



Coopersville Area Public Schools

Annual Financial Report
Year Ended June 30, 2014

Coopersville Area Public Schools

Annual Financial Report
Year Ended June 30, 2014

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Coopersville Area Public Schools

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Coopersville Area Public Schools

Board of Education and Appointed Officials June 30, 2014

Board of Education

President	Stacey Snyder
Vice President	Lynn VanSickle
Secretary	Denise Dewys-Gilbert
Treasurer	Rich West
Trustee	Jennifer Breen
Trustee	Ira Engeltjes
Trustee	Kurt Meinders

Appointed Officials

Superintendent	Ron Veldman
Chief Financial Officer	Scott Powers

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Independent Auditor's Report

Board of Education
Coopersville Area Public Schools
Coopersville, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools (the District) as of and for the year ended June 30, 2014, 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 of 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Coopersville Area Public Schools as of June 30, 2014, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 11 to the financial statements, in 2014 the District implemented Governmental Accounting Standards Board Statement No 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, on pages 13 through 18, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining, individual fund financial statements and schedules, and the schedule of expenditures of federal awards required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2014 on our consideration of Coopersville Area Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BDO USA, LLP

October 17, 2014

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Management's Discussion and Analysis

Coopersville Area Public Schools (the District) is located in Ottawa County, Michigan. 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, 2014.

Brief Description of the Financial Statements

This Annual Financial Report (AFR) consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District's financial position as a whole. The *District-Wide Financial Statements* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements present how services were financed in the short-term, as well as what remains for future spending. The fund financial statements look at the District's operations in more detail than the District-wide financial statements by providing information about the District's most significant funds, which include the General Fund and Common Debt Fund, with the two special revenue funds and 2006 School Building and Site Capital Project Fund presented in one column as other governmental funds or nonmajor funds. The remaining statements include the Internal Service Fund, which accounts for the District's retirement payments, and the Statement of Fiduciary Net Position, which presents financial information about activities for which the District acts solely as an agent for the benefit of students and parents.

Reporting the District as a Whole - District-Wide Financial Statements

One of the most important questions asked about the District is, "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include *all* assets, deferred outflows of resources and liabilities, using the *full accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or bills paid.

These two statements report the District's *net position* - the difference between assets, deferred outflows of resources and liabilities, as reported in the Statement of Net Position - as one way to measure the District's *financial position*. Over time, *increases or decreases* in the District's net position, as reported in the Statement of Activities, are one indicator of whether its *financial position* is improving or deteriorating. The relationship between revenues and expenses is the District's *operating results*. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools, to assess the *overall health* of the District.

The Statement of Net Position and Statement of Activities report the governmental activities for the District, which encompass all of the District's services, including instruction, operations and maintenance, transportation, athletics and food services. Property taxes, sales taxes, foundation allowance revenue, state and federal grants, and payment of fees finance most of these activities.

Reporting the District's Most Significant Funds - Fund Financial Statements

The District's Fund Financial Statements provide detailed information about the most *significant funds* - not the District as a whole. Some funds are required to be established by state law and by

bond covenants. However, the District establishes other funds to help it control and manage money for particular purposes (like the Food Service Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like grants the District receives from the U.S. Department of Education). The governmental funds of the District are accounted for using the following accounting guidelines:

Governmental funds - All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end. They are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can be readily converted to cash. The Governmental Fund Statements provide a detailed *short-term view* of the operations of the District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation report.

Condensed Financial Information and Analysis of the District's Overall Financial Position and Results of Operations

The District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position at fiscal years ended June 30, 2014 and 2013.

Table 1

	Governmental Activities 2014	Governmental Activities 2013 as Restated
<i>June 30,</i>		
Assets		
Current assets	\$ 8,202,213	\$ 8,206,404
Capital assets, net	70,179,755	72,166,182
Total Assets	78,381,968	80,372,586
Deferred Outflow of Resources	786,239	849,158
Liabilities		
Current liabilities	6,168,094	7,180,487
Noncurrent liabilities	83,068,905	80,968,994
Total Liabilities	89,236,999	88,149,481
Net Position		
Net investment in capital assets	(11,513,244)	(10,677,170)
Restricted for food service	70,464	80,051
Unrestricted	1,373,988	3,255,746
Total Net Position	\$ (10,068,792)	\$ (7,341,373)

The District's net position was \$(7,341,373) at June 30, 2013 and \$(10,068,792) at June 30, 2014. During 2014, the District implemented GASB Statement No. 65 which required deferred bond issue costs to be written off against beginning net position. As a result, the June 30, 2013 balance of net position was reduced by \$435,522. Capital assets decreased mainly due to current year depreciation. Our analysis above focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

The results of this year's operations for the District as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net position for fiscal years 2014 and 2013.

Table 2

<i>Year ended June 30,</i>	Governmental Activities 2014	Governmental Activities 2013
Revenues		
Program revenues:		
Charges for services	\$ 1,176,612	\$ 1,132,086
Operating grants and contributions	6,049,334	5,227,285
General revenues:		
Property taxes	5,034,614	4,810,620
Insurance reimbursement	52,448	7,180
Unrestricted state aid	16,670,499	16,066,342
Unrestricted Medicaid revenue	85,419	83,982
Investment earnings	5,845	10,493
Total Revenues	29,074,771	27,337,988
Expenses		
Instruction	15,155,402	14,101,661
Support services	9,016,966	8,556,358
Community services	641,869	810,650
Food service	786,136	758,979
Center Stage	38,559	50,327
Interest on long-term debt	3,601,026	3,727,679
Unallocated depreciation	2,126,710	2,129,138
Total Expenses	31,366,668	30,134,792
Change in net position	(2,291,897)	(2,796,804)
Net Position, beginning of year, as restated	(7,776,895)	(4,544,569)
Net Position, end of year	\$ (10,068,792)	\$ (7,341,373)

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$31,051,634. However, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$5,034,614 because some of the cost was paid by those who benefited from the programs (\$1,176,612) or by other governments and organizations who subsidized certain programs with operating grants and contributions (\$5,734,300). The District paid for the remaining "public benefit" portion of its governmental activities with \$16,670,499 in unrestricted state aid with the remaining portion covered by its other revenues, such as interest

and general entitlements. Investment earnings decreased significantly in 2014 due to the large reduction of cash available to invest, as well as low interest rates.

In the table below, we have presented the total cost for each of the District's largest services, as well as each service's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the District by each of these services. Providing this information allows our citizens to consider the cost of each service in comparison to the benefits they believe are provided by that service.

<i>Year ended June 30, 2014</i>	Governmental Activities	
	Total Cost of Services	Net (Cost) Benefit of Services
Basic programs	\$ 12,424,654	\$ (11,638,716)
Special education	2,253,042	51,571
Other instruction	477,706	13,385
Student services	1,027,538	(326,175)
Instructional staff	614,741	(146,119)
General administration	634,007	(614,265)
School administration	1,471,303	(1,381,860)
Business office/fiscal services	285,381	(219,272)
Operations and maintenance	2,515,061	(2,361,762)
Student transportation	1,000,892	(749,211)
Other support services	870,715	(605,983)
Athletics	597,328	(425,142)
Community services	641,869	(2,054)
Food service	786,136	(9,270)
Center Stage	38,559	1,887
Interest on long-term debt	3,601,026	(3,601,026)
Unallocated depreciation	2,126,710	(2,126,710)
	\$ 31,366,668	\$ (24,140,722)

Analysis of Balances and Transactions of Individual Funds

The District's Funds

As we noted earlier, the District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the District is being accountable for the resources taxpayers and others provide, but may also give you more insight into the District's overall financial position.

As of June 30, 2014, our governmental funds reported a combined fund balance of \$5,230,733.

The General Fund is our principal operating fund, which is \$4,344,483 of the above amount. In the General Fund, the District has nonspendable fund balance of \$83,142 for inventory and prepaid expenditures, assigned fund balance of \$609,400 for subsequent year expenditures, leaving an unassigned fund balance of \$3,651,941.

Analysis of Differences Between Original and Final Budgeted Amounts and Between Actual and Budgeted Amounts

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted just before year-end to adjust for an expected increase in state revenues. (A schedule showing the District's original and final budget amounts for the General Fund compared with amounts actually paid and received is provided on page 31.)

Description of Changes in Capital Assets and Long-Term Debt During the Year

Capital Assets and Debt Administration

At June 30, 2014, the District had a net \$70,179,755 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of \$1,986,427 or (2.8)%, from last year.

<i>June 30,</i>	2014	2013
Land	\$ 1,281,607	\$ 1,281,607
Land improvements	4,723,298	5,075,587
Buildings and improvements	62,658,478	64,043,189
Machinery and equipment	368,300	440,308
Furniture and fixtures	269,898	296,692
Motor vehicles	116,822	118,055
Buses	761,352	910,744
	\$ 70,179,755	\$ 72,166,182

We present additional detail in Note 6 to the financial statements.

Long-Term Obligations

At the end of this year, the District had \$60,200,000 in general obligation bonds outstanding versus \$64,415,000 last year. The decrease is due to scheduled debt service payments. During the year, the District borrowed \$3,362,681 from the School Bond Loan Fund, bringing the loan balance to \$21,007,603 at June 30, 2014. Accrued interest on the School Bond Loan increased by \$729,122, bringing the balance to \$2,463,723 at June 30, 2014.

Other obligations include accrued vacation pay, retirement incentives and accrued leave. We present more detailed information about our long-term liabilities in Note 9 to the financial statements.

Description of Currently Known Facts, Decisions or Conditions That Have, or are Expected to Have, a Material Effect on Financial Position or Results of Operations

Economic Factors and Next Year's Budgets and Rates

- The uncertainty of student foundation funding levels, as well as funding for other K-12 education programs, reflects the economic difficulties faced by the State of Michigan. Analysts continue to predict a slow recovery to the situation.

- Our locally elected officials and District administration considered many factors when setting the 2014-2015 fiscal year budget and tax rates. One of the most important factors is the District's student enrollment. The student count is a key component in determining the foundation revenue from the state, as it is multiplied by the foundation allowance per pupil. The budget for 2014-2015 was adopted in June 2014 and was based on an estimate of the number of students enrolled and attending in September 2014. At that time it was estimated that enrollment would be flat when compared to the previous school year. Approximately 75% of the District's total revenue is based on this foundation allowance.
- For the 2014-2015 General Fund (operating fund) budget, the District projected a decrease in fund balance of \$609,400. The budget, adopted in June 2014, that reflected this utilization of reserves, estimated compensation costs for the Teachers Union (under contract through August 2015), the Support Union (under contract through December 2015), and for the non-unionized staff who received wage increases of up to 1.0% for the 2014-2015 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Business Office of Coopersville Area Public Schools, Coopersville, Michigan.

District-Wide Financial Statements

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Coopersville Area Public Schools

District-Wide Financial Statements Statement of Net Position

	Governmental Activities
<i>June 30, 2014</i>	
Assets	
Current Assets	
Cash (Note 3)	\$ 3,877,990
Due from other governmental units (Note 4)	4,182,337
Inventories	70,036
Prepaid expenses	71,850
Total current assets	8,202,213
Noncurrent Assets	
Depreciable capital assets, net of accumulated depreciation (Note 6)	68,898,148
Land (Note 6)	1,281,607
Total noncurrent assets	70,179,755
Total Assets	78,381,968
Deferred Outflow of Resources	
Deferred interest on refunding	786,239
Liabilities	
Current Liabilities	
Accounts payable	332,971
Unearned revenue	187,443
Accrued payroll liabilities	1,833,508
Due to other governments	190,475
Accrued interest payable	457,046
Deposits	11,134
Current portion of long-term obligations (Note 9)	3,155,517
Total current liabilities	6,168,094
Noncurrent Liabilities	
Noncurrent portion of long-term obligations (Note 9)	83,068,905
Total Liabilities	89,236,999
Net Position	
Net investment in capital assets	(11,513,244)
Restricted for food service	70,464
Unrestricted	1,373,988
Total Net Position	\$ (10,068,792)

See accompanying notes to financial statements.

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Coopersville Area Public Schools

District-Wide Financial Statements Statement of Activities

		Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for	Operating Grants and	
Year ended June 30, 2014	Expenses	Services	Contributions	Total
Functions/Programs				
Governmental Activities				
Instruction:				
Basic programs	\$ 12,424,654	\$ 77,761	\$ 708,177	\$ (11,638,716)
Special education	2,253,042	-	2,304,613	51,571
Other instruction	477,706	-	491,091	13,385
Total instruction	15,155,402	77,761	3,503,881	(11,573,760)
Support services:				
Student services	1,027,538	-	701,363	(326,175)
Instructional staff	614,741	-	468,622	(146,119)
General administration	634,007	-	19,742	(614,265)
School administration	1,471,303	-	89,443	(1,381,860)
Business office/fiscal services	285,381	-	66,109	(219,272)
Operations and maintenance	2,515,061	-	153,299	(2,361,762)
Student transportation	1,000,892	-	251,681	(749,211)
Other support services	870,715	-	264,732	(605,983)
Athletics	597,328	172,186	-	(425,142)
Community services	641,869	590,534	49,281	(2,054)
Food service	786,136	295,685	481,181	(9,270)
Center Stage	38,559	40,446	-	1,887
Interest on long-term debt	3,601,026	-	-	(3,601,026)
Unallocated depreciation	2,126,710	-	-	(2,126,710)
Total School District	\$ 31,366,668	\$ 1,176,612	\$ 6,049,334	(24,140,722)
General revenues:				
Property taxes levied for general purposes				1,303,063
Property taxes levied for debt service				3,731,551
Insurance reimbursement				52,448
Unrestricted state aid				16,670,499
Unrestricted Medicaid revenue				85,419
Investment earnings				5,845
Total general revenues				21,848,825
Change in net position				(2,291,897)
Net Position, beginning of year, as restated (Note 11)				(7,776,895)
Net Position, end of year				\$ (10,068,792)

See accompanying notes to financial statements.

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Fund Financial Statements

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Coopersville Area Public Schools

Governmental Funds Balance Sheet

<i>June 30, 2014</i>	General Fund	Common Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash (Note 3)	\$ 2,801,408	\$ 141,797	\$ 832,097	\$ 3,775,302
Due from other governmental units (Note 4)	4,177,542	-	4,795	4,182,337
Due from other funds (Note 5)	54,589	-	17,210	71,799
Inventories	61,292	-	8,744	70,036
Prepaid expenditures	21,850	-	50,000	71,850
Total Assets	\$ 7,116,681	\$ 141,797	\$ 912,846	\$ 8,171,324
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 230,299	\$ -	\$ 100,723	\$ 331,022
Due to other funds (Note 5)	330,473	14,856	41,680	387,009
Accrued payroll liabilities	1,833,508	-	-	1,833,508
Due to other governments	190,475	-	-	190,475
Unearned revenues	187,443	-	-	187,443
Deposits	-	-	11,134	11,134
Total liabilities	2,772,198	14,856	153,537	2,940,591
Fund Balances				
Nonspendable:				
Inventories and prepaid expenditures	83,142	-	58,744	141,886
Restricted for debt service	-	126,941	-	126,941
Restricted for capital projects	-	-	583,425	583,425
Restricted for food service	-	-	12,470	12,470
Assigned for subsequent year expenditures	609,400	-	-	609,400
Assigned to Center Stage	-	-	104,670	104,670
Unassigned	3,651,941	-	-	3,651,941
Total fund balances	4,344,483	126,941	759,309	5,230,733
Total Liabilities and Fund Balances	\$ 7,116,681	\$ 141,797	\$ 912,846	\$ 8,171,324

See accompanying notes to financial statements.

Coopersville Area Public Schools

Reconciliation of Fund Balances of Governmental Funds to Net Position on the Statement of Net Position

June 30, 2014

Total fund balances - total governmental funds (from page 27) \$ 5,230,733

Amounts reported for governmental activities in the statement of net position are different because:

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

These assets consist of:

Capital assets, at cost \$ 99,922,787

Accumulated depreciation (29,743,032)

Net capital assets 70,179,755

Deferred outflows are not available resources and, therefore, not reported in the funds.

Deferred interest on refunding 786,239

Internal Service Fund net position 463

Long-term liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.

Balances are as follows:

Long-term debt payable (83,671,326)

Deferred bond premium (1,541,635)

Compensated absences (595,975)

Accrued interest on bonds and notes (457,046)

Net long-term liabilities (86,265,982)

Net Position of Governmental Activities \$ (10,068,792)

See accompanying notes to financial statements.

Coopersville Area Public Schools

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year ended June 30, 2014</i>	General Fund	Common Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources:				
Property taxes	\$ 1,303,063	\$ 3,731,551	\$ -	\$ 5,034,614
Other local sources	941,575	4,792	337,491	1,283,858
Other governmental units	2,222,674	-	-	2,222,674
State sources	18,965,874	-	33,854	18,999,728
Federal sources	1,033,661	-	447,327	1,480,988
Total revenues	24,466,847	3,736,343	818,672	29,021,862
Expenditures				
Instruction	14,968,347	-	-	14,968,347
Support services	9,024,948	-	-	9,024,948
Community services	642,669	-	-	642,669
Food service	-	-	786,886	786,886
Center Stage	-	-	38,559	38,559
Debt service:				
Redemption of principal	-	4,215,000	-	4,215,000
Interest and fiscal charges	-	2,950,924	-	2,950,924
Capital outlay	-	-	360,648	360,648
Total expenditures	24,635,964	7,165,924	1,186,093	32,987,981
Deficiency of revenues over expenditures	(169,117)	(3,429,581)	(367,421)	(3,966,119)
Other Financing Sources				
Insurance reimbursement	52,448	-	-	52,448
Issuance of long-term debt	-	3,362,681	-	3,362,681
Total other financing sources	52,448	3,362,681	-	3,415,129
Changes in fund balances	(116,669)	(66,900)	(367,421)	(550,990)
Fund Balances, beginning of year	4,461,152	193,841	1,126,730	5,781,723
Fund Balances, end of year	\$ 4,344,483	\$ 126,941	\$ 759,309	\$ 5,230,733

See accompanying notes to financial statements.

Coopersville Area Public Schools

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2014

Changes in fund balances - total governmental funds (from page 29) \$ (550,990)

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$ 140,283	
Depreciation expense	(2,126,710)	
Net effect of capital outlays		(1,986,427)

Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(3,362,681)	
Amortization	28,032	
Principal payments	4,215,000	
Net effect of debt issuance and repayment		880,351

Internal Service Fund revenue 463

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

Accrued interest	(678,136)	
Compensated absences	42,842	
Net effect of long-term liabilities		(635,294)

Change in Net Position of Governmental Activities	\$ (2,291,897)
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See accompanying notes to financial statements.

Coopersville Area Public Schools

General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

<i>Year ended June 30, 2014</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Local sources:				
Property taxes	\$ 1,237,858	\$ 1,265,000	\$ 1,303,063	\$ 38,063
Other local sources	835,909	857,800	941,575	83,775
Other governmental units	1,763,074	2,255,700	2,222,674	(33,026)
State sources:				
Unrestricted school aid	16,281,238	16,641,606	16,665,707	24,101
Restricted grants	2,022,093	2,387,494	2,300,167	(87,327)
Federal sources	1,121,045	1,079,700	1,033,661	(46,039)
Total revenues	23,261,217	24,487,300	24,466,847	(20,453)
Expenditures				
Instruction	14,758,466	15,301,200	14,968,347	332,853
Support services	8,793,874	9,114,500	9,024,948	89,552
Community services	664,511	617,000	642,669	(25,669)
Total expenditures	24,216,851	25,032,700	24,635,964	396,736
Excess (deficiency) of revenues over expenditures	(955,634)	(545,400)	(169,117)	376,283
Other Financing Source				
Insurance reimbursement	-	-	52,448	52,448
Changes in fund balances	(955,634)	(545,400)	(116,669)	428,731
Fund Balances, beginning of year	4,273,371	4,461,152	4,461,152	-
Fund Balances, end of year	\$ 3,317,737	\$ 3,915,752	\$ 4,344,483	\$ 428,731

See accompanying notes to financial statements.

Coopersville Area Public Schools

Proprietary Fund Statement of Net Position

		Governmental Activities
		Internal Service Fund
<i>June 30, 2014</i>		
Assets - Current		
Cash (Note 3)	\$	102,688
Due from General Fund (Note 5)		313,261
Total Assets		415,949
Liabilities		
Long-term liabilities - retirement liabilities (Note 9)		415,486
Net Position	\$	463

See accompanying notes to financial statements.

Coopersville Area Public Schools

Proprietary Fund Statement of Revenue, Expense and Change in Net Position

	Governmental Activities
	Internal Service Fund
<i>Year ended June 30, 2014</i>	
Operating Revenue	
Charges for services	\$ 206,246
Operating Expense	
Retirement expense	(206,246)
Operating income	-
Nonoperating Revenue	
Interest income	463
Change in net position	463
Net Position, beginning of year	-
Net Position, end of year	\$ 463

See accompanying notes to financial statements.

Coopersville Area Public Schools

Proprietary Fund Statement of Cash Flows

		Governmental Activities
		Internal Service Fund
<i>Year ended June 30, 2014</i>		
Cash Flows From (for) Operating Activities		
Payments to retirees	\$	(206,246)
Payment from General Fund, net of present value adjustments		46,816
Net cash for operating activities		(159,430)
Cash Flows From Investing Activity		
Investment income		463
Decrease in Cash		(158,967)
Cash, beginning of year		261,655
Cash, end of year	\$	102,688
Reconciliation of Operating Income to Net Cash for Operating Activities		
Operating income	\$	-
Adjustments to reconcile operating income to net cash for operating activities:		
Changes in assets and liabilities:		
Due from other funds		(313,184)
Long-term liabilities - retirement liabilities		153,754
Net Cash for Operating Activities	\$	(159,430)

See accompanying notes to financial statements.

Coopersville Area Public Schools

Fiduciary Funds Statement of Fiduciary Net Position

<i>June 30, 2014</i>	Trust Fund	Agency Fund
Assets		
Cash (Note 3)	\$ 2,930	\$ 281,639
Due from other funds	-	1,949
Total Assets	2,930	283,588
Liabilities		
Due to student groups	-	283,588
Net Position	\$ 2,930	\$ -

See accompanying notes to financial statements.

Coopersville Area Public Schools

Fiduciary Funds Statement of Change in Fiduciary Net Position

<i>Year ended June 30, 2014</i>		Trust Fund
<hr/>		
Additions		
Interest	\$	-
 Deductions		
Transfer to foundation		-
<hr/>		
Change in net position		-
 Net Position, beginning of year		
		2,930
<hr/>		
Net Position, end of year	\$	2,930
<hr/>		

See accompanying notes to financial statements.

Coopersville Area Public Schools

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

Reporting Entity

The District is an independent entity with an elected Board of Education. The Board consists of seven members elected to four-year terms. The Board has responsibility and control over all matters affecting the District, including authority to levy taxes and determine its budget, the power to designate management and primary accountability for fiscal matters. The basic financial statements of the District contain all funds and account groups for which the District is financially accountable. There are no other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

Basis of Presentation

District-wide financial statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The District-wide financial statements categorize activities as either governmental or business-type. All of the District's activities are classified as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to recipients who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Property taxes, state aid foundation and certain other items are reported as general revenues.

Fund financial statements: The fund financial statements provide information about the District's funds. Separate financial statements are provided for governmental funds and proprietary and fiduciary funds, even though fiduciary funds are excluded from the District-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

The financial transactions of the District are recorded in individual funds and account groups. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first.

Coopersville Area Public Schools

Notes to Financial Statements

Governmental Funds

Governmental Funds are used to account for the District's general activity. The focus is on determination of the financial position and changes in financial position rather than on income determination. The following is a description of the Governmental Funds of the District:

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and is considered a major fund.

Special Revenue Funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District operates two nonmajor special revenue funds: Food Service and Center Stage. Food Service receives most of its revenue through state and federal grants with additional revenue from food sales. Center Stage receives its revenue from rent of facilities and admission sales to events.

Debt Retirement Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The Common Debt Fund is considered a major fund, and resources are mainly from property taxes.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital projects. The District has one Capital Project Fund, the 2006 School Building and Site Capital Project Fund, which is considered a nonmajor fund. Resources are from bond proceeds and investment income.

Proprietary Funds

Proprietary Funds distinguish operating revenues and expenses from non-operating 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 following is a description of the Proprietary Fund of the District:

Internal Service Fund recognizes, as operating revenue, internal transfers intended to recover the cost of providing specific benefits to retired employees. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds

The *Agency Fund* is used to account for assets held by the District in a trustee capacity for individuals or school-related organizations. The Agency Fund is custodial in nature and does not involve measurement of results of operations. The District operates one agency fund: the Student Activities Fund.

A *Private-Purpose Trust Fund* reports trust arrangements where the principal and interest benefit students. The District operates one such fund: the Student Loan Fund.

Coopersville Area Public Schools

Notes to Financial Statements

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

District-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough after to pay liabilities for the current period. The District considers revenues to be available if collected within 60 days after year-end.

Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

State Foundation Revenue

The State of Michigan provides funds through a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation is funded from state and local sources. The School Aid Act and the School Code of Michigan primarily govern revenues from state sources. For the year ended June 30, 2014, the foundation allowance was based on the blended average of student membership counts taken in October 2013 and February 2014.

The state portion of the foundation is provided primarily by a state education property tax millage of six mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills.

State Categorical Revenue

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received that are not expended by the close of the fiscal year are recorded as deferred revenue.

Federal Revenue

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Coopersville Area Public Schools

Notes to Financial Statements

Budgets and Budgetary Accounting

The budgetary data reflected in the financial statements is established by the District using the procedures outlined below:

Prior to April, the Principals, Directors and Supervisors review operating budgets by program or building for the fiscal year commencing the following July 1, and submit them to the Superintendent, the Director of Finance, the Board Treasurer and two Board Trustees.

This Committee works with the information and develops a budget and resolution for the General Fund and Special Revenue Funds. This includes proposed expenditures and the means of financing them, and is compiled by the Committee on a basis consistent with generally accepted accounting principles.

In June, the budget resolution is subjected to a public hearing before the full Board of Education and is adopted within seven days after this hearing and before July 1, the first day of the budgeted fiscal year. Unexpended appropriations lapse at the end of the fiscal year.

The Superintendent can reduce budgeted expenditures for any program; however, any revisions that increase expenditures for a program must be approved by the Board of Education. Budget amendments were not material in relation to the original budget.

The budget is integrated with the accounting system of the District and is used as a management control device during the year.

Inventories

Inventories are stated at cost (first-in, first-out) except for donated USDA commodities, which are recorded at fair value. Inventories consist primarily of food and cafeteria supplies, teaching supplies, office supplies, gas, oil, maintenance and bus repair parts. Inventories are reported as assets until consumed, at which time an expenditure is recorded.

Capital Assets

Capital assets, which include property, buildings and equipment, are reported in the District-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at their market value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

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

	Years
Land improvements	10 - 20
Buildings and improvements	50
Furniture and equipment	5 - 15
Motor vehicles and buses	10

Coopersville Area Public Schools

Notes to Financial Statements

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and is not recognized as expense until then. In the District-wide financial statements, deferred interest on refunding is reported as a deferred outflow of resources. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.

Compensated Absences

District employees are granted vacation and accrued leave in varying amounts based on length of service. Unused vacation time accumulates from year to year to a maximum of twice the annual allotment.

Accrued leave is accumulated at different rates for various categories of employees. Unused accrued leave accumulates from year to year to a maximum of 100 days for all full-time employees, other than teachers and administrators. There is no accrued leave limit for teachers and administrators. Unused accrued leave is paid to employees at a nominal rate for each unused day only at the time of retirement. In the fund financial statements, only the matured liability for compensated absences is reported. The total liability is reported in the District-wide financial statements.

Long-Term Obligations

In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds issued are deferred and amortized over the life of the related bonds. Bond issuance costs are expensed.

In the fund financial statements, the face amount of new debt issued is reported as other financing sources. Bond premiums and discounts are reported as other financing sources (uses) while issuance costs are reported as expenditures.

Net Position

Net position represents the difference between assets, deferred outflows of resources and liabilities on the District-wide financial statements. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, less the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

Fund Balance

Fund balance represents the difference between assets and liabilities in the governmental fund financial statements. The District's fund balance is classified in the following categories:

Nonspendable fund balance represents amounts that cannot be spent due to legal requirements or because it is not in spendable form. The District reports nonspendable fund balance for inventories and prepaid expenditures.

Coopersville Area Public Schools

Notes to Financial Statements

Restricted fund balance is restricted for specific purposes imposed by grantors, bondholders, constitutional provisions or enabling legislation. The District reports restricted fund balance in the Debt Fund, Capital Projects Fund and Food Service Fund.

Assigned fund balance is intended to be used for specific purposes but doesn't meet the criteria for restricted or committed fund balance. The District reports assigned fund balance in the Center Stage Special Revenue Fund and also in the General Fund to report specific projects.

Unassigned fund balance is the residual fund balance of the General Fund.

The District's spending policy considers restricted fund balances will be spent first when both restricted and unrestricted fund balances are available. When expenditures are recorded using unrestricted fund balances, assigned amounts are spent first, then unassigned amounts.

Property Taxes

Properties are assessed as of December 31, and the related property taxes are levied and become a lien on July 1. These taxes are due on September 14, with the final collection date of February 28, before they are added to the county delinquent tax rolls.

Interfund Activity

During the course of its operations, the District has numerous transactions between funds. The Food Service Fund regularly transfers funds to the General Fund for indirect costs. To the extent that certain transactions had not been paid or received at year-end, balances of interfund receivables or payables have been recorded. Balances are normally liquidated in the subsequent fiscal year.

Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through October 17, 2014, the date the financial statements were available to be issued. Based on that evaluation, there were no matters identified that had a significant impact on the financial statements as presented.

2. Stewardship, Compliance and Accountability

The Food Service Fund budgeted appropriations of \$767,860, while actual expenditures were \$786,886, resulting in expenditures exceeding budget by \$19,026. Fund balance was sufficient to cover the excess expenditures.

Compliance With the Single Audit Act Amendments of 1996 - procedures to test compliance relating to federal assistance programs as required by the Single Audit Act are detailed at the end of this report.

Coopersville Area Public Schools

Notes to Financial Statements

3. Cash

Deposits

Statutes require that certificates of deposit, savings accounts, deposit accounts and depository receipts are made with banks doing and having a place of business in the State of Michigan that are also members of a federal or national insurance corporation.

Certificates of deposits consist of the following:

<i>June 30, 2014</i>	Maturity Date	Interest Rate	Amount
Student Activities			
Comerica Bank - Certificate of Deposit	10/24/2014	1.00%	\$ 2,930

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District minimizes custodial credit risk by pre-qualifying financial institutions. At June 30, 2014, of the District's \$4,291,856 bank balances (without recognition of deposits in transit and outstanding checks) \$4,038,926 was uninsured and uncollateralized.

4. Due From Other Governmental Units

Due from other governmental units consists of the following:

<i>June 30, 2014</i>	General Fund	Nonmajor Governmental Funds	Total
State	\$ 3,427,149	\$ 4,795	\$ 3,431,944
Intermediate	617,755	-	617,755
Federal	132,638	-	132,638
	\$ 4,177,542	\$ 4,795	\$ 4,182,337

5. Interfund Receivables, Payables and Transfers

Interfund receivables and payables at June 30, 2014 are as follows:

<i>Fund</i>	Interfund Receivable	Interfund Payable
General Fund	\$ 54,589	\$ 330,473
Nonmajor governmental funds	17,210	41,680
Common Debt Fund	-	14,856
Agency Funds	1,949	-
Internal Service Fund	313,261	-
	\$ 387,009	\$ 387,009

Coopersville Area Public Schools

Notes to Financial Statements

6. Capital Assets

The following summarizes capital asset activity for the year ended June 30, 2014.

	Balance, July 1, 2013	Additions	Deletions	Balance, June 30, 2014
Governmental Activities				
Capital assets not depreciated:				
Land	\$ 1,281,607	\$ -	\$ -	\$ 1,281,607
Capital assets being depreciated:				
Land improvements	9,213,036	95,483	-	9,308,519
Buildings and improvements	81,798,620	-	-	81,798,620
Machinery and equipment	4,241,313	30,800	-	4,272,113
Furniture and fixtures	1,103,167	-	-	1,103,167
Motor vehicles	275,398	14,000	-	289,398
Buses	1,869,363	-	-	1,869,363
Totals at historical cost	99,782,504	140,283	-	99,922,787
Less accumulated depreciation for				
Land improvements	4,137,449	447,772	-	4,585,221
Buildings and improvements	17,755,431	1,384,711	-	19,140,142
Machinery and equipment	3,801,005	102,808	-	3,903,813
Furniture and fixtures	806,475	26,794	-	833,269
Motor vehicles	157,343	15,233	-	172,576
Buses	958,619	149,392	-	1,108,011
Total accumulated depreciation	27,616,322	2,126,710	-	29,743,032
Net Capital Assets				
Land	1,281,607	-	-	1,281,607
Land improvements	5,075,587	(352,289)	-	4,723,298
Buildings and improvements	64,043,189	(1,384,711)	-	62,658,478
Machinery and equipment	440,308	(72,008)	-	368,300
Furniture and fixtures	296,692	(26,794)	-	269,898
Motor vehicles	118,055	(1,233)	-	116,822
Buses	910,744	(149,392)	-	761,352
Total Net Capital Assets	\$ 72,166,182	\$ (1,986,427)	\$ -	\$ 70,179,755

7. Employee Retirement System - Defined Benefit Plan

Plan Description

The District contributes to the statewide Michigan Public School Employees' Retirement System (MPERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the nine-member board of the MPERS. The MPERS was established by the State of Michigan to provide retirement, survivor and disability benefits to public school employees. In addition, the health plan provides all retirees with the option of receiving health, dental and vision coverage. The MPERS was established by Public Act 136 of 1945 and currently operates under the provisions of Public Act 300 of 1980, as amended. The MPERS issues a publicly available financial report that

Coopersville Area Public Schools

Notes to Financial Statements

includes financial statements and required supplementary information for MPSERS. That report may be obtained by contacting the Michigan Public School Employees' Retirement System, P.O. Box 30171, Lansing, Michigan 48909.

The regular retirement benefit is based on a member's years of credited service and final average compensation. Final average compensation is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months, divided by the service credit accrued during that same period.

Pension Reform 2010

On May 9, 2010, the governor signed Public Act 75 of 2010 into law. As a result, any member of MPSERS who became a member after June 30, 2010 is a Pension Plus member. The Pension Plus Plan pairs a guaranteed retirement income (defined benefit) with a flexible and transferable retirement savings (defined contribution) account.

Pension Reform 2012

On September 4, 2012, the governor signed Public Act 300 of 2012 into law. As a result, any member of MPSERS who first worked before July 1, 2010 and earned service credit in the 12 months ended September 3, 2012 can voluntarily choose to increase, maintain or stop their contributions to the pension fund by electing from four plan options. Members who first work on or after September 4, 2012 are able to elect the Pension Plus plan or a defined contribution plan.

Funding Policy

Basic Plan members make no contributions. Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990 contribute a permanently fixed rate of 3.9% of gross wages. Members first hired between January 1, 1990 and June 30, 2008, and returning members who did not work between January 1, 1987 and December 31, 1989, contribute at the following graduated permanently fixed contribution rate: 3.0% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000. Members first hired July 1, 2008 or later contribute at the following graduated permanently fixed contribution rates: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 6.4% of all wages over \$15,000.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits. Employer contributions to MPSERS are determined on an actuarial basis using the entry age normal actuarial cost method for both pension benefits and OPEB. The rates for the year ended June 30, 2014 ranged from 24.32% to 26.96% for July 1, 2013 through September 30, 2013. From October 1, 2013 through June 30, 2014, rates ranged from 20.96% to 24.79%. In addition, the District is required to match 50% up to 1% of the employee's contribution in the Pension Plus Plan. The contribution requirements of plan members and the District are established and may be amended by the MPSERS Board of Trustees.

The District contributions to MPSERS for the current and two preceding years were as follows:

<i>Year ended June 30,</i>	<i>Employer Contribution</i>
2014	\$ 3,892,053
2013	3,498,717
2012	3,028,953

Coopersville Area Public Schools

Notes to Financial Statements

In 2014, the District recorded \$645,863 of employer contributions for the MPERS unfunded liabilities obligations in excess of the statutory cap of 20.96%. Funds were received from the State of Michigan through state aid payments to offset the employer contribution.

Other Postemployment Benefits

Retirees have the option of health coverage, which through 2012 was funded on a cash disbursement basis. Beginning in 2013, it is funded on a prefunded basis. A significant portion of the premium is paid by MPERS, with the balance deducted from the monthly pension of each retiree health care recipient. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Public Act 75 of 2010 requires each actively employed member of MPERS after June 30, 2010 to contribute 3.0% (or 1.5%) of their compensation to offset employer contributions for health care benefits of current retirees. For each school year that begins on or after July 1, 2011, members shall contribute 3.0% of compensation into the health care funding account. Effective April 1, 2011, a court order eliminated this requirement, and the funds are held in escrow. The court order is being appealed by the State of Michigan.

Public Act 300 of 2012 allows active members who earned service credit in the 12 months ended September 3, 2012 a voluntary election. Members can continue to contribute 3.0% of their compensation and keep the premium subsidy benefit, or they can elect the Personal Healthcare Fund. Members electing the Personal Healthcare Fund will establish a portable, tax-deferred fund that can be used for paying healthcare expenses in retirement. Member contributions are 2.0% of compensation with a 2.0% employer match contributed into a 401(k) account. Members who first work on or after September 4, 2012 are enrolled in the Personal Healthcare Fund.

8. Risk Management

The District purchases insurance coverage from commercial carriers. Various deductibles ranging from \$250 to \$10,000 are maintained to place the responsibility for certain charges with the insured. For the year ended June 30, 2014, the District paid premiums of \$178,228.

9. Long-Term Obligations

The following is a summary of changes in long-term obligations for the District.

	Balance, July 1, 2013	Additions	Deductions	Balance, June 30, 2014	Due Within One Year
Bonds payable	\$ 64,415,000	\$ -	\$ 4,215,000	\$ 60,200,000	\$ 2,845,000
Deferred issuance premium	1,632,588	-	90,953	1,541,635	-
School Bond Loan Fund	17,644,922	3,362,681	-	21,007,603	-
Accrued interest on loan	1,734,601	729,122	-	2,463,723	-
Retirement incentive	261,732	360,000	206,246	415,486	185,833
Accrued leave	588,693	69,700	112,102	546,291	75,000
Accrued vacation	50,124	81,994	82,434	49,684	49,684
	\$ 86,327,660	\$ 4,603,497	\$ 4,706,735	\$ 86,224,422	\$ 3,155,517

Coopersville Area Public Schools

Notes to Financial Statements

Bonds payable are comprised of the following individual issues:

	Interest Rate	June 30,	
		2014	2013
2004 School Building and Site Bonds - Bonds maturing after May 1, 2015 were refunded in fiscal 2013.	2.25 - 4.55	\$ -	\$ 200,000
2005 Refunding Bonds - Bonds maturing after May 1, 2016 are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	4.00 - 4.20	6,440,000	6,475,000
2006 Refunding Bonds - Bonds maturing after May 1, 2017 are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	4.00 - 5.00	18,305,000	20,985,000
2006 School Building and Site Bonds - Bonds maturing after May 1, 2017 are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	4.25 - 5.00	33,275,000	34,575,000
2013 Refunding Bonds - are not subject to redemption prior to maturity.	1.50 - 3.00	2,180,000	2,180,000
		\$ 60,200,000	\$ 64,415,000

School Bond Loan Fund

The State of Michigan School Bond Loan Fund is obligated to lend the District amounts to help meet the principal and interest obligations of the 2006 School Building and Site Bonds that are not realized in tax levies. When the tax revenues collected exceed these obligations, the District must use these funds to pay back the accumulated borrowings and interest. During the year, the District borrowed \$3,362,681 and has recorded accrued interest of \$2,463,723 at June 30, 2014. The State Administrative Board will determine the applicable interest rates annually. For fiscal year 2013-2014, interest was charged at a rate of 3.52% to 3.53%. Tax revenue is projected to exceed principal and interest obligations by June 30, 2036.

Voluntary and Early Retirement Incentives

The District offers some employees a voluntary retirement program and an early retirement program as part of their contractual agreement. Several employees have elected early retirement until they are eligible for benefits under the Federal Social Security System. Currently, seventeen employees participate in the voluntary retirement program and two employees participate in the early retirement program. The program payment requirements vary each year. At June 30, 2014, the District's liability for the voluntary and early retirement plans was \$346,484 and \$69,002, respectively.

Retirement contracts typically are liquidated by the Internal Service Fund, and compensated absences typically are liquidated by the General Fund.

Coopersville Area Public Schools

Notes to Financial Statements

Bonds

The annual requirements to pay principal and interest on bonds outstanding are as follows:

<i>Year ending June 30,</i>	Principal	Interest	Total
2015	\$ 2,845,000	\$ 2,742,276	\$ 5,587,276
2016	2,885,000	2,624,050	5,509,050
2017	3,000,000	2,497,600	5,497,600
2018	3,050,000	2,369,588	5,419,588
2019	3,125,000	2,221,578	5,346,578
2020 - 2024	16,405,000	9,072,160	25,477,160
2025 - 2029	17,215,000	5,205,518	22,420,518
2030 - 2034	8,300,000	1,910,126	10,210,126
2035 - 2036	3,375,000	228,376	3,603,376
	\$ 60,200,000	\$ 28,871,272	\$ 89,071,272

The following is the detail for each bond issue.

2005 Refunding Bonds (General Obligation - Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1	Interest Payable May 1	Total Interest Payable	Serial Bonds Payable May 1	Total Bonds and Interest Payable
2015	\$ 131,431	\$ 131,431	\$ 262,862	\$ 1,300,000	\$ 1,562,862
2016	105,431	105,431	210,862	1,340,000	1,550,862
2017	78,631	78,631	157,262	10,000	167,262
2018	78,426	78,426	156,852	10,000	166,852
2019	78,221	78,221	156,442	10,000	166,442
Thereafter	139,050	139,050	278,100	3,770,000	4,048,100
	\$ 611,190	\$ 611,190	\$ 1,222,380	\$ 6,440,000	\$ 7,662,380

2006 Refunding Bonds (General Obligation - Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1	Interest Payable May 1	Total Interest Payable	Serial Bonds Payable May 1	Total Bonds and Interest Payable
2015	\$ 420,516	\$ 420,516	\$ 841,032	\$ -	\$ 841,032
2016	420,516	420,516	841,032	-	841,032
2017	420,516	420,516	841,032	1,420,000	2,261,032
2018	392,115	392,115	784,230	1,470,000	2,254,230
2019	355,365	355,365	710,730	1,520,000	2,230,730
Thereafter	2,212,013	2,212,013	4,424,026	13,895,000	18,319,026
	\$ 4,221,041	\$ 4,221,041	\$ 8,442,082	\$ 18,305,000	\$ 26,747,082

Coopersville Area Public Schools

Notes to Financial Statements

2006 School Building and Site Bonds (General Obligation - Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1	Interest Payable May 1	Total Interest Payable	Serial Bonds Payable May 1	Total Bonds and Interest Payable
2015	\$ 788,141	\$ 788,141	\$ 1,576,282	\$ 1,325,000	\$ 2,901,282
2016	758,328	758,328	1,516,656	1,325,000	2,841,656
2017	725,203	725,203	1,450,406	1,350,000	2,800,406
2018	691,453	691,453	1,382,906	1,350,000	2,732,906
2019	657,703	657,703	1,315,406	1,375,000	2,690,406
Thereafter	5,808,577	5,808,577	11,617,154	26,550,000	38,167,154
	\$ 9,429,405	\$ 9,429,405	\$ 18,858,810	\$ 33,275,000	\$ 52,133,810

2013 Refunding Bonds

<i>Year ending June 30,</i>	Interest Payable November 1	Interest Payable May 1	Total Interest Payable	Serial Bonds Payable May 1	Total Bonds and Interest Payable
2015	\$ 31,050	\$ 31,050	\$ 62,100	\$ 220,000	\$ 282,100
2016	27,750	27,750	55,500	220,000	275,500
2017	24,450	24,450	48,900	220,000	268,900
2018	22,800	22,800	45,600	220,000	265,600
2019	19,500	19,500	39,000	220,000	259,000
Thereafter	48,450	48,450	96,900	1,080,000	1,176,900
	\$ 174,000	\$ 174,000	\$ 348,000	\$ 2,180,000	\$ 2,528,000

10. Bond Compliance

The 2006 School Building and Site Capital Project Fund includes activities funded by the 2006 School Building and Site Bonds. For this capital project, the District has complied with the applicable provisions of Section 1351a of the Revised School Code. Beginning with the year of the bond issuance, the District has reported the annual construction activity in this Fund. Cumulative revenues and expenditures for the construction period ended June 30, 2014 were \$3,862,569 and \$45,007,023, respectively.

11. Implementation of New Pronouncement and Prior Period Restatement

In 2014, the District implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. One of the effects of Statement No. 65 was to change the reporting of amounts deferred on refunding of bonds. In prior years, these amounts were reflected in the financial statements as part of noncurrent liabilities. GASB Statement No. 65 requires these amounts to be presented as a deferred outflow of resources in the statement of net position. Also in prior years, costs of bond issuance were amortized over the term of the bonds in the District-wide statements. GASB Statement No. 65 eliminated this treatment by requiring that costs of bond issuance be recorded as an expense in the fiscal year during which the bonds are issued. This change resulted in a restatement of net position as reported at June 30, 2013. Net position as previously reported in the amount of \$(7,341,373) has been reduced by \$435,522 resulting in a restated net position of \$(7,776,895).

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General Fund

Coopersville Area Public Schools

General Fund Schedule of Sources of Financial Resources

<i>Year ended June 30,</i>	2014	2013
Revenues		
Local Sources		
Property taxes	\$ 1,303,063	\$ 1,242,032
Other local sources	941,575	930,045
Total revenues from local sources	2,244,638	2,172,077
Payments From Other Governmental Units		
County special education tax	2,113,674	1,758,652
Medicaid unrestricted	85,420	83,982
Other	23,580	115,115
Total revenues from payments from other governmental units	2,222,674	1,957,749
State Sources		
State aid unrestricted:		
State school aid - foundation allowance	16,267,448	15,620,213
State school aid - best practices incentive	141,186	136,335
MiAccount	-	1,208
Performance based funding	257,073	174,955
Renaissance	-	4,517
Total state aid unrestricted	16,665,707	15,937,228
State aid restricted:		
Special education	915,598	787,754
At risk	207,073	316,444
MPSERS Cost Offset	177,019	262,711
MPSERS UAAL Rate Stabilization	645,863	248,834
Other grants	354,614	69,392
Total state aid restricted	2,300,167	1,685,135
Total revenues from state sources	18,965,874	17,622,363

Coopersville Area Public Schools

General Fund Schedule of Sources of Financial Resources

<i>Year ended June 30,</i>	2014	2013
Federal Sources		
Grants-in-aid restricted:		
IDEA special education	\$ 664,446	\$ 607,425
Title I	289,948	369,980
Title II	68,101	78,585
Title III	8,806	5,617
Other grants	2,360	4,335
Total revenues from federal sources	1,033,661	1,065,942
Total revenues	24,466,847	22,818,131
Other Financing Sources		
Proceeds from sale of capital assets	-	300
Insurance reimbursement	52,448	7,180
Total other financing sources	52,448	7,480
Total Revenues and Other Financing Sources	\$ 24,519,295	\$ 22,825,611

Coopersville Area Public Schools
General Fund
Schedule of Uses of Financial Resources

<i>Year ended June 30,</i>	2014	2013
Expenditures		
Instruction		
Basic programs:		
Pre-school (Pre-K)	\$ 277,510	\$ 157,016
Summer school	5,602	8,999
Elementary (K-5)	5,554,009	5,107,548
Junior high (6-8)	2,586,225	2,650,523
Secondary (9-12)	3,814,253	3,701,624
Total basic programs	12,237,599	11,625,710
Added needs:		
Special education	2,253,042	1,839,700
Compensatory education	477,706	670,394
Total added needs	2,730,748	2,510,094
Total instruction	14,968,347	14,135,804
Support Services		
Student services:		
Migrant recruit	538	793
Guidance services	127,577	135,859
Certified occupational therapist assistant	8,579	7,915
Psychologist	139,360	139,015
Speech pathology and audiology	341,650	368,482
Social work services	246,119	233,356
Other student support services	163,715	127,917
Total student services	1,027,538	1,013,337
Instructional staff:		
Improvement of instruction	74,348	181,720
Media	192,101	140,287
Supervisor and director of instructional staff	252,495	280,771
Auditorium	95,797	83,597
Total instructional staff	614,741	686,375
General administration:		
Board of Education	32,184	34,770
Executive administration	601,906	382,142
Total general administration	634,090	416,912

Coopersville Area Public Schools
General Fund
Schedule of Uses of Financial Resources

<i>Year ended June 30,</i>	2014	2013
School administration:		
Office of the principal	\$ 1,466,426	\$ 1,402,251
Other support services:		
Fiscal services	277,058	212,678
Other fiscal services	10,480	12,009
Operations and maintenance	2,516,774	2,393,533
Student transportation	1,009,555	1,027,534
Communications	93,538	72,535
Other services	7,528	64,890
Technology	649,296	572,962
Student accounting	55,558	62,812
Strategic planning	65,038	27,249
Athletics	597,328	565,213
Total other support services	5,282,153	5,011,415
Total support services	9,024,948	8,530,290
Community Services		
Drivers education	-	9,939
Other services	521,815	667,920
Community services	109,739	130,707
Other services	11,115	4,384
Total community services	642,669	812,950
Total Expenditures	\$ 24,635,964	\$ 23,479,044

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Nonmajor Governmental Funds

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Coopersville Area Public Schools

Nonmajor Governmental Funds Combining Balance Sheet

<i>June 30, 2014</i>	Special Revenue		2006 School Building and Site Capital Project Fund	Total
	Food Service	Center Stage		
Assets				
Cash	\$ 122,554	\$ 104,670	\$ 604,873	\$ 832,097
Due from other governmental units	4,795	-	-	4,795
Due from other funds	-	-	17,210	17,210
Inventories	8,744	-	-	8,744
Prepaid expenditures	50,000	-	-	50,000
Total Assets	\$ 186,093	\$ 104,670	\$ 622,083	\$ 912,846
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 62,065	\$ -	\$ 38,658	\$ 100,723
Due to other funds	41,680	-	-	41,680
Deposits	11,134	-	-	11,134
Total liabilities	114,879	-	38,658	153,537
Fund Balances				
Nonspendable - inventories and prepaid expenditures	58,744	-	-	58,744
Restricted for food service	12,470	-	-	12,470
Restricted for capital projects	-	-	583,425	583,425
Assigned to Center Stage	-	104,670	-	104,670
Total fund balances	71,214	104,670	583,425	759,309
Total Liabilities and Fund Balances	\$ 186,093	\$ 104,670	\$ 622,083	\$ 912,846

Coopersville Area Public Schools

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue		2006 School Building and Site Capital Project Fund	
<i>Year ended June 30, 2014</i>	Food Service	Center Stage		Total
Revenues				
Local sources:				
Food sales	\$ 295,685	\$ -	\$ -	\$ 295,685
Rentals	-	40,446	-	40,446
Interest income	83	122	1,155	1,360
State sources	33,854	-	-	33,854
Federal sources	447,327	-	-	447,327
Total revenues	776,949	40,568	1,155	818,672
Expenditures				
Salaries	202,629	-	-	202,629
Employee benefits	137,684	-	-	137,684
Contracted services	61,479	11,628	-	73,107
Supplies and food	376,493	26,931	-	403,424
Capital outlay	-	-	360,648	360,648
Other	8,601	-	-	8,601
Total expenditures	786,886	38,559	360,648	1,186,093
Changes in fund balances	(9,937)	2,009	(359,493)	(367,421)
Fund Balances, beginning of year	81,151	102,661	942,918	1,126,730
Fund Balances, end of year	\$ 71,214	\$ 104,670	\$ 583,425	\$ 759,309

Agency Funds

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Coopersville Area Public Schools

Agency Funds Statement of Changes in Agency Fund Assets and Liabilities

	Balance, July 1, 2013	Additions	Deductions	Balance, June 30, 2014
Assets				
Cash	\$ 245,132	\$ 399,650	\$ 363,143	\$ 281,639
Due from other funds	-	1,949	-	1,949
Total Assets	\$ 245,132	\$ 401,599	\$ 363,143	\$ 283,588
Liabilities				
Due to student groups	\$ 245,132	\$ 401,599	\$ 363,143	\$ 283,588

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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*

Board of Education
Coopersville Area Public Schools
Coopersville, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Coopersville Area Public Schools' basic financial statements, and have issued our report thereon dated October 17, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2014-001, that we consider to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coopersville Area Public Schools' 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*.

Coopersville Area Public Schools' Response to Finding

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

Purpose of This Report

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

BDO USA, LLP

October 17, 2014

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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Board of Education
Coopersville Area Public Schools
Coopersville, Michigan

Report on Compliance for Each Major Federal Program

We have audited Coopersville Public Schools' (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. Coopersville Area Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Coopersville Area Public Schools 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, 2014.

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Report on Internal Control Over Compliance

Management of Coopersville Area Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

October 17, 2014

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Schedule of Expenditures of Federal Awards

Coopersville Area Public Schools

Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2014</i>	Federal CFDA Number	Program or Award Amount	Prior Year Expenditures (memorandum only)
Federal Grantor/Pass-Through Grantor/Program/Project Number			
U.S. Department of Education			
Passed through Michigan Department of Education:			
Title I, Part A Cluster			
Title I, Part A	84.010		
131530-1213		\$ 245,739	\$ 245,739
141530-1314		207,884	-
Total Title I, Part A Cluster			
Title I, Part C - Migrant Education			
131890-1213	84.011	115,241	115,241
141890-1314		92,715	-
Title II, Part A Improving Teacher Quality			
130520-1213	84.367	80,042	78,585
140520-1314		78,275	-
Total passed through Michigan Department of Education			
Passed through Kenowa Hills School District:			
Title III	84.365		
130580-1213		8,713	5,617
140580-1314		9,604	-
Total passed through Kenowa Hills School District			
Passed through Ottawa Area Intermediate School District:			
Special Education Center Cluster:			
IDEA - Flow Through	84.027		
130450-1213		594,597	594,597
140450-1314		652,568	-
IDEA - Preschool	84.173		
130460-1213		12,828	12,828
140460-1314		11,878	-
Total Special Education Center Cluster			

Coopersville Area Public Schools
Schedule of Expenditures of Federal Awards

Accrued (Unearned) Revenue at July 1, 2013	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue at June 30, 2014
\$ 59,230	\$ 59,230	\$ -	\$ -
-	169,413	197,551	28,138
59,230	228,643	197,551	28,138
37,008	37,008	-	-
-	-	92,397	92,397
11,567	11,567	-	-
-	64,804	68,101	3,297
107,805	342,022	358,049	123,832
785	785	-	-
-	-	8,806	8,806
785	785	8,806	8,806
237,652	237,652	-	-
-	383,851	652,568	268,717
5,135	5,135	-	-
-	7,354	11,878	4,524
242,787	633,992	664,446	273,241

Coopersville Area Public Schools

Schedule of Expenditures of Federal Awards

<i>Year ended June 30, 2014</i>	Federal CFDA Number	Program or Award Amount	Prior Year Expenditures (memorandum only)
Federal Grantor/Pass-Through Grantor/Program/Project Number			
McKinney Vento Homeless:	84.196		
122320-1112C		\$ 119	\$ 119
132320-1213		275	31
142320-1314		100	-
Total McKinney Vento Homeless			
Total passed through Ottawa Area Intermediate School District			
Total U.S. Department of Education			
U.S. Department of Health and Human Services			
Passed through Ottawa Area Intermediate School District:			
Medicaid Outreach	93.778		
13/14		4,509	-
U.S. Department of Agriculture			
Passed through Michigan Department of Education:			
Child Nutrition Cluster:			
National School Breakfast	10.553	64,566	-
National School Lunch Program			
Non-Cash Assistance (Entitlement Commodities)	10.555	52,952	-
Cash Assistance	10.555	329,809	-
Total U.S. Department of Agriculture			
Total Federal Financial Assistance			

Coopersville Area Public Schools
Schedule of Expenditures of Federal Awards

Accrued (Unearned) Revenue at July 1, 2013	Current Year Receipts	Current Year Expenditures	Accrued (Unearned) Revenue at June 30, 2014
\$ 119	\$ -	\$ -	\$ 119
31	-	-	31
-	50	100	50
150	50	100	200
242,937	634,042	664,546	273,441
351,527	976,849	1,031,401	406,079
-	4,509	2,260	(2,249)
-	64,566	64,566	-
-	52,952	52,952	-
-	329,809	329,809	-
-	447,327	447,327	-
\$ 351,527	\$ 1,428,685	\$ 1,480,988	\$ 403,830

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Coopersville Area Public Schools

Note to Schedule of Expenditures of Federal Awards

1. General

Revenues are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met.

Expenditures are recorded under the modified accrual basis of accounting.

Expenditures in this schedule agree with amounts reported in the basic financial statements and financial reports. Amounts reported in the Grant Section Auditor's Report reconcile with this schedule. Inventory values are based on the USDA value for donated food commodities, and include spoilage.

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Coopersville Area Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

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? no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes

Noncompliance material to financial statements noted? no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? 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 510(a) of *OMB Circular A-133*? no

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

10.553 and 10.555

Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Coopersville Area Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

Section II - Findings Related to the Financial Statements

Finding 2014-001

General Ledger Reconciliation

Criteria

A good system of internal controls should ensure timely reconciliation of accounts and posting of adjustments to enable accurate, timely financial statement preparation.

Condition

At the start of fieldwork, a trial balance was provided to the auditors but it was incomplete, as many balances were not reconciled. Subsequently, management provided over 20 entries containing material adjustments to reconcile those balances.

Cause

The District experienced system changes and turnover in the finance department. The accounting functions were outsourced to the Ottawa Area ISD who was not familiar with the District's accounts.

Effect

The numerous entries caused reconciling issues between the District's records and the auditor's trial balance, which resulted in difficulties balancing accounts and delayed the financial statement preparation.

Recommendation

Establish a schedule for reconciling accounts on a regular basis, and develop a year-end close process to ensure timely financial statement preparation.

Management's Response

With the turnover and reduction of staff in the finance department, and a conversion to a new financial and payroll software platform, there were an unusually large number of adjustments late in the year, which impacted the external audit process. The District's financial leadership will develop and implement a system to periodically review and adjust the financial records on a more timely basis to eliminate this situation going forward.

Section III - Findings and Questioned Costs Federal Award

There were no findings or questioned costs for the year ended June 30, 2014.

Section IV - Prior Year Findings

There were no findings for the year ended June 30, 2013.