,163	3,163	0
Flint Community Schools		N/A	3,632	0	0	3,632	3,632	0
Flushing Community Schools		N/A	2,507	0	0	2,507	2,507	0
Genesee School District		N/A	290	0	0	290	290	0
Goodrich Area Schools		N/A	1,426	0	0	1,426	1,426	0
Grand Blanc Community Schools		N/A	5,142	0	0	5,142	5,142	0
International Academy		N/A	356	0	0	356	356	0
Kearsley Community Schools		N/A	3,342	0	0	3,342	3,342	0
Lake Fenton Community Schools		N/A	1,390	0	0	1,390	1,390	0
LakeVille Community Schools		N/A	961	0	0	0	961	961
Linden Community Schools		N/A	3,865	0	0	3,865	3,865	0
Montrose Community Schools		N/A	1,096	0	0	1,096	1,096	0
Mt Morris Consolidated Schools		N/A	1,810	0	0	1,810	1,810	0
Northridge Academy		N/A	0	0	0	0	0	0
Richfield Academy		N/A	718	0	0	718	718	0
Swartz Creek Community Schools		N/A	2,507	0	0	2,507	2,507	0
Westwood Heights Schools		N/A	472	0	0	472	472	0
Total Medicaid Outreach (18-19)			\$47,533	\$0	\$0	\$46,572	\$47,533	\$961
<u>TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROVIDED TO SUBRECIPIENTS</u>			\$49,093,793	\$5,277,534	\$16,173,382	\$16,682,234	\$17,050,456	\$5,645,756



October 29, 2019

To the Board of Education of
Genesee Intermediate School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genesee Intermediate School District for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 20, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Genesee Intermediate School District are described in Note 1 to the financial statements. The application of existing policies was not changed during the 2018-2019 year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Estimates have been used to calculate the net pension and net OPEB liabilities.

Estimates have been used in calculating the liability for employee compensated absences.

We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of the capital assets.

We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Genesee Intermediate School District
Page 3
October 29, 2019

We were engaged to report on the other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Genesee Intermediate School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

