



Comprehensive Annual Financial Report

Walled Lake Consolidated School District



FISCAL YEAR

July 1, 2014 - June 30, 2015



Every Child, Every Day!

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Walled Lake Consolidated School District

Comprehensive Annual Financial Report with Supplemental Information for the Fiscal Year Ended June 30, 2015

Kenneth Gutman
Superintendent of Schools

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Prepared by:
Teri L. Les: Assistant Superintendent of Business Services

Walled Lake Consolidated School District

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Walled Lake Consolidated School District

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Walled Lake Consolidated Schools

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October 20, 2015

Dear Citizens and Board Members:

The Comprehensive Annual Financial Report of Walled Lake Consolidated School District (the "School District") for the fiscal year ended June 30, 2015 is hereby submitted. This report was prepared by the business department and contains all activities under the control of the Board of Education. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District as measured by the School District's government-wide financial activity and the activity of its various funds, with all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities.

Reporting Entity and Services

Walled Lake Consolidated School District is an independent reporting entity fully meeting the criteria established by the Governmental Accounting Standards Board. All funds of the School District are included in this report. The School District does not have component units.

The financial section reports separately the government-wide activities, the governmental fund types, and the fiduciary fund type administered by the board.

Report Organization

This Comprehensive Annual Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section

This section introduces the reader to Walled Lake Consolidated School District and to this report. Included are facts about the School District, this transmittal letter, and the School District's organizational chart. This letter of transmittal is designed to complement the management's discussion and analysis and should be read in conjunction with it. The management's discussion and analysis can be found in the financial section of this document.

Financial Section

The independent auditor's report, management's discussion and analysis, government-wide financial statements, fund financial statements, and notes to the financial statements are included in this section. These are the School District's basic financial statements and provide an overview for readers who require less detailed information than is contained in the balance of the report. In addition to the basic financial statements, this section includes required and other supplemental information.

The management of the board is responsible for the financial information and representations contained in the financial statements and other sections of the annual report. In preparing the financial statements, it is necessary that management make informed estimates and judgments based on currently available information of the effects of certain events and transactions.

The basic financial statements and supplemental information presented in the financial section of this report present fairly and with full disclosure the financial position and results of the financial operation of the funds in conformity with accounting principles generally accepted in the United States of America and demonstrate compliance with finance-related legal and contractual provisions.

The basis of accounting for each fund is consistent with the activities and objectives of the fund as a fiscal and accounting entity.

The required and other supplemental information contain a more detailed analysis of revenue and expenditures that are compared to the 2014-2015 budgets for the General, Special Revenue, Debt Service, and Capital Project Funds. In addition, there are combining schedules shown by fund type with totals that agree with those reflected in the basic financial statements section.

Statistical Section

Although this section contains substantial financial information, these tables differ from financial statements in that they present some nonaccounting data, compare 10 years of data, and are intended to reflect economic data, financial trends, and the fiscal capabilities of the School District.

About Walled Lake Consolidated School District

The Community

The School District, located in southwestern Oakland County, encompasses more than 55 square miles and includes all or part of nine governmental units: the Cities of Farmington Hills, Novi, Orchard Lake, Walled Lake, and Wixom, the Townships of Commerce, West Bloomfield, and White Lake, and the Village of Wolverine Lake.

Residents may take advantage of many recreational and cultural opportunities. In 45 minutes or less, one can visit the city of Detroit with its fine museums, restaurants, and entertainment. Cranbrook Institute, Greenfield Village, the University of Michigan, Oakland University, Eastern Michigan University, Michigan State University, Wayne State University, and the University of Detroit Mercy are within approximately an hour's drive. More than 40 lakes and several riding stables, golf courses, tennis clubs, and ski areas serve the immediate area.

The Educational Program

The School District has 12 elementary schools (K-5), four middle schools (6-8), three high schools (9-12), an educational services center, a community education building, a maintenance/transportation building, and an outdoor education center.

The School District has a comprehensive educational program for students of all ages. This includes both an early intervention preschool program and a reading recovery program in our Title One buildings. In addition to a solid, basic core academic curriculum of language arts, math, science, and social studies, students also have a variety of extended programs such as K-12 fine arts, physical education, and advanced technology programs. World languages and technical education begin at the middle school, as well as extracurricular offerings, including athletics and various clubs. A fee-based before-and-after-school activities program, after school adventures, provided enrichment for 1,756 elementary students who participated in a variety of classes including Spanish, music, arts, crafts, Suzuki strings, science and engineering. A full range of courses is also available to high school students, including advanced placement curriculum.

Business partnerships, job placement, enrichment classes, and assistance to non-English-speaking students are areas of emphasis throughout our K-12 program, as well as our continuing adult education program. The School District's division of continuing education consists of an adult education and recreation/enrichment department directed at meeting the comprehensive needs of the community. Some programs and services offered include the following: basic skills (reading/math) improvement, E.L.L. (English language learners) classes, GED testing/preparation, academic/education advising, sports leagues/tournaments (youth and adult), leisure/hobby programs, informational seminars/classes, swimming (instructional and recreational), trips and tours/special events, summer and winter day camps, youth sports camps, School District facility use, and senior citizen resource referral. These community programs and services start with preschool-age children and continue to senior citizen participation with over 20,000 registrations processed each year.

The School District's educational program is built upon a foundation of sound practices designed to promote continuous improvement. The core curriculum of Walled Lake Consolidated School District provides learning experiences in all areas of language arts (reading, writing, speaking, listening, and literature), mathematics, social studies, science, health, physical education, art, vocal and instrumental music, computer instruction (including preparation for Novel and Cisco certification at the high school level), technology education, family life education, business, and world language instruction. The goal of education is to provide all learners with a solid foundation of skills and knowledge, which is necessary for continued growth and success as students within the school setting and as adults in society. As a result of a sound K-12 education based on well-defined benchmarks and related assessments, a Walled Lake Consolidated School District graduate will be "...a caring, knowledgeable, responsible citizen" as defined in the School District's mission statement. Walled Lake Consolidated School District's parents value

and support education. Walled Lake Consolidated School District enjoys the active support and participation of parents in PTA groups, booster clubs, and building- and district-level committees. Parent attendance at parent/teacher conferences is high, as is the level of parent volunteerism for activities and programs. The high level of parent involvement contributes greatly to the overall quality of the School District's programs.

Accomplishments

Initiatives

In November 2013, the Walled Lake Consolidated School District community approved a \$67.5 million Safety, Security, and Technology Bond. The sale of the bonds took place in January 2014 and project plans began. Projects will and have included:

- Comprehensive video surveillance systems
- Entrance and office modifications in all School District school buildings
- Keyless entry throughout the School District
- Upgraded fire alarms and mass notification systems
- Emergency backup generators and emergency lighting upgrades
- Emergency responder signage
- Replacement of the School District's phone system and master clock systems
- Essential technology upgrades in all of the schools and classrooms
- Buses
- Other much needed specific repair and renovation projects

This bond will enable the School District to significantly enhance the safety and security of every building and ensure that every classroom is well equipped technologically.

BOARD GOALS

The Board of Education has adopted the following goals:

Student Success: Ensure that every student is able to reach his/her potential by focusing on:

- ✓ Academic and personal success
- ✓ Ensuring instructional strategies and practices are research-based and meet the needs of all learners
- ✓ Collaboration and innovation among all members of our school community
- ✓ The needs of all learners, and developing action plans to help support those needs
- ✓ Using data as a means to help drive instruction and planning
- ✓ Supporting best practices, proven interventions, and the professional development of our teachers and administrators

Fiscal Responsibility: Ensure long-term fiscal health of the School District while maximizing dollars available for the classroom and encouraging innovation and the implementation of proven strategies and programs by:

- ✓ Developing budgets that are focused and centered on student achievement goals
- ✓ Continuing efficiency and collaboration efforts

Community Outreach: In partnership with parents and the community, students and staff continually demonstrate they are caring, responsible, and knowledgeable citizens by:

- ✓ Including the community in school and School District events, activities, and efforts
- ✓ Involving parents and the community in decisions that affect and benefit the Walled Lake Consolidated School District
- ✓ Communicating information to the community to build awareness of Walled Lake Consolidated School District
- ✓ Providing opportunities for our community to be involved in the School District
- ✓ Building partnerships with diverse organizations to mutually strengthen the School District and the communities we serve

Positive District Culture: Ensure that students are able to thrive in a culture that is safe and positive for them, for staff, for parents, and for our community by:

- ✓ Creating a culture of safety and social well-being
- ✓ Promoting “no tolerance” standards for bullying, harassment, and other unacceptable behaviors
- ✓ Ensuring that schools and facilities are maintained to the highest degree
- ✓ Expecting students, staff, and the entire school community to demonstrate respect for one another
- ✓ Expecting students, staff, and the entire school community to communicate, model, and reinforce standards of ethical conduct and responsible global citizenship
- ✓ Continuing to ensure our schools are safe learning environments by annually reviewing Safety Plans, collaborating with local law enforcement officials, and cultivating an overall culture of “safety first”

Professional Development

The ongoing educational needs of the staff of the Walled Lake Consolidated School District are an important focus throughout the School District. Most of these needs are addressed now in a “job-embedded” fashion in which workshops, seminars, and training sessions include topics of immediate interest to teachers, administrators, and support staff.

Such sessions are conducted throughout the year and most often provide participants multiple opportunities to return to important topics to build their skills over time. Topics include Business and Human Resource office initiatives and current technology topics, as well as safety issues, cultural awareness, and numerous instructional ideas.

Professional development in the School District may be organized by teacher leaders, by administrators, by members of the curriculum department, or by colleagues within departments for whom the activities are designed. Topics are current and relevant to procedures and practices and are scheduled with an eye to “on-time delivery.” Planning is collaborative between planners and participants. Responsibilities for content, format, and schedules are now widely assumed by many staff members.

The purpose of all professional development, however, remains constant:

- To support teachers and administrators in the implementation of the School District's curricular and assessment programs
- To support the analysis of student achievement data
- To promote excellent instruction in every classroom
- To ensure that all employees are sufficiently literate in technology
- To provide specialized training for employees, especially in areas such as special education assignments, transportation, food service, etc.

Economic Outlook

Since the passage of Proposal A in 1994, it has become apparent that School District revenue will not keep pace with inflation, nor with School District expenditures as we know them. Proposal A substantially shifted funding responsibility from the local level to the state level and from property tax as the major revenue source. Now, the School District is dependent upon the state legislature for not only the majority of its funds, but also its funding level.

It has been imperative over the last several years that the School District prioritize and limit expenditures. In addition to restructuring many of our departments, privatizing our custodial and transportation departments, making cuts in all possible areas, and using a large portion of the School District's fund balance, the School District has had to make significant reductions in staff. All employee groups have also agreed to significant wage and benefit concessions over several years.

As we look to the future, an additional challenge to be faced is the projected enrollment declines. In an effort to proactively address projections, two elementary buildings were closed and the land sold during the last couple of years.

Financial Information - Accounting Controls

Management is responsible for establishing and maintaining an internal control structure. This structure is designed to ensure that the assets of the School District are protected from loss, theft, or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The School District maintains budgetary controls to ensure that budgets are in compliance with legal provisions of the State of Michigan Uniform Budgeting and Accounting Act and with the annual appropriation budget adopted by the Board of Education. Formal budgetary integration is employed as a management control device throughout the year for the General Fund, special revenue funds, debt service funds, and capital projects funds. Under the guidelines of the State of Michigan's School Accounting Manual (Bulletin 1022), detailed line-item budget information is provided and appropriate administrators are delegated the responsibility for monitoring and controlling their respective budget allocations. The controls are integrated into the School District's computerized accounting system, which prohibits expenditures exceeding appropriations. An encumbrance system is utilized to measure the uncommitted budget amount available at any given point in time during the year. The budget is amended at least twice during the year to appropriately address variances that occur in enrollment, revenue, and expenditures.

Management believes that the existing system of budgetary and accounting controls provides a reasonable level of assurance that errors or irregularities that could be material to the financial statements are prevented or that they would be detected within a timely manner. As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Financial Condition at June 30, 2015

Please refer to the management's discussion and analysis section for a summary of the financial condition of the School District at June 30, 2015.

Capital Projects Funding

The capital projects funds are used to account for the financial resources to be used for the acquisition, construction, or major renovation of facilities. These funds are financed by bond issues or the support of the General Fund. Two funds are currently active, the 2014 Bond Fund and the Sinking Fund.

Federal Funding

As a recipient of federal, state, and county financial assistance, the School District is responsible for ensuring that an adequate internal and administrative control structure is in place to document compliance with applicable laws and regulations related to those programs. Tests are made by the School District's auditors to determine the adequacy of the internal and administrative control structure.

Independent Audit

The State of Michigan statutes require an annual audit by independent certified public accountants. The accounting firm of Plante & Moran, PLLC was appointed by the Walled Lake Consolidated School District Board of Education to perform this service for the 2014-2015 fiscal year. In addition, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, requires governmental recipients of federal assistance to have organization-wide financial and compliance audits on an annual basis. Both of these requirements have been met, and the auditor's report on the basic financial statements is included herein.

Fund Balance Policy

Annually, the superintendent recommends, and the board approves, as part of the budget process, a desired fund equity level.

Fund equity may be used to supplement possible shortfalls in state, federal, and local revenues, used as a reserve for possible emergency expenditures or for other reasons deemed necessary by the board. Emergency expenditures may not be taken from the fund equity unless possible surpluses in the existing school budget have been appraised. Emergency expenditures may be recommended by the superintendent and approved by the board. Fund equity funds may not be transferred to expenditure accounts without board approval.

Other Information

Enrollment

Five-year projections of enrollment are done annually using data from the county, city, and School District. Such information as live births, building permits, cohort survival ratios, and workforce/economic statistics are used in the enrollment projections. Historically, this method has proven to be accurate, within a reasonable variance, for our planning purposes. 2007/2008 represented the first time since 1986 where enrollment declined in the School District. Enrollment has declined each year for the last four years. Enrollment is projected to decline by 115 students to 14,692 for 2015/2016. Enrollment just five years ago was 15,486.

The extended recession certainly had an impact on Michigan residents. Job losses caused many families to leave Michigan. In addition, our incoming kindergarten classes are smaller than our graduating seniors. These two factors, supported by enrollment studies performed, lead us to believe that the School District will continue to experience declining enrollment for the next several years.

Certificate of Excellence

This report has been prepared following the guidelines recommended by the Association of School Business Officials International (ASBO). The ASBO awarded a certificate of excellence in financial reporting to the Walled Lake Consolidated School District for its Comprehensive Annual Financial Report for each of the fiscal years ended June 30, 1994 through June 30, 2014. In order to be awarded a certificate of excellence, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A certificate of excellence is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the certificate of excellence program's requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

Meritorious Budget Award

The ASBO has awarded a meritorious budget award to Walled Lake Consolidated School District for its budget documents created for each of the fiscal years ended June 30, 2005 through June 30, 2015. We have submitted our budget document for June 30, 2016 and anticipate receiving the certificate. The program was designed to encourage school districts to achieve a very high standard of excellence in budget presentation. In order to be awarded the meritorious budget award, a school district must meet minimum presentation standards for a school system's annual budget document.

Acknowledgments

The preparation of this report was accomplished through the commitment and dedication of the entire business office staff. We would also like to express our appreciation to other departmental individuals who assisted in the preparation of this report.

The School District is highly committed to a program of excellence. A highly dedicated Board of Education has adopted sound policies that facilitate the continued growth and improvement of the total school program. In addition, there is a wide, all-encompassing array of support provided by parents, students, employees, citizens, civic organizations, and hundreds of volunteers that enables the School District to achieve high goals.

Sincerely,



Teri L. Les

Assistant Superintendent of Business Services



Kenneth Gutman

Superintendent of Schools

Board of Education

Walled Lake Consolidated School District

District Officials

Administration

Kenneth Gutman

Superintendent of Schools

Christopher J. Delgado

Deputy Superintendent of Schools

Teri L. Les

Assistant Supt. of Business Services

Margaret Hazlett

Assist. Supt. of Human Resources

Mark A. Hess

Exec. Dir. of Instruction, Technology
and Assessment

William Chatfield

Director of Operations

Judy Evola

Director of Community Relations and Marketing

Board of Education

Denise Bither

President

Marc Siegler

Vice President

Christopher Titus

Secretary

Peggy Casagrande

Treasurer

Kathy Lyall

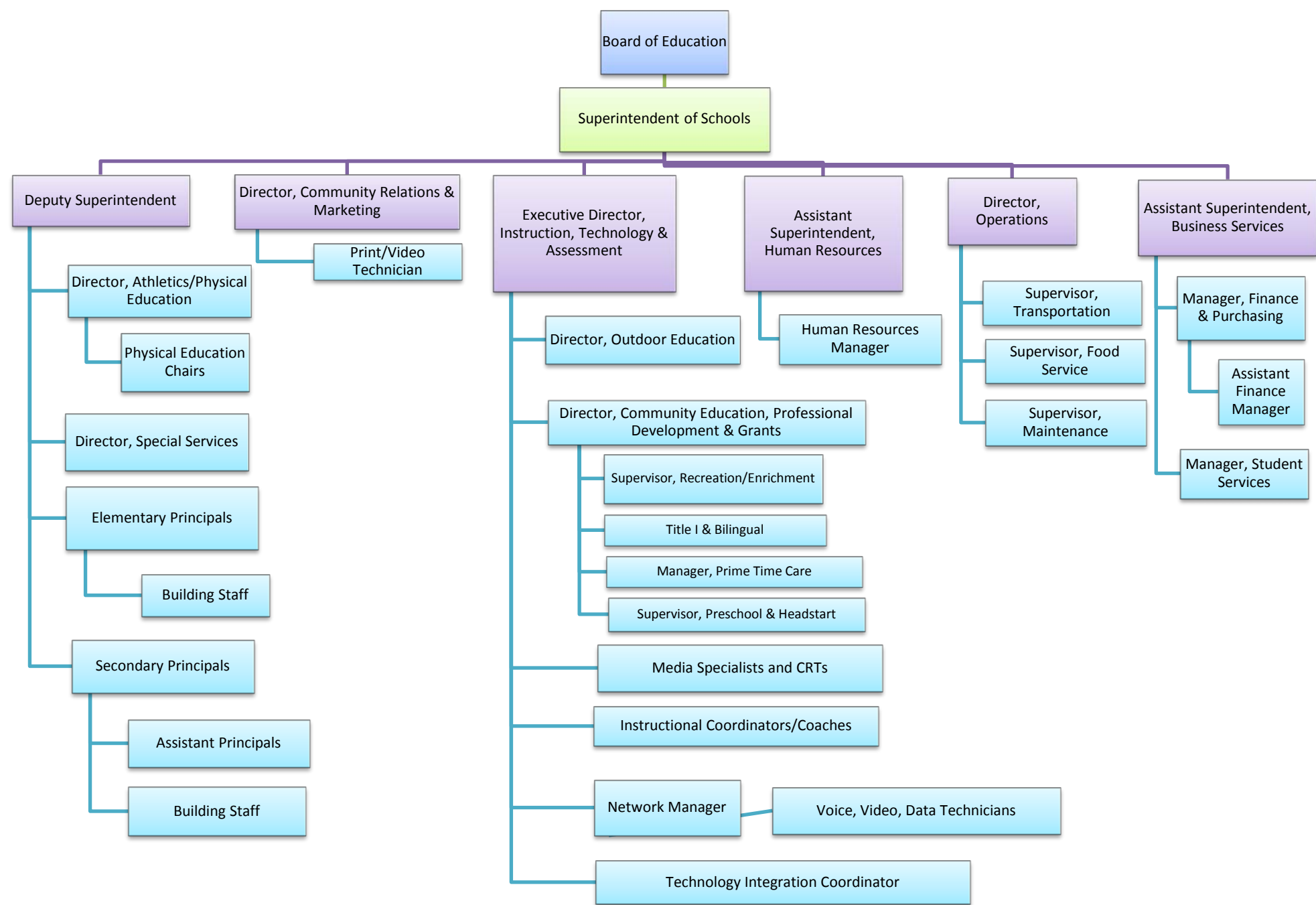
Trustee

Greg Janicki

Trustee

Nancy van Leuwen

Trustee



Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Walled Lake Consolidated School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons", is written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso", is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

Independent Auditor's Report

To the Board of Education
Walled Lake Consolidated School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining information of Walled Lake Consolidated School District as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Walled Lake Consolidated School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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 information of Walled Lake Consolidated School District as of June 30, 2015 and the respective changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Education
Walled Lake Consolidated School District

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, effective July 1, 2014, the School District adopted the provision of Governmental Accounting Standards Board Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The School District's unrestricted net position has been restated as of July 1, 2014 as a result of this change in accounting principle. Our opinion is not modified with respect to this matter.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension system schedules of funding progress and employer contributions, and the major fund budgetary comparison schedule as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 supplemental 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 Walled Lake Consolidated School District's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Education
Walled Lake Consolidated School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated Month XX, YEAR on our consideration of Walled Lake Consolidated School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Walled Lake Consolidated School District's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

October 20, 2015

Walled Lake Consolidated School District

Management's Discussion and Analysis

This section of Walled Lake Consolidated School District's (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the years ended June 30, 2015 and 2014. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Walled Lake Consolidated School District financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund and the 2015 Bond Issue Fund, with all other funds presented in one column as nonmajor funds. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The annual report is arranged as follows:

Management's Discussion and Analysis (MD&A)
(Required Supplemental Information)

Basic Financial Statements

Government-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)
Budgetary Information for General Fund

Other Supplemental Information

Statistical Section

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

Reporting the School District as a Whole - Government-wide Financial Statements

The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information about the School District as a whole using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The statement of net position includes all of the School District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

These two statements report the School District's net position and how it has changed. Net position, the difference between assets and liabilities, as reported in the statement of net position, is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and cafeteria. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

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

The School District's fund financial statements provide detailed information about the most significant fund, the General Fund, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Cafeteria and Prime Time Care Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

Governmental Funds - All of the School 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 that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School 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 School 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.

The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table I provides a summary of the School District's net position as of June 30, 2015 and 2014:

TABLE I

	Governmental Activities	
	2015	2014
	(in millions)	
Assets		
Current and other assets	\$ 80.5	\$ 100.6
Property and equipment	231.6	214.2
Total assets	312.1	314.8
Deferred Outflows of Resource		
Deferred charges on bond refunding	2.3	1.7
Deferred outflows related to pensions	13.0	0.0
Total deferred outflows of resources	15.3	1.7
Total assets and deferred outflows of resources	327.4	316.5
Liabilities		
Current liabilities	42.1	26.9
Long-term liabilities	149.8	181.1
Net pension liability	227.0	241.3
Total liabilities	418.9	449.3
Deferred Inflows - Deferred inflows related to pensions	16.7	-
Total liabilities and deferred inflows	435.6	449.3
Net Position (Deficit)		
Net investment in capital assets	112.6	101.2
Restricted	4.2	3.0
Unrestricted	(225.0)	(225.8)
Total net position (deficit)	<u>\$ (108.2)</u>	<u>\$ (121.6)</u>

The above analysis focuses on the net position (deficit) (see Table I). The change in net position (deficit) (see Table 2) of the School District's governmental activities is discussed below. The School District's net deficit was (\$108.2) million at June 30, 2015. Net investment in capital assets, totaling \$112.6 million, compares the original cost less depreciation of the School District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position amounts are reported separately to show legal constraints from enabling legislation that limit the School District's ability to use net position for day-to-day operations. The remaining amount of net deficit (\$225.0 million) was unrestricted.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

As required by the Government Accounting Standards Board (GASB), the School District adopted GASB 68 and 71. These standards required the inclusion of the School District's proportionate share of the Michigan Public School Employees' Retirement Plan within the School District's financial statements, effective July 1, 2014. The effect of the adoption was to decrease July 1, 2014 beginning net position by \$230.1 million and the inclusion of the obligation, and related deferred inflows and outflows, in the June 30, 2015 financial statements. All governments participating in the retirement plan were required to adopt these new standards.

The results of this year's operations for the School District as a whole are reported in the statement of activities, which shows the changes in net position for fiscal years June 30, 2015 and 2014 (see Table 2).

TABLE 2

Governmental Activities	
Year Ended June 30	
2015	2014
(in millions)	

Revenue

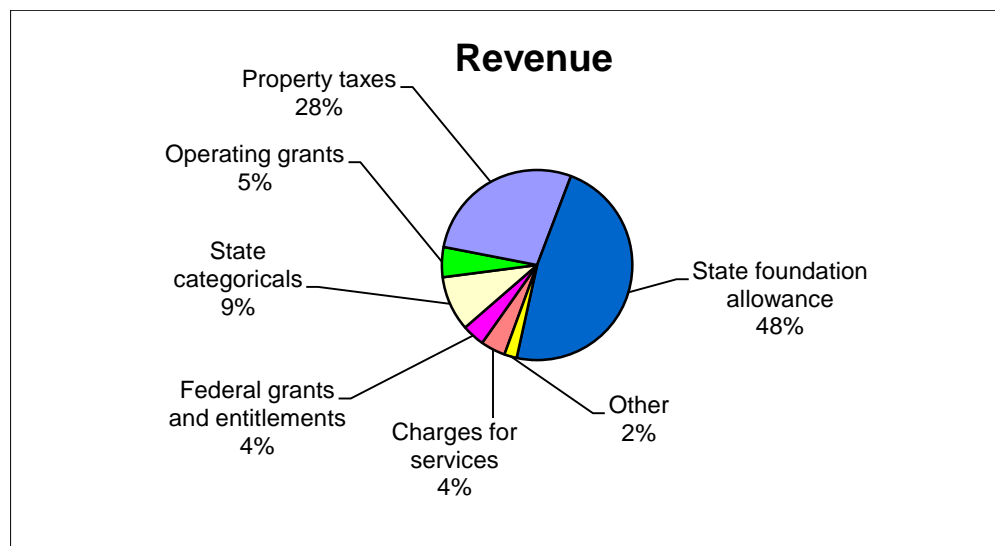
Program revenue:

Charges for services	\$ 8.0	\$ 7.7
Federal grants and entitlements	5.6	5.6
State categoricals	17.4	13.2
Operating grants	11.7	10.1

General revenue:

Property taxes	52.6	49.9
State foundation allowance	90.4	94.0
Other	4.0	1.3

Total revenue	189.7	181.8
---------------	-------	-------

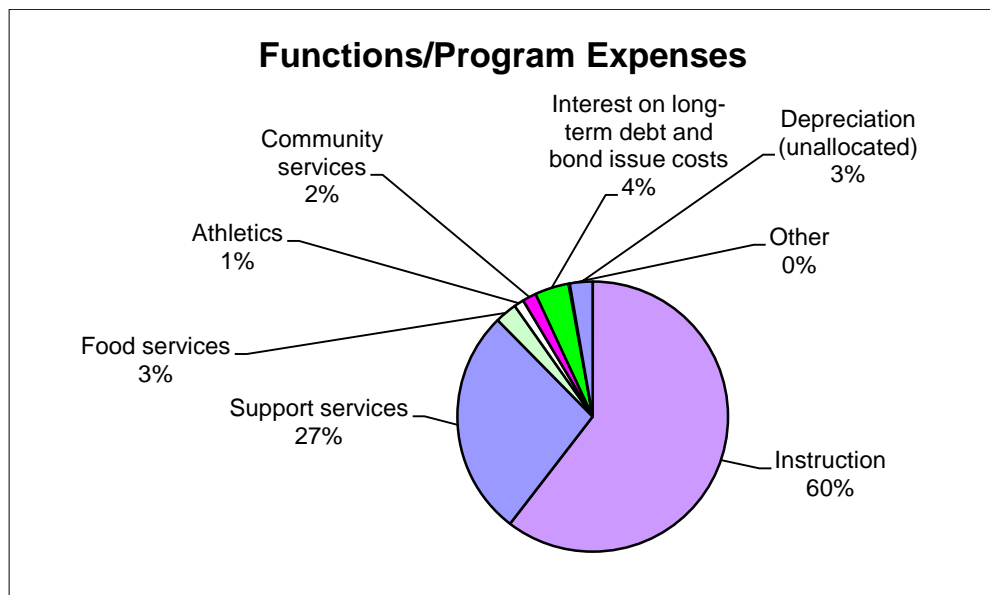


Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

TABLE 2 (Continued)

	Governmental Activities	
	Year Ended June 30	
	2015	2014
	(in millions)	
Functions/Program Expenses		
Instruction	\$ 106.5	\$ 107.0
Support services	48.0	51.1
Cafeteria	4.6	4.5
Athletics	2.1	2.1
Community services	2.9	2.7
Interest on long-term debt and bond issue costs	7.1	6.8
Debt issuance costs	0.3	-
Depreciation (unallocated)	4.8	4.7
Total functions/program expenses	176.3	178.9
Increase in Net Position (Deficit)	13.4	2.9
Net Position (Deficit) - Beginning of year	(121.6)	105.6
Impact of GASB Statement Nos. 68 and 71	-	(230.1)
Net Position (Deficit) - End of year	<u>\$ (108.2)</u>	<u>\$ (121.6)</u>



Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

As reported in the statement of activities, the cost of all of our governmental activities this year was \$176.3 million. Certain activities were partially funded from those who benefited from the programs (\$8.0 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$34.7 million). We paid for the remaining "public benefit" portion of our governmental activities with \$52.6 million in taxes, \$90.4 million in state foundation allowance, and with our other revenue (i.e., interest and other general revenue).

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

The School District's Funds

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

As the School District completed this year, the General Fund reported a fund balance of \$9.5 million, which is a decrease of \$1.1 million from last year. The increase was a result of several cost saving measures and expenditures coming in less than anticipated.

The School District budgeted an increase of approximately \$165,000. The difference related to various expenses running less than expected including utilities, vehicle repairs, termination pay and fuel costs.

The General Fund fund balance is available to fund costs related to allowable school operating purposes.

In 2014, the School District issued \$65.8 million in voter-approved bonds. These bonds were issued in accordance with State law and will be used for security enhancements to school buildings and other facilities, to upgrade technology infrastructure throughout the School District, and to purchase school buses. The 2015 Bond Issue Fund has a fund balance of \$39.8 million at June 30, 2015.

The other nonmajor government funds have a combined fund balance of \$5.8 million, which represents an increase of approximately \$600,000. This net increase is primarily due to an increase in millage rates to adjust the debt service funds fund balances for the payment of interest and principal on the various bond issues.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

Budgetary Highlights

Over the course of the year, the School District revises its budget to reflect changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in early June. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements. There were no significant amendments to the 2014-2015 General Fund budget during the year. Additionally, there were no significant variances between the final budget and actual amounts.

There were no significant budget amendments to the special revenue funds during the year.

Budgeted expenditures in the capital projects funds were increased significantly as the School District completed projects, primarily bond projects.

The debt service funds budget was adjusted to account for the issuance of \$37 million in general obligation bonds issued to advance refund \$40.7 million in existing general obligation bonds.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2015 and 2014, the School District had \$231.6 million and \$214.2 million, respectively, invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of approximately \$17.4 million from last year.

	2015	2014
Assets not being depreciated - Land	\$ 12,779,023	\$ 12,868,313
Assets not being depreciated - Construction in progress	13,411,980	2,530,175
Building and building improvements	301,853,886	295,127,654
Furniture and equipment	21,487,745	15,348,634
Buses and other vehicles	8,427,601	8,491,866
Total capital assets	357,960,235	334,366,642
Less accumulated depreciation	126,311,758	120,150,770
Net capital assets	<u>\$ 231,648,477</u>	<u>\$ 214,215,872</u>

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

This year's additions of \$27.2 million included equipment, security enhancements to school buildings, technology infrastructure upgrades, buses, and building and site improvements completed during the 2014 fiscal year as well as site improvements that began during the 2015 fiscal year. The School District passed a 0.50 mill Building and Site Improvement Fund, or Sinking Fund, during 2004. In November 2012, the community passed a 10-year renewal of the Sinking Fund. These funds have allowed the School District to proceed with several projects and capital additions. In 2014, the School District issued \$65.8 million in voter-approved bonds. Several major capital projects are planned for the 2015-2016 fiscal year with the use of these funds.

We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$153.4 million in General Obligation Bonds outstanding versus \$169.3 million last year - a decrease of 9.40 percent.

The School District's general obligation bond rating is "AA-" from Standard & Poor's and "Aa2" from Moody's Investors Service. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," that is, debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District does not have any outstanding unqualified general obligation debt.

Other obligations include debt premiums, compensated absences, workers' compensation, and other amounts. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2016 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2016 fiscal year will be calculated using 90 percent of the October 2015 count and 10 percent of the February 2015 count. The 2016 budget was adopted in June 2015, based on an estimate of students that will be enrolled in September 2015. Approximately 76 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to school districts. The School Aid Act for the 2014-2015 school year included a \$50 per-pupil increase for all school districts and up to an additional \$125 (\$175 in total) for the lowest funded school districts. The total foundation grant for Walled Lake Consolidated Schools will be \$8,315 for 2015-2016. Additional funding will continue to assist districts with increasing retirement costs.

We are currently projecting fund balance to be approximately \$9.8 million at the end of 2015-2016. The superintendent annually recommends, and the Board of Education approves, a target minimum fund balance level. Administration will need to continue to monitor funding and reduce expenditures as necessary to maintain this approved level, which is currently \$8 million.

Contacting the School District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the business department at 850 Ladd Road, Building D, Walled Lake, Michigan 48390.

Walled Lake Consolidated School District

Statement of Net Position June 30, 2015

	Governmental Activities
Assets	
Cash and investments (Note 3)	\$ 10,593,241
Receivables:	
Accounts receivable	498,452
Due from other governmental units (Note 6)	21,086,375
Inventories	83,662
Prepaid costs	492,919
Restricted assets (Notes 3 and 9)	47,753,465
Capital assets not being depreciated (Note 4)	26,191,003
Capital assets - Less accumulated depreciation of \$126,311,758 (Note 4)	205,457,474
Total assets	312,156,591
Deferred Outflows of Resources	
Deferred charges on bond refunding (Note 8)	2,306,336
Deferred outflows related to pensions (Note 11)	12,988,485
Total deferred outflows of resources	15,294,821
Total assets and deferred outflows of resources	327,451,412
Liabilities	
Accounts payable	5,230,934
Accrued payroll-related liabilities	19,442,979
Other accrued liabilities	853,150
Unearned revenue (Note 7)	459,661
Noncurrent liabilities (Note 8):	
Due within one year	16,208,172
Due in more than one year	149,760,872
Net pension liability (Note 11)	226,958,421
Total liabilities	418,914,189
Deferred Inflows of Resources - Deferred inflows related to pensions (Note 11)	16,714,315
Total liabilities and deferred inflows of resources	435,628,504
Net Position	
Net investment in capital assets	112,593,950
Restricted:	
Debt service	1,491,695
Capital projects	2,396,739
Cafeteria	387,026
Unrestricted	(225,046,502)
Total net position	<u>\$ (108,177,092)</u>

Walled Lake Consolidated School District

Statement of Activities Year Ended June 30, 2015

	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				Governmental Activities
Primary government - Governmental activities:				
Instruction	\$ 106,521,966	\$ 1,081,330	\$ 30,626,087	\$ (74,814,549)
Support services	47,940,978	-	1,938,014	(46,002,964)
Athletics	2,080,438	1,121,312	60,377	(898,749)
Cafeteria	4,578,375	2,551,247	1,913,961	(113,167)
Community services	2,913,475	3,259,891	111,620	458,036
Interest	7,081,855	-	-	(7,081,855)
Debt issuance costs	333,462	-	-	(333,462)
Depreciation expense (unallocated), excluding direct depreciation allocated to programs	4,786,616	-	-	(4,786,616)
Total primary government	<u>\$ 176,237,165</u>	<u>\$ 8,013,780</u>	<u>\$ 34,650,059</u>	(133,573,326)
General revenue:				
Taxes:				
Property taxes, levied for general purposes				29,666,169
Property taxes, levied for debt service				20,856,867
Property taxes, levied for sinking fund				2,085,608
State aid not restricted to specific purposes				90,391,265
Interest and investment earnings				3,224,279
Gain on the sale of capital assets				144,343
Other				671,599
Total general revenue				<u>147,040,130</u>
Change in Net Position				13,466,804
Net Position - As restated - Beginning of year (Note 1)				<u>(121,643,896)</u>
Net Position - End of year				<u>\$ (108,177,092)</u>

Walled Lake Consolidated School District

Governmental Funds Balance Sheet June 30, 2015

	General Fund	2014 Bond Issue	Nonmajor Governmental Funds	Total
Assets				
Cash and investments (Note 3)	\$ 10,361,663	\$ -	\$ 231,578	\$ 10,593,241
Receivables:				
Accounts receivable	498,452	-	-	498,452
Due from other governmental units (Note 6)	21,059,804	-	26,571	21,086,375
Due from other funds (Note 5)	-	-	1,313,215	1,313,215
Inventories	26,522	-	57,140	83,662
Prepaid costs	492,919	-	-	492,919
Restricted assets (Notes 3 and 9)	-	43,134,021	4,619,444	47,753,465
Total assets	\$32,439,360	\$43,134,021	\$ 6,247,948	\$ 81,821,329
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 1,346,536	\$ 3,359,168	\$ 373,683	\$ 5,079,387
Accrued payroll and other liabilities	19,442,979	-	-	19,442,979
Due to other funds (Note 5)	1,460,438	-	4,324	1,464,762
Unearned revenue (Note 7)	390,676	-	68,985	459,661
Total liabilities	22,640,629	3,359,168	446,992	26,446,789
Deferred Inflows of Resources - Unavailable revenue (Note 7)	325,839	-	-	325,839
Total liabilities and deferred inflows of resources	22,966,468	3,359,168	446,992	26,772,628
Fund Balances				
Nonspendable:				
Inventories	26,522	-	57,140	83,662
Prepaid costs	492,919	-	-	492,919
Restricted:				
Capital projects	-	39,774,853	2,185,628	41,960,481
Debt service	-	-	2,344,845	2,344,845
Special revenue funds - Cafeteria	-	-	329,886	329,886
Committed:				
Community education	-	-	148,101	148,101
Enrichment/Prime Time Care	-	-	452,572	452,572
Preschool	-	-	282,784	282,784
Unassigned - General Fund	8,953,451	-	-	8,953,451
Total fund balances	9,472,892	39,774,853	5,800,956	55,048,701
Total liabilities, deferred inflows of resources, and fund balances	\$32,439,360	\$43,134,021	\$ 6,247,948	\$ 81,821,329

The Notes to Financial Statements are an
Integral Part of this Statement.

Walled Lake Consolidated School District

Governmental Funds **Reconciliation of the Balance Sheet of Governmental Funds to the** **Statement of Net Position** **Year Ended June 30, 2015**

Fund Balance Reported in Governmental Funds **\$ 55,048,701**

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

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

Cost of capital assets	\$ 357,960,235	
Accumulated depreciation	(126,311,758)	231,648,477

Other long-term assets are not available to pay current period expenditures, therefore they are deferred in the funds	325,839
---	---------

Deferred charges on bond refunding reported as expenditures in the governmental funds are capitalized and amortized in the statement of activities	2,306,336
--	-----------

Deferred outflows for pension contributions made subsequent to the measurement date	12,988,485
---	------------

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

Bonds payable including premium	(160,924,605)	
Compensated absences and longevity	(4,790,103)	
Risk liabilities	(254,336)	

Total long-term liabilities	(165,969,044)
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Accrued interest payable is not included as a liability in governmental activities	(853,150)
--	-----------

Net pension obligations do not present a claim on current financial resources and are not reported as fund liabilities	(226,958,421)
--	---------------

Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds	(16,714,315)
--	--------------

Net Position of Governmental Activities	<u>\$ (108,177,092)</u>
--	--------------------------------

Walled Lake Consolidated School District

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2015

	General Fund	2014 Bond Issue	Nonmajor Governmental Funds	Total Governmental Funds
Revenue				
Local sources	\$ 33,070,989	\$ 211,111	\$ 28,442,613	\$ 61,724,713
State sources	107,629,836	-	394,874	108,024,710
Federal sources	5,575,874	-	1,630,710	7,206,584
Interdistrict sources	9,553,161	-	-	9,553,161
Total revenue	155,829,860	211,111	30,468,197	186,509,168
Expenditures				
Current:				
Instruction	104,408,146	-	-	104,408,146
Support services	48,271,232	-	-	48,271,232
Athletics	2,077,919	-	-	2,077,919
Food services	-	-	4,570,626	4,570,626
Community services	221,457	-	2,692,612	2,914,069
Debt service:				
Principal	-	-	12,385,000	12,385,000
Interest	-	-	7,270,514	7,270,514
Other	-	-	333,462	333,462
Capital outlay	320,176	21,328,950	2,084,589	23,733,715
Total expenditures	155,298,930	21,328,950	29,336,803	205,964,683
Excess of Revenue Over (Under) Expenditures	530,930	(21,117,839)	1,131,394	(19,455,515)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	233,633	-	-	233,633
Payment to escrow agent	-	-	(41,767,755)	(41,767,755)
Transfers in	325,000	-	1,910,998	2,235,998
Transfers out	-	-	(2,235,998)	(2,235,998)
Face value of debt issued	-	-	37,280,000	37,280,000
Premium on debt issued	-	-	4,288,643	4,288,643
Total other financing sources (uses)	558,633	-	(524,112)	34,521
Net Change in Fund Balances	1,089,563	(21,117,839)	607,282	(19,420,994)
Fund Balances - Beginning of year	8,383,329	60,892,692	5,193,674	74,469,695
Fund Balances - End of year	<u>\$ 9,472,892</u>	<u>\$39,774,853</u>	<u>\$ 5,800,956</u>	<u>\$ 55,048,701</u>

Walled Lake Consolidated School District

Governmental Funds **Reconciliation of the Statement of Revenue, Expenditures,** **and Changes in Fund Balances of Governmental Funds** **to the Statement of Activities** **Year Ended June 30, 2015**

Net Change in Fund Balances - Total Governmental Funds **\$ (19,420,994)**

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, these costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	\$ (7,125,061)	
Capitalized capital outlay	<u>24,646,956</u>	17,521,895

The net effect of other transactions involving capital assets that decreased net assets	(89,290)
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Revenue is reported in the statement of activities that does not provide current financial resources and is not reported as revenue in the governmental funds	325,839
---	---------

Revenue is reported in the statement of activities that does not provide current financial resources and is not reported as revenue in the governmental funds - Prior year	(252,911)
--	-----------

Increases in bonded and other debt are reported as revenue when the proceeds from the debt are received	(37,280,000)
---	--------------

Underwriter's premium reported as revenue in the funds and amortized in the statement of activities.	(905,965)
--	-----------

Payments to refunding bond escrow is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	40,750,000
---	------------

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	12,385,000
---	------------

Accrued interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid	(853,150)
--	-----------

Accrued interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid - Prior year	1,041,809
---	-----------

Walled Lake Consolidated School District

Governmental Funds **Reconciliation of the Statement of Revenue, Expenditures,** **and Changes in Fund Balances of Governmental Funds** **to the Statement of Activities (Continued)** **Year Ended June 30, 2015**

Deferred charges on debt refunding were recognized at the government-wide level and are being amortized to expense over the life of the bonds in the statement of activities	\$ 612,607
Compensated absences, as well as self-insured liability claims, are recorded when earned in the statement of activities. In the current year, more was earned than paid out	131,228
Change in pension expense related to deferred items	<u>(499,264)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 13,466,804</u></u>

Walled Lake Consolidated School District

Fiduciary Funds **Statement of Fiduciary Assets and Liabilities** **June 30, 2015**

	<u>Agency Funds</u>
Assets	
Cash and investments (Note 3)	\$ 1,803,579
Due from other funds (Note 5)	151,547
Accounts receivable	<u>2,716</u>
Total assets	<u>\$ 1,957,842</u>
Liabilities	
Accounts payable	\$ 19,848
Due to student groups	<u>1,937,994</u>
Total liabilities	<u>\$ 1,957,842</u>

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note I - Nature of Business and Significant Accounting Policies

The accounting policies of the Walled Lake Consolidated School District (the "School District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate, component units of the School District. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the School District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the School District. Based on the application of the criteria, the School District does not contain any component units. The accompanying financial statements include all funds, departments, and other operations that are subject to the oversight of the Board of Education described above. There are no other agencies or other units of government that have been or should be combined within the School District's financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. All of the School District's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants 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 operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note I - Nature of Business and Significant Accounting Policies (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes, unrestricted state aid, and unrestricted federal funds.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenue not meeting this definition is classified as a deferred inflow of resources. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

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

2014 Bond Issue Capital Projects Fund - The 2014 Bond Issue Capital Projects Fund is used to record bond proceeds or other revenue and disbursements of invoices specifically designated for security enhancements to school buildings and other facilities, to upgrade technology infrastructure, and to purchase school buses. The fund operates until the purpose for which it was created is accomplished.

Additionally, the School District reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School District's Special Revenue Funds are shown in the nonmajor governmental funds combining schedules included in the other supplemental information. Any operating deficit generated by these activities is the responsibility of the General Fund.

The School District's Special Revenue Funds are as follows:

The Cafeteria Fund accounts for all monies generated from the cafeteria operations throughout the various buildings of the School District. Revenue sources for the Cafeteria Fund include sales to customers and dedicated grants from state and federal sources.

The Community Education Fund is used to account for all monies originating from educational programs run by the School District other than preschool and kindergarten through 12th grade programs. Revenue sources for the Community Education Fund consist primarily of tuition and fees charged to users.

The Preschool Fund accounts for all monies originating from the preschool programs run by the School District. Revenue sources for the Preschool Fund consist primarily of tuition charged to users.

The Enrichment/Prime Time Care Fund accounts for all monies originating from the School District's Enrichment and Prime Time Care (Latchkey) programs. Revenue sources for the Enrichment/Prime Time Care Fund consist primarily of tuition and fees charged to users.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note I - Nature of Business and Significant Accounting Policies (Continued)

Debt Service Funds - Debt Service Funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on the various bond issues. The School District currently has six debt retirement funds. The 2014 Debt Service Fund was created for school building and site improvements. The 2005 Debt Service Fund was created for the advance refunding of a portion of the 2000 bond issue. The 2006 Debt Service Fund and 2012 Debt Service Fund were created for the advance refunding of a portion of the 2004 bond issue. The 2011 Debt Service Fund was created for the advance refunding of a portion of the 2001 bond issue. The 2015 Debt Service Fund was created for the advance refunding of a portion of the 2005 bond issue.

Sinking Fund Capital Projects Fund - The Sinking Fund Capital Projects Fund contains the related tax revenue and accounts for the expenditures of approved Sinking Fund projects. The fund operates until the purpose for which it was created is accomplished.

Student Activities Agency Fund - The School District presently maintains an Agency Fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in trust for the students.

Assets, Liabilities, and Net Position or Equity

Cash and Investments - Cash and investments include cash on hand, demand deposits, short-term investments with a maturity of three months or less when acquired, and long-term, fixed-income securities. Investments are stated at fair value. Pooled investment income from the debt service fund is generally allocated to each fund using the same percentages to split property tax revenue.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are levied on July 1 for taxes due September 15. Taxes are considered delinquent on March 1 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

Inventories and Prepaid Costs - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements. Prepaid costs of governmental funds are recorded as expenditures when consumed rather than when purchased.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Restricted Assets - The unspent bond proceeds and related interest of the capital projects funds require amounts to be set aside for construction. In addition, the unspent property taxes levied in the Debt Service Funds and Sinking Fund are required to be set aside for future bond principal and interest and approved Sinking Fund projects, respectively. These amounts have been classified as restricted assets.

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and building additions	20 to 50 years
Buses and other vehicles	5 to 10 years
Furniture and other equipment	5 to 10 years

Compensated Absences (Vacation and Sick Leave) and Longevity - The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated vacation and sick leave benefits. The liability for longevity is a future benefit that consists of amounts due to eligible employees based on their respective contracts. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

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

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

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District only has two items that qualify for reporting in this category. First, is the deferred charge on refunding reported in the government-wide statement of net position. A 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 shorter of the life of the refunded or refunding debt. The second is the deferred outflow related to the pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two types of items, one of which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: grant payments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item in this category is a deferred inflow related to the pension plan.

Fund Balance - In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the Board of Education for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

- **Assigned:** Intent to spend resources on specific purposes expressed by the Board of Education
- **Unassigned:** Amounts that do not fall into any other category above. This is the residual classification for amounts in the general fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund.

On an annual basis, the superintendent recommends and the Board of Education approves a fund balance policy. The fund balance prescribed the minimum fund balance for 2014-2015 of \$8 million. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year.

Flow Assumption - Restricted resources are utilized first when both restricted and unrestricted resources are used for the same purpose. When an expense is incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used, it is the School District's policy to spend funds in this order: committed, assigned, and unassigned.

Comparative Data - Comparative data is not included in the School District's financial statements.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Adoption of New Standard - The GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 71 is a clarification to GASB Statement No. 68 requiring a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The statements also enhance accountability and transparency through revised note disclosures and required supplemental information (RSI). In accordance with the statement, the School District has reported a net pension liability of \$241,290,641 million and a beginning deferred outflow for pension contributions of \$11,105,654 made subsequent to the September 30, 2013 measurement date, as a change in accounting principle adjustment to unrestricted net position as of July 1, 2014.

Net position at June 30, 2014	\$ 108,541,091
Net pension liability	(241,290,641)
Deferred outflow for pension contributions	<u>11,105,654</u>
Net position at June 30, 2014 - As restated	<u>\$ (121,643,896)</u>

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all Special Revenue Funds. All annual appropriations lapse at year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. For budgeting purposes, capital outlay is classified within the related function and proceeds from the sale of capital assets and transfers in are classified within local revenue. There were no significant amendments during the year.

Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Excess of Expenditures Over Appropriations in Budgeted Funds - The School District did not have significant expenditure budget variances.

Capital Projects Fund Compliance - The 2014 Bond Issue Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For this capital project, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

The Sinking Fund Capital Projects Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of §1212(1) of the State of Michigan School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Note 3 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated 13 and utilized three financial institutions for the deposit of its funds.

The investment policy adopted by the board in accordance with state statutes has authorized investment in bonds and securities of the United States government and bank accounts and CDs, and the remainder of state statutory authority as listed above.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk. At year end, the School District's deposit balance of \$18,507,294 had \$18,257,294 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 3 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. The following investment securities were uninsured and unregistered and held in the following manner:

Investment Type	Carrying Value	How Held
Federal agency securities	\$ 24,730,549	Held by counterparty
U.S. Treasury notes	11,077,755	Held by counterparty
Cash management investment account	5,809,259	
Commercial paper	1,499,994	Held by counterparty
Total investments	<u>\$ 43,117,557</u>	

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy does not further limit its investment choices.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 3 - Deposits and Investments (Continued)

At year end, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Fund Cash Management Money Market Fund	\$ 5,809,259	Not required	AAAm	S&P
Federal Home Loan Corporation Reference Notes	1,813,446	07/17/2015	AA+/Aaa	S&P/Moody's
Federal Home Loan Corporation Notes	2,868,740	09/10/2015	AA+/Aaa	S&P/Moody's
Federal National Mortgage Association Notes	4,139,992	04/11/2016	AA+/Aaa	S&P/Moody's
Federal National Mortgage Association Notes	8,419,519	07/15/2016	AA+/Aaa	S&P/Moody's
Federal Home Loan Corporation Global Reference Notes	3,510,851	07/18/2016	AA+/Aaa	S&P/Moody's
Federal National Mortgage Association Notes	3,978,001	09/28/2016	AA+/Aaa	S&P/Moody's
U.S. Treasury Notes	5,146,365	04/30/2016	AA+/Aaa	S&P/Moody's
U.S. Treasury Notes	5,931,390	05/31/2016	AA+/Aaa	S&P/Moody's
PNC Bank Commercial Paper	1,499,994	07/01/2015	A-I/P-I	S&P/Moody's
Total	<u>\$ 43,117,557</u>			

Concentration of Credit Risk - The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. More than 5 percent of the School District's investments are in the Federal National Mortgage Association, U.S. Treasury Notes, and the Federal Home Loan Corporation. The investments are 38.40 percent, 25.69 percent, and 19.0 percent, respectively.

Foreign Currency Risk - Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's policy prohibit investment in foreign currency.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 4 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2014	Additions and Adjustments	Disposals and Adjustments	Balance June 30, 2015
Assets not being depreciated:				
Land	\$ 12,868,313	\$ -	\$ 89,290	\$ 12,779,023
Construction in progress	2,530,175	13,411,980	2,530,175	13,411,980
Subtotal	15,398,488	13,411,980	2,619,465	26,191,003
Capital assets being depreciated:				
Buildings and building improvements	295,127,654	6,726,232	-	301,853,886
Furniture and equipment	15,348,634	6,139,111	-	21,487,745
Buses and other vehicles	8,491,866	899,808	964,073	8,427,601
Subtotal	318,968,154	13,765,151	964,073	331,769,232
Accumulated depreciation:				
Buildings and building improvements	101,724,269	6,148,901	-	107,873,170
Furniture and equipment	11,779,415	570,753	-	12,350,168
Buses and other vehicles	6,647,086	405,407	964,073	6,088,420
Subtotal	120,150,770	7,125,061	964,073	126,311,758
Net capital assets being depreciated	198,817,384	6,640,090	-	205,457,474
Net capital assets	\$ 214,215,872	\$ 20,052,070	\$ 2,619,465	\$ 231,648,477

Subsequent to year end the School District sold property for approximately \$1,400,000 which had a cost basis of approximately \$600,000.

Depreciation expense was charged to activities of the School District as follows:

Governmental activities:

Instruction	\$ 1,925,191
Support services	413,254
Unallocated	4,786,616
Total governmental activities	\$ 7,125,061

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 4 - Capital Assets (Continued)

Construction Commitments - The School District has active construction projects at year end. The projects include the 2014 Bond Issue and various Sinking Fund projects. At year end, the School District's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2014 Bond Issue	\$ 15,078,647	\$ 10,294,827
Sinking Fund Projects	325,881	592,884
Total	<u>\$ 15,404,528</u>	<u>\$ 10,887,711</u>

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 1,460,438
Nonmajor governmental funds	1,313,215	4,324
Fiduciary Fund	151,547	-
Total	<u>\$ 1,464,762</u>	<u>\$ 1,464,762</u>

Interfund balances represent routine deposits received by the General Fund that will be transferred to other funds' investment accounts and temporary cash flow assistance between funds. Interfund balances due to the debt service funds are due to the timing of property tax receipts received in the General Fund.

Interfund Transfers

The 2005 Debt Retirement Fund transferred \$500,000 to the 2015 Debt Retirement Fund as a contribution from prior bonds' debt retirement fund to supplement the advance refunding. The 2005 Debt Retirement Fund also transferred \$1,410,998 to the 2015 Debt Retirement Fund to close out the 2005 Debt Retirement Fund. The Enrichment/Prime Time Care Fund and the Community Education Fund each transferred excess fund balance to the General Fund of \$300,000 and \$25,000, respectively.

Note 6 - Due from Other Governmental Units

The State of Michigan distributes state aid payments from October through August. At June 30, 2015, two payments are still outstanding which make up the majority of the balance due from other governmental units. The remainder relates to federal grant receivables due from various governmental units.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 7 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenue are as follows:

	Deferred Inflow - Unavailable	Liability - Unearned
Tuition received in advance	\$ -	\$ 200,072
Grant payments not available to liquidate current liabilities	325,839	-
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	259,589
Total	<u>\$ 325,839</u>	<u>\$ 459,661</u>

Note 8 - Long-term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences and risk liabilities.

During the year, the School District entered into a line of credit agreement with an available borrowing limit of \$5,000,000. Interest is payable monthly at the bank's prime rate less 1.20 percent (an effective rate of 2.05 percent at June 30, 2015) or the one-month LIBOR multiplied by 72 percent plus 1.15 percent (an effective rate of 1.28 percent at June 30, 2015). There was no outstanding balance on the line of credit at June 30, 2015.

Subsequent to year end on August 3, 2015, the School District renewed the line of credit agreement with an available borrowing limit of \$5,000,000 through July 31, 2016. Interest is payable monthly at the bank's prime rate less 1.50 percent or the one-month LIBOR multiplied by 72 percent plus 1.05 percent.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 8 - Long-term Debt (Continued)

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds	\$ 169,285,000	\$ 37,280,000	\$ 53,135,000	\$ 153,430,000	\$ 13,145,000
Bond premium	6,588,640	4,288,643	3,382,678	7,494,605	1,010,092
Less deferred amounts - Deferred outflow - Deferred charges from refunding bonds	(1,693,729)	(1,017,755)	(405,148)	(2,306,336)	-
Total	174,179,911	40,550,888	56,112,530	158,618,269	14,155,092
Compensated absences and longevity	4,812,260	119,992	142,149	4,790,103	1,863,080
Workers' compensation	363,407	10,684	119,755	254,336	190,000
Total governmental activities	<u>\$ 179,355,578</u>	<u>\$ 40,681,564</u>	<u>\$ 56,374,434</u>	<u>\$ 163,662,708</u>	<u>\$ 16,208,172</u>

Total interest expense for the year was \$7,270,514. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2016	\$ 13,145,000	\$ 7,063,844	\$ 20,208,844
2017	13,725,000	6,501,544	20,226,544
2018	13,905,000	5,953,494	19,858,494
2019	12,020,000	5,953,494	17,973,494
2020	12,560,000	4,816,394	17,376,394
2021-2025	34,960,000	17,323,144	52,283,144
2026-2030	10,895,000	11,954,844	22,849,844
2031-2035	13,475,000	9,173,862	22,648,862
2036-2040	16,770,000	5,586,250	22,356,250
2041-2043	11,975,000	1,214,500	13,189,500
Total	<u>\$ 153,430,000</u>	<u>\$ 75,541,370</u>	<u>\$ 228,971,370</u>

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 8 - Long-term Debt (Continued)

Governmental Activities

General obligation bonds consist of the following:

\$10,000,000 general obligation bonds due in annual installments of \$60,000 to \$1,685,000 through May 1, 2024; interest at 4.0 percent. Purpose of issue: partial refunding of 2004 bond issue	\$ 9,550,000
\$49,485,000 general obligation bonds due in annual installments of \$4,845,000 to \$5,385,000 through May 1, 2022; interest at 5.0 percent. Purpose of issue: partial refunding of 2001 bond issue	35,265,000
\$7,225,000 general obligation bonds due in annual installments of \$590,000 to \$1,705,000 through May 1, 2019; interest at 3.0 percent. Purpose of issue: partial refunding of 2004 bond issue	5,575,000
\$65,760,000 general obligation bonds due in annual installments of \$750,000 to \$4,160,000 through May 1, 2043; interest at 2.0 percent to 5.0 percent. Purpose of issue: security enhancements to school buildings and other facilities, to upgrade technology infrastructure, and purchase school buses	65,760,000
\$37,280,000 general obligation bonds due in annual installments of \$4,160,000 to \$6,090,000 through May 1, 2022; interest at 4.0 percent to 5.0 percent. Purpose of issue: partial refunding of 2005 bond issue	<u>37,280,000</u>
Total bonded debt	<u>\$ 153,430,000</u>

Advance and Current Refundings - During the year, the School District issued \$37,280,000 in general obligation bonds with an average interest rate of 4.86 percent. The proceeds of these bonds were used to advance refund \$40,750,000 of outstanding general obligation bonds with an average interest rate of 5.0 percent. The net proceeds of \$36,982,530 (after payment of \$297,470 in underwriting fees, insurance, and other issuance costs) plus an additional \$500,000 of 2005 Debt Retirement Fund monies and a premium of \$4,288,643 were used to purchase U.S. government securities and were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the School District's long-term obligations. The advance refunding reduced total debt service payments by approximately \$4,746,000, which represents an economic gain of approximately \$4,308,000.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 9 - Restricted Assets

The balances for the restricted asset accounts are as follows:

	Governmental Activities
Unspent bond proceeds and related interest	\$ 43,134,021
Unspent sinking fund property taxes levied	2,510,885
Unspent debt service property taxes levied	2,108,559
Total restricted assets	<u>\$ 47,753,465</u>

Note 10 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for property and general liability claims and participates in the SET SEG risk pool for claims relating to property and general liability. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three years.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The School District was self-insured for workers' compensation claims through December 31, 2013. Under the self-insured plan, workers' compensation liabilities are recorded when the occurrence of the liabilities is probable and reasonably estimable. As of January 1, 2014, the School District is no longer self-insured for workers' compensation claims, and claims are fully insured. The amounts recorded as of June 30, 2015 are based on compensation and medical costs expected to be paid for all claims that have been incurred through December 31, 2013, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded on the statement of net position as other obligations.

Changes in the estimated liabilities of the School District's self-insured plans for the past two fiscal years were as follows:

	2015	2014
Estimated liability - Beginning of year	\$ 363,407	\$ 466,154
Estimated claims incurred - Including changes in estimates	10,684	104,763
Claim payments	<u>(119,755)</u>	<u>(207,510)</u>
Unpaid claims - End of year	<u>\$ 254,336</u>	<u>\$ 363,407</u>

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System

Plan Description - The School District participates in the Michigan Public School Employees' Retirement System (MPSERS or the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides post-employment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post-employment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

Contributions - Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature. Under these provisions, each School District's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

School District's contributions are determined based on employee elections. There are seven different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS.

The range of rates are as follows:

School District

July 1, 2013 - September 30, 2013	12.78% - 16.25%
October 1, 2013 - September 30, 2014	15.44% - 18.34%
October 1, 2014 - June 30, 2015	18.76% - 23.07%

Depending on the plan selected, plan member contributions range from 0 percent up to 7.0 percent of gross wages. Plan members electing into the defined contribution plan are not required to make additional contributions.

The School District's required and actual contributions to the plan for the years ended June 30, 2015 and 2014 were \$25,093,324 and \$20,021,597, respectively. Contributions include \$7,629,997 and \$4,573,508 revenue received from the State of Michigan, and remitted to the system to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate for the year ended June 30, 2015.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Benefits Provided - Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of service times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension, but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death, and are determined in the same manner as retirement benefits, but with an actuarial reduction.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. For some members that do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

Net Pension Liability, Deferrals, and Pension Expense - At June 30, 2015, the School District reported a liability of \$226,958,421 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2013, which used updated procedures to roll the estimated liability to September 30, 2014. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2014, the School District's proportion was 1.0304 percent.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System (Continued)

For the year ended June 30, 2015, the School District recognized pension expense of \$16,501,803, exclusive of payments to the System to fund the MPSERS UAAL stabilization rate. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Subsequent to the Measurement Date	Deferred Inflows (Outflows) of Resources as of the Measurement Date
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	(8,374,280)
Net difference between projected and actual earnings on pension plan assets	-	25,090,346
Changes in proportion and differences between School District's contributions and proportionate share of contributions	-	(1,751)
School District's contributions subsequent to the measurement date	12,988,485	-
Total	<u>\$ 12,988,485</u>	<u>\$ 16,714,315</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ 4,094,562
2017	4,094,562
2018	4,094,562
2019	4,430,629
2020	-
Thereafter	-
Total	<u>\$ 16,714,315</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Actuarial Assumptions - The total pension liability as of September 30, 2014 is based on the results of an actuarial valuation date of September 30, 2013 and rolled forward, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal cost actuarial cost method
Assumed rate of return	7.00 to 8.00 percent, net of investment and administrative expenses based on the groups
Rate of pay increases	3.50 percent
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB

The actuarial assumptions used for the September 30, 2013 valuation were based on the results of an actuarial experience study for the period from October 1, 2007 to September 30, 2012. As a result of this study, the actuarial assumptions were adjusted to more closely reflect actual experience.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 - 8.00 percent depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System (Continued)

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

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	28 %	4.8 %
Private equity pools	18	8.5
International equity pools	16	6.1
Fixed-income pools	10	1.5
Real estate and infrastructure pools	10	5.3
Real return, opportunistic, and absolute pool	16	6.3
Short-term investment pools	2	(0.2)
Total	100 %	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the School District, calculated using the discount rate of 7.00 percent to 8.00 percent, depending on the plan option, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (7.00 percent) or 1.00 percentage point higher (9.00 percent) than the current rate:

1.00 Percent Decrease (7.00/6.00 percent)	Current Discount Rate (8.00/7.00 percent)	1.00 Percent Increase (9.00/8.00 percent)
\$ 299,224,915	\$ 226,958,421	\$ 166,072,833

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan - At June 30, 2015, the School District reported a payable of \$3,142,977 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Postemployment Benefits Other Than Pensions (OPEB) - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate ranged from 5.52 percent to 6.45 percent of covered payroll for the period from July 1, 2014 to September 30, 2014, and from 2.20 percent to 2.71 percent of covered payroll for the period from October 1, 2014 through June 30, 2015, dependent upon the employee's date of hire and plan election as noted above. Members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit, or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement. Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 403(b) account.

The School District's required and actual contributions to the plan for retiree health care benefits for the years ended June 30, 2015, 2014, and 2013 were \$2,786,735, \$6,195,092, and \$7,756,558, respectively.

Note 12 - Lease Commitments

The School District leases computer equipment under noncancelable operating lease agreements that expire at various dates through June 2019. Total costs for such leases were \$1,561,458 for the current year. The future minimum lease payments for these leases are as follows:

Years Ending June 30	Amount
2016	\$ 1,300,620
2017	990,090
2018	176,558
2019	51,169
Total	<u>\$ 2,518,437</u>

Walled Lake Consolidated School District

Notes to Financial Statements June 30, 2015

Note 13 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The School District is currently evaluating the impact this standard will have on the financial statements when adopted during the School District's 2015-2016 fiscal year.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the School District to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the MPSERS plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2018.

Required Supplemental Information

Walled Lake Consolidated School District

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 33,433,161	\$ 33,001,086	\$ 33,070,989	\$ 69,903
State sources	104,853,347	107,696,039	107,629,836	(66,203)
Federal sources	6,426,920	6,141,317	5,575,874	(565,443)
Interdistrict sources	8,136,700	9,553,161	9,553,161	-
Total revenue	152,850,128	156,391,603	155,829,860	(561,743)
Expenditures				
Current:				
Instruction:				
Basic program	83,424,498	84,924,697	84,524,152	(400,545)
Added needs	19,173,122	19,966,486	19,786,252	(180,234)
Adult/Continuing education	95,568	176,995	131,508	(45,487)
Support services:				
Pupil	12,792,632	12,696,793	12,771,756	74,963
Instructional staff	4,822,880	4,926,203	4,727,551	(198,652)
General administration	624,765	670,405	617,593	(52,812)
School administration	8,602,450	8,764,607	8,702,020	(62,587)
Business services	2,011,997	2,395,626	2,381,896	(13,730)
Operations and maintenance	9,867,386	9,793,250	9,598,379	(194,871)
Pupil transportation services	6,136,125	5,875,590	5,658,470	(217,120)
Central	3,823,805	4,215,710	4,031,695	(184,015)
Athletics	2,010,770	2,108,436	2,146,201	37,765
Community services	293,370	270,053	221,457	(48,596)
Total expenditures	153,679,368	156,784,851	155,298,930	(1,485,921)
Other financing sources:				
Proceeds from sale of capital assets	750,000	233,813	233,633	(180)
Transfers in	325,000	325,000	325,000	-
Total other financing sources	1,075,000	558,813	558,633	(180)
Net Change in Fund Balance	245,760	165,565	1,089,563	923,998
Fund Balance - Beginning of year	8,383,329	8,383,329	8,383,329	-
Fund Balance - End of year	<u>\$ 8,629,089</u>	<u>\$ 8,548,894</u>	<u>\$ 9,472,892</u>	<u>\$ 923,998</u>

Walled Lake Consolidated School District

Note to Required Supplemental Information Year Ended June 30, 2015

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the individual function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits school districts to amend their budgets during the year. During the year, the budgets were amended in a legally permissible manner. For budgeting purposes, capital outlay is classified within the related function and proceeds from the sale of capital assets and transfers are classified within local revenue. There were no significant amendments during the year.

Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

Excess of Expenditures Over Appropriations in Budgeted Funds - The School District did not have significant expenditure budget variances.

Walled Lake Consolidated School District

Required Supplemental Information Schedule of Walled Lake Consolidated School District's Proportionate Share of the Net Pension Liability Michigan Public School Employee's Retirement System Determined as of the Plan Year Ended September 30, 2014

School District's proportion of the net pension liability (asset)	1.03039 %
School District's proportionate share of the net pension liability (asset)	\$ 226,958,421
School District's covered employee payroll	85,713,988
School District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	265 %
Plan fiduciary net position as a % of the total pension liability	66.20000 %

Walled Lake Consolidated School District

Required Supplemental Information Schedule of Walled Lake Consolidated School District's Contributions Michigan Public School Employee's Retirement System Determined as of the Year Ended June 30, 2015

Statutorily required contribution	\$ 16,002,538
Contributions in relation to the statutorily required contribution	16,002,538
Contribution deficiency (excess)	-
School District's covered employee payroll	82,801,723
Contributions as a percentage of covered employee payroll	19.33 %

Note to Pension Required Supplemental Information Schedules

Benefit Changes - There were no changes of benefit terms in 2015.

Changes in Assumptions - There were no changes of benefit assumptions in 2015.

Other Supplemental Information

Walled Lake Consolidated School District

		Special Revenue Funds			
		Cafeteria	Community Education	Enrichment/ Prime Time Care	Preschool
Assets					
Cash and investments	\$ 227,176	\$ -	\$ 4,226	\$ 176	
Receivables - Due from other governmental units	26,571	-	-	-	
Due from other funds	76,139	204,326	468,756	304,372	
Inventories	57,140	-	-	-	
Restricted assets	-	-	-	-	
Total assets	<u>\$ 387,026</u>	<u>\$ 204,326</u>	<u>\$ 472,982</u>	<u>\$ 304,548</u>	
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 18,423	\$ 5,904	\$ 763	
Due to other funds	-	-	4,324	-	
Unearned revenue	-	37,802	10,182	21,001	
Total liabilities	-	56,225	20,410	21,764	
Fund Balances					
Nonspendable - Inventories	57,140	-	-	-	
Restricted:					
Capital projects	-	-	-	-	
Debt service	-	-	-	-	
Special revenue funds - Cafeteria	329,886	-	-	-	
Committed:					
Community education	-	148,101	-	-	
Enrichment/Prime Time Care	-	-	452,572	-	
Preschool	-	-	-	282,784	
Total fund balances	<u>387,026</u>	<u>148,101</u>	<u>452,572</u>	<u>282,784</u>	
Total liabilities and fund balances	<u>\$ 387,026</u>	<u>\$ 204,326</u>	<u>\$ 472,982</u>	<u>\$ 304,548</u>	

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

Debt Service Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
2005 Debt Retirement Fund	2006 Debt Retirement Fund	2011 Debt Retirement Fund	2012 Debt Retirement Fund	2014 Debt Retirement Fund	2015 Debt Retirement Fund	Sinking Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,578
-	-	-	-	-	-	-	26,571
-	5,333	69,022	22,542	36,490	102,899	23,336	1,313,215
-	-	-	-	-	-	-	57,140
-	49,180	680,456	176,516	316,810	885,597	2,510,885	4,619,444
<u>\$ -</u>	<u>\$ 54,513</u>	<u>\$ 749,478</u>	<u>\$ 199,058</u>	<u>\$ 353,300</u>	<u>\$ 988,496</u>	<u>\$ 2,534,221</u>	<u>\$ 6,247,948</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348,593	\$ 373,683
-	-	-	-	-	-	-	4,324
-	-	-	-	-	-	-	68,985
-	-	-	-	-	-	348,593	446,992
-	-	-	-	-	-	-	57,140
-	-	-	-	-	-	2,185,628	2,185,628
-	54,513	749,478	199,058	353,300	988,496	-	2,344,845
-	-	-	-	-	-	-	329,886
-	-	-	-	-	-	-	148,101
-	-	-	-	-	-	-	452,572
-	-	-	-	-	-	-	282,784
-	54,513	749,478	199,058	353,300	988,496	2,185,628	5,800,956
<u>\$ -</u>	<u>\$ 54,513</u>	<u>\$ 749,478</u>	<u>\$ 199,058</u>	<u>\$ 353,300</u>	<u>\$ 988,496</u>	<u>\$ 2,534,221</u>	<u>\$ 6,247,948</u>

Walled Lake Consolidated School District

	Special Revenue Funds			
	Cafeteria	Community Education	Enrichment/ Prime Time Care	Preschool
Revenue				
Local sources	\$ 2,551,244	\$ 752,975	\$ 1,767,535	\$ 411,170
State sources	283,254	12,843	80,884	17,893
Federal sources	1,630,710	-	-	-
Total revenue	4,465,208	765,818	1,848,419	429,063
Expenditures				
Current:				
Food services	4,570,626	-	-	-
Community services	-	806,332	1,514,601	371,679
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Capital outlay	22,396	-	-	-
Total expenditures	4,593,022	806,332	1,514,601	371,679
Excess of Revenue (Under) Over Expenditures	(127,814)	(40,514)	333,818	57,384
Other Financing (Uses) Sources				
Payment to escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(25,000)	(300,000)	-
Face value of debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Total other financing (uses) sources	-	(25,000)	(300,000)	-
Net Change in Fund Balances	(127,814)	(65,514)	33,818	57,384
Fund Balances - Beginning of year	514,840	213,615	418,754	225,400
Fund Balances - End of year	<u>\$ 387,026</u>	<u>\$ 148,101</u>	<u>\$ 452,572</u>	<u>\$ 282,784</u>

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2015

Debt Service Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
2005 Debt Retirement Fund	2006 Debt Retirement Fund	2011 Debt Retirement Fund	2012 Debt Retirement Fund	2014 Debt Retirement Fund	2015 Debt Retirement Fund	Sinking Fund	
\$ 8,916,575	\$ 477,972	\$ 6,186,482	\$ 2,020,416	\$ 3,270,652	\$ -	\$ 2,087,592	\$ 28,442,613
-	-	-	-	-	-	-	394,874
-	-	-	-	-	-	-	1,630,710
8,916,575	477,972	6,186,482	2,020,416	3,270,652	-	2,087,592	30,468,197
-	-	-	-	-	-	-	4,570,626
-	-	-	-	-	-	-	2,692,612
5,800,000	60,000	4,875,000	1,650,000	-	-	-	12,385,000
1,308,750	384,400	1,869,000	216,750	3,065,694	425,920	-	7,270,514
15,719	1,544	10,335	3,330	5,064	297,470	-	333,462
-	-	-	-	-	-	2,062,193	2,084,589
7,124,469	445,944	6,754,335	1,870,080	3,070,758	723,390	2,062,193	29,336,803
1,792,106	32,028	(567,853)	150,336	199,894	(723,390)	25,399	1,131,394
-	-	-	-	-	41,767,755)	-	(41,767,755)
-	-	-	-	-	1,910,998	-	1,910,998
(1,910,998)	-	-	-	-	-	-	(2,235,998)
-	-	-	-	-	37,280,000	-	37,280,000
-	-	-	-	-	4,288,643	-	4,288,643
(1,910,998)	-	-	-	-	1,711,886	-	(524,112)
(118,892)	32,028	(567,853)	150,336	199,894	988,496	25,399	607,282
118,892	22,485	1,317,331	48,722	153,406	-	2,160,229	5,193,674
<u>\$ -</u>	<u>\$ 54,513</u>	<u>\$ 749,478</u>	<u>\$ 199,058</u>	<u>\$ 353,300</u>	<u>\$ 988,496</u>	<u>\$2,185,628</u>	<u>\$ 5,800,956</u>

Walled Lake Consolidated School District

Other Supplemental Information Budgetary Comparison Schedule Special Revenue Fund - Cafeteria Fund Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Cafeteria Fund
Revenue			
Local sources	\$ 2,491,500	\$ 2,555,500	\$ 2,551,244
State sources	263,403	287,426	283,254
Federal sources	<u>1,650,000</u>	<u>1,570,000</u>	<u>1,630,710</u>
Total revenue	4,404,903	4,412,926	4,465,208
Expenditures - Food Service	<u>4,657,314</u>	<u>4,566,096</u>	<u>4,593,022</u>
Net Change in Fund Balance	(252,411)	(153,170)	(127,814)
Fund Balance - Beginning of year	<u>514,840</u>	<u>514,840</u>	<u>514,840</u>
Fund Balance - End of year	<u><u>\$ 262,429</u></u>	<u><u>\$ 361,670</u></u>	<u><u>\$ 387,026</u></u>

Walled Lake Consolidated School District

	Original Budget	Final Budget	2005 Debt Retirement Fund	2006 Debt Retirement Fund
Revenue - Local				
Property tax	\$ 20,779,415	\$ 20,698,017	\$ 8,910,056	\$ 477,624
Interest and other	<u>16,500</u>	<u>15,000</u>	<u>6,519</u>	<u>348</u>
Total revenue	20,795,915	20,713,017	8,916,575	477,972
Expenditures - Debt service				
Principal	12,385,000	12,385,000	5,800,000	60,000
Interest	7,863,344	7,270,514	1,308,750	384,400
Other	<u>33,750</u>	<u>331,562</u>	<u>15,719</u>	<u>1,544</u>
Total expenditures	<u>20,282,094</u>	<u>19,987,076</u>	<u>7,124,469</u>	<u>445,944</u>
Excess of Revenue Over (Under)				
Expenditures	513,821	725,941	1,792,106	32,028
Other Financing Sources (Uses)				
Payment to escrow agent	-	(41,767,755)	-	-
Transfers in	-	1,872,340	-	-
Transfers out	-	(1,872,340)	(1,910,998)	-
Face value of debt issued	-	37,280,000	-	-
Premium on debt issued	<u>-</u>	<u>4,288,643</u>	<u>-</u>	<u>-</u>
Total other financing (uses) sources	<u>-</u>	<u>(199,112)</u>	<u>(1,910,998)</u>	<u>-</u>
Net Change in Fund Balances	513,821	526,829	(118,892)	32,028
Fund Balances - July 1, 2014	<u>1,660,836</u>	<u>1,660,836</u>	<u>118,892</u>	<u>22,485</u>
Fund Balances - June 30, 2015	<u>\$ 2,174,657</u>	<u>\$ 2,187,665</u>	<u>\$ -</u>	<u>\$ 54,513</u>

Other Supplemental Information
Budgetary Comparison Schedule - Debt Service Funds
Year Ended June 30, 2015

2011 Debt Retirement Fund	2012 Debt Retirement Fund	2014 Debt Retirement Fund	2015 Debt Retirement Fund	Total
\$ 6,181,974	\$ 2,018,944	\$ 3,268,269	\$ -	\$ 20,856,867
<u>4,508</u>	<u>1,472</u>	<u>2,383</u>	<u>-</u>	<u>15,230</u>
6,186,482	2,020,416	3,270,652	-	20,872,097
4,875,000	1,650,000	-	-	12,385,000
1,869,000	216,750	3,065,694	425,920	7,270,514
<u>10,335</u>	<u>3,330</u>	<u>5,064</u>	<u>297,470</u>	<u>333,462</u>
<u>6,754,335</u>	<u>1,870,080</u>	<u>3,070,758</u>	<u>723,390</u>	<u>19,988,976</u>
(567,853)	150,336	199,894	(723,390)	883,121
-	-	-	(41,767,755)	(41,767,755)
-	-	-	1,910,998	1,910,998
-	-	-	-	(1,910,998)
-	-	-	37,280,000	37,280,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,288,643</u>	<u>4,288,643</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,711,886</u>	<u>(199,112)</u>
(567,853)	150,336	199,894	988,496	684,009
<u>1,317,331</u>	<u>48,722</u>	<u>153,406</u>	<u>-</u>	<u>1,660,836</u>
<u>\$ 749,478</u>	<u>\$ 199,058</u>	<u>\$ 353,300</u>	<u>\$ 988,496</u>	<u>\$ 2,344,845</u>

Walled Lake Consolidated School District

Other Supplemental Information Budgetary Comparison Schedule - Capital Projects Funds Year Ended June 30, 2015

	Original Budget	Final Budget	2014 Bond Issue	Sinking Fund	Total
Revenue - Local					
Property tax	\$ 2,076,000	\$ 2,070,000	\$ -	\$2,085,608	\$ 2,085,608
Interest income	24,000	202,000	211,111	1,984	213,095
Total revenue	2,100,000	2,272,000	211,111	2,087,592	2,298,703
Expenditures - Capital outlay	9,793,985	25,647,061	21,328,950	2,062,193	23,391,143
Net Change in Fund Balances	(7,693,985)	(23,375,061)	(21,117,839)	25,399	(21,092,440)
Fund Balances - July 1, 2014	63,410,728	63,410,728	60,892,692	2,160,229	63,052,921
Fund Balances - June 30, 2015	<u>\$ 55,716,743</u>	<u>\$ 40,035,667</u>	<u>\$ 39,774,853</u>	<u>\$2,185,628</u>	<u>\$41,960,481</u>

Walled Lake Consolidated School District

Other Supplemental Information Statement of Changes in Fiduciary Assets and Liabilities Student Activities Funds Year Ended June 30, 2015

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Assets				
Cash and investments	\$ 1,242,135	\$ 5,335,515	\$ 4,774,071	\$ 1,803,579
Due from other funds	708,398	704,646	1,261,497	151,547
Accounts receivable	<u>1,846</u>	<u>870</u>	<u>-</u>	<u>2,716</u>
Total assets	<u>\$ 1,952,379</u>	<u>\$ 6,041,031</u>	<u>\$ 6,035,568</u>	<u>\$ 1,957,842</u>
Liabilities				
Accounts payable	\$ 6,070	\$ 2,365,309	\$ 2,351,531	\$ 19,848
Due to student groups	<u>1,946,309</u>	<u>5,191,758</u>	<u>5,200,073</u>	<u>1,937,994</u>
Total liabilities	<u>\$ 1,952,379</u>	<u>\$ 7,557,067</u>	<u>\$ 7,551,604</u>	<u>\$ 1,957,842</u>

Walled Lake Consolidated School District

Other Supplemental Information Schedule of Bonded Indebtedness Year Ended June 30, 2015

	2006 Debt Retirement Fund	2011 Debt Retirement Fund	2012 Debt Retirement Fund	2014 Debt Retirement Fund	2015 Debt Retirement Fund
June 30	Principal	Principal	Principal	Principal	Principal
2016	\$ 60,000	\$ 5,385,000	\$ 1,610,000	\$ -	\$ 6,090,000
2017	65,000	5,135,000	1,705,000	750,000	6,070,000
2018	65,000	5,075,000	1,670,000	1,075,000	6,020,000
2019	1,115,000	5,000,000	590,000	1,155,000	4,160,000
2020	1,685,000	4,935,000	-	1,305,000	4,635,000
2021	1,665,000	4,890,000	-	1,430,000	5,170,000
2022	1,650,000	4,845,000	-	1,555,000	5,135,000
2023	1,630,000	-	-	1,680,000	-
2024	1,615,000	-	-	1,805,000	-
2025	-	-	-	1,890,000	-
2026	-	-	-	1,980,000	-
2027	-	-	-	2,075,000	-
2028	-	-	-	2,175,000	-
2029	-	-	-	2,280,000	-
2030	-	-	-	2,385,000	-
2031	-	-	-	2,480,000	-
2032	-	-	-	2,580,000	-
2033	-	-	-	2,690,000	-
2034	-	-	-	2,800,000	-
2035	-	-	-	2,925,000	-
2036	-	-	-	3,050,000	-
2037	-	-	-	3,200,000	-
2038	-	-	-	3,350,000	-
2039	-	-	-	3,500,000	-
2040	-	-	-	3,670,000	-
2041	-	-	-	3,820,000	-
2042	-	-	-	3,995,000	-
2043	-	-	-	4,160,000	-
Total principal	<u>\$ 9,550,000</u>	<u>\$ 35,265,000</u>	<u>\$ 5,575,000</u>	<u>\$ 65,760,000</u>	<u>\$ 37,280,000</u>
Principal payments due	May 1	May 1	May 1	May 1	May 1
Interest payments due	November 1 and May 1	November 1 and May 1	November 1 and May 1	November 1 and May 1	November 1 and May 1
Interest rate	4.0%	5.0%	3.0%	2.0% to 5.0%	4.0% to 5.0%
Original issue	<u>\$ 10,000,000</u>	<u>\$ 49,485,000</u>	<u>\$ 7,225,000</u>	<u>\$ 65,760,000</u>	<u>\$ 37,280,000</u>

Statistical and Other Information (Unaudited)

Walled Lake Consolidated School District

Note to Statistical Section

This part of the School District's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the School District's overall financial health.

<u>Contents</u>	<u>Page</u>
Notes to Statistical Section	63
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	64-71
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	72-77
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	78-82
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand how the environment within which the School District's financial activities take place.	83-84
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	85-89

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Walled Lake Consolidated School District

	June 30				
	2006	2007	2008	2009	2010
Net investment in capital					
assets	\$ 48,300,255	\$ 55,449,802	\$ 63,840,781	\$ 70,436,461	\$ 78,597,866
Restricted	2,201,947	2,559,815	4,861,996	7,870,816	7,816,605
Unrestricted	<u>20,628,892</u>	<u>18,023,191</u>	<u>17,988,752</u>	<u>15,587,457</u>	<u>7,480,444</u>
Total primary government net position	<u>\$ 65,972,090</u>	<u>\$ 71,131,094</u>	<u>\$ 76,032,808</u>	<u>\$ 86,691,529</u>	<u>\$ 93,894,734</u>

Note: This schedule includes all periods subsequent to the adoption of GASB No. 34

Source: Walled Lake Consolidated School District audited financial reports

**Net Position by Component - Governmental Activities
Last Ten Fiscal Years**

		June 30		
2011	2012	2013	2014	2015
\$ 86,969,472	\$ 88,054,915	\$ 96,189,270	\$ 101,263,607	\$ 112,593,950
9,722,571	6,177,408	3,154,756	2,959,142	4,275,460
9,123,027	11,741,528	6,286,257	4,318,342	(225,046,502)
<u>\$ 93,894,915</u>	<u>\$ 105,815,070</u>	<u>\$ 105,630,283</u>	<u>\$ 108,541,091</u>	<u>\$ (108,177,092)</u>

Walled Lake Consolidated School District

	Year Ended June 30				
	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
Instruction	\$ 93,145,310	\$ 100,218,643	\$ 100,854,553	\$ 104,535,249	\$ 105,018,664
Support services	64,061,903	64,167,101	61,907,279	62,119,063	60,620,168
Cafeteria	3,366,128	3,501,826	3,601,168	3,960,706	4,290,084
Athletics	2,223,551	2,379,677	2,150,836	2,241,657	2,216,454
Community services	3,526,149	3,426,593	3,092,267	2,651,671	2,523,598
Interest on long-term debt	10,717,807	10,559,478	9,224,294	8,741,446	8,238,805
Bond issue costs	-	46,488	46,488	46,488	46,488
Depreciation (unallocated)	4,834,276	4,859,493	4,968,183	5,051,827	5,041,823
Total governmental activities	181,875,124	189,159,299	185,845,068	189,348,107	187,996,084
Revenue					
Program revenue:					
Charges for services:					
Instruction	1,538,907	1,564,793	1,335,342	1,393,707	1,474,493
Cafeteria	2,801,561	2,868,171	2,827,664	2,779,498	2,678,838
Athletics	491,049	467,802	570,806	609,164	624,473
Community services	2,967,982	3,330,670	3,402,544	2,782,575	2,524,658
Total charges for services	7,799,499	8,231,436	8,136,356	7,564,944	7,302,462
Operating grants and contributions	21,365,046	22,404,437	25,337,260	30,221,946	27,736,092
Total program revenue	29,164,545	30,635,873	33,473,616	37,786,890	35,038,554
Net expense	(152,710,579)	(158,523,426)	(152,371,452)	(151,561,217)	(152,957,530)
General revenue:					
Property taxes	58,054,416	61,901,029	64,601,815	61,288,223	58,671,069
State aid not restricted to specific purposes	95,854,717	98,172,603	96,516,761	95,789,282	88,522,345
Federal sources - Unrestricted	-	-	-	-	4,405,614
Investment earnings	2,919,692	2,476,774	1,524,534	462,413	141,429
Impairment loss on capital assets	-	-	-	-	-
Other	1,040,758	874,734	280,397	1,218,896	1,217,254
Total general revenue	157,869,583	163,425,140	162,923,507	158,758,814	152,957,711
Special Item	-	-	106,666	5,608	-
Change in Net Position	\$ 5,159,004	\$ 4,901,714	\$ 10,658,721	\$ 7,203,205	\$ 181

Source: Walled Lake Consolidated School District audited financial reports

Changes in Governmental Net Position Last Ten Fiscal Years

Year Ended June 30				
2011	2012	2013	2014	2015
\$ 100,163,446	\$ 101,594,912	\$ 104,389,365	\$ 107,010,793	\$ 106,521,966
52,854,685	49,697,572	51,537,413	51,105,237	47,940,978
4,249,872	4,916,724	4,764,522	4,548,076	4,578,375
2,278,273	2,035,880	2,072,852	2,062,931	2,080,438
2,463,324	2,509,976	2,784,067	2,732,534	2,913,475
7,143,803	6,734,473	6,049,847	6,778,907	7,081,855
-	-	-	-	333,462
5,109,730	5,121,973	4,802,801	4,729,612	4,786,616
174,263,133	172,611,510	176,400,867	178,968,090	176,237,165
1,248,008	1,237,856	1,309,159	1,079,131	1,081,330
2,683,055	2,785,577	2,586,801	2,550,535	2,551,247
1,025,578	975,719	1,014,774	983,085	1,121,312
2,730,580	2,956,392	3,095,110	3,107,912	3,259,891
7,687,221	7,955,544	8,005,844	7,720,663	8,013,780
27,186,624	24,665,309	26,784,732	28,869,010	34,650,059
34,873,845	32,620,853	34,790,576	36,589,673	42,663,839
(139,389,288)	(139,990,657)	(141,610,291)	(142,378,417)	(133,573,326)
52,777,238	49,690,052	46,170,202	49,929,153	52,608,644
93,476,653	95,420,636	94,070,693	94,001,551	90,391,265
3,081,354	521,706	82,661	-	-
218,178	91,112	61,028	145,773	3,224,279
-	(6,817,429)	-	-	-
1,756,020	1,243,361	882,139	1,212,748	815,942
151,309,443	140,149,438	141,266,723	145,289,225	147,040,130
-	-	-	-	-
\$ 11,920,155	\$ 158,781	\$ (343,568)	\$ 2,910,808	\$ 13,466,804

Walled Lake Consolidated School District

	June 30			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 1,048,385	\$ 863,997	\$ 910,337	\$ 1,652,623
Unreserved	18,216,581	15,589,416	15,461,308	13,771,883
Nonspendable:				
Inventories	-	-	-	-
Prepaid costs	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 19,264,966</u>	<u>\$ 16,453,413</u>	<u>\$ 16,371,645</u>	<u>\$ 15,424,506</u>
All Other Governmental Funds				
Reserved	\$ 18,600,362	\$ 12,653,193	\$ 9,179,780	\$ 11,457,831
Unreserved - Reported in:				
Special revenue funds	1,223,200	1,647,892	2,120,485	1,755,523
Capital projects funds	5,065,439	3,999,073	4,153,202	4,683,819
Debt service funds	-	-	-	-
Nonspendable - Inventories	-	-	-	-
Restricted:				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Special revenue funds - Cafeteria	-	-	-	-
Committed:				
Community education	-	-	-	-
Enrichment/Prime Time Care	-	-	-	-
Preschool	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 24,889,001</u>	<u>\$ 18,300,158</u>	<u>\$ 15,453,467</u>	<u>\$ 17,897,173</u>

Source: Walled Lake Consolidated School District's books and records

**Fund Balances - Governmental Funds
Last Ten Fiscal Years**

June 30					
2010	2011	2012	2013	2014	2015
\$ 854,323	\$ -	\$ -	\$ -	\$ -	\$ -
7,494,023	-	-	-	-	-
-	267,650	288,778	169,573	21,785	26,522
-	989,659	440,906	331,430	217,377	492,919
-	-	-	-	-	-
-	-	-	-	-	-
-	5,364,337	6,301,054	3,548,618	-	-
-	6,191,991	9,000,621	7,168,551	8,144,167	8,953,451
<u>\$ 8,348,346</u>	<u>\$12,813,637</u>	<u>\$16,031,359</u>	<u>\$ 11,218,172</u>	<u>\$ 8,383,329</u>	<u>\$ 9,472,892</u>
\$ 12,227,110	\$ -	\$ -	\$ -	\$ -	\$ -
1,584,360	-	-	-	-	-
195,266	-	-	-	-	-
-	-	-	-	-	-
-	43,855	47,923	51,715	50,765	57,140
-	3,764,976	3,299,187	2,518,036	63,052,921	41,960,481
-	5,690,820	2,679,701	25,001	1,660,836	2,344,845
-	1,190,635	955,198	585,005	464,075	329,886
-	105,563	106,283	158,053	213,615	148,101
-	400,785	472,155	635,038	418,754	452,572
-	162,157	183,338	185,648	225,400	282,784
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$14,006,736</u>	<u>\$11,358,791</u>	<u>\$ 7,743,785</u>	<u>\$ 4,158,496</u>	<u>\$ 66,086,366</u>	<u>\$ 45,575,809</u>

Walled Lake Consolidated School District

	Year Ended June 30			
	2006	2007	2008	2009
Revenue				
Local revenue	\$ 69,692,760	\$ 73,229,750	\$ 74,676,296	\$ 70,196,046
State revenue	103,612,813	107,267,327	106,173,131	104,401,044
Federal revenue	5,702,403	4,641,950	5,890,090	11,761,004
Interdistrict revenue	7,573,075	7,792,539	9,799,135	9,647,722
Total revenue	186,581,051	192,931,566	196,538,652	196,005,816
Expenditures				
Current:				
Instruction	91,661,806	97,008,299	98,699,135	101,548,563
Support services	63,970,415	63,208,534	61,357,566	60,758,296
Community services	3,526,149	3,426,593	3,092,267	2,651,671
Cafeteria	3,366,128	3,501,826	3,601,168	3,960,706
Athletics	2,223,551	2,379,677	2,150,836	2,241,657
Other	-	-	-	-
Debt service:				
Principal	11,522,000	12,017,000	12,626,000	11,585,000
Interest and other	10,808,968	10,080,410	9,311,404	8,824,319
Capital outlay	17,810,998	10,842,115	8,761,368	2,954,805
Total expenditures	204,890,015	202,464,454	199,599,744	194,525,017
Excess of Revenue (Under) Over Expenditures	(18,308,964)	(9,532,888)	(3,061,092)	1,480,799
Other Financing Sources (Uses)				
Debt issuance	-	-	-	-
Debt premium or discount	-	-	-	-
Sale of capital assets	43,954	-	132,633	15,768
Transfers in	2,461,777	3,260,475	1,580,030	1,956,815
Transfers out	(2,461,777)	(3,260,475)	(1,580,030)	(1,956,815)
Proceeds of bond offering	-	-	-	-
Proceeds of refunding bond	-	9,960,292	-	-
Payment to refunded bond escrow agent	-	(9,827,800)	-	-
Total other financing sources (uses)	43,954	132,492	132,633	15,768
Net Change in Fund Balances	(18,265,010)	(9,400,396)	(2,928,459)	1,496,567
Fund Balances - Beginning of year	62,418,977	44,153,967	34,753,571	31,825,112
Fund Balances - End of year	\$ 44,153,967	\$ 34,753,571	\$ 31,825,112	\$ 33,321,679
Debt service as a percentage of noncapital expenditures	11.94%	11.53%	11.50%	10.65%

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

Year Ended June 30					
2010	2011	2012	2013	2014	2015
\$ 67,272,273	\$ 62,339,100	\$ 58,638,432	\$ 55,099,205	\$ 58,146,973	\$ 61,724,713
96,885,961	102,745,056	103,794,824	106,149,289	107,558,674	108,024,710
13,557,430	11,229,618	8,159,222	7,144,990	7,230,850	7,206,584
9,949,328	9,103,625	8,972,263	7,529,134	7,812,806	9,553,161
187,664,992	185,417,399	179,564,741	175,922,618	180,749,303	186,509,168
102,985,379	99,073,307	99,444,924	102,680,760	104,928,273	104,408,146
60,298,536	52,718,235	49,216,638	50,314,478	49,313,437	48,271,232
2,523,598	2,463,324	2,509,976	2,784,067	2,732,534	2,077,919
4,290,084	4,249,872	4,916,724	4,633,140	4,548,076	4,570,626
2,216,454	2,278,273	2,035,880	2,072,852	2,062,931	2,914,069
-	-	-	-	-	-
11,820,000	12,205,000	12,655,000	12,510,000	11,800,000	12,385,000
8,323,398	7,139,061	6,672,352	5,914,608	6,655,570	7,603,976
6,203,098	3,005,187	2,510,531	3,383,211	8,037,341	23,733,715
198,660,547	183,132,259	179,962,025	184,293,116	190,078,162	205,964,683
(10,995,555)	2,285,140	(397,284)	(8,370,498)	(9,328,859)	(19,455,515)
-	-	-	-	65,760,000	-
-	2,557,866	-	461,790	2,000,346	4,288,643
28,958	30,324	-	72,030	661,540	233,633
91,138	1,863,000	1,936,374	1,608,127	1,995,377	2,235,998
(91,138)	(1,863,000)	(1,936,374)	(1,608,127)	(1,995,377)	(2,235,998)
-	-	-	-	-	-
-	49,485,000	-	7,225,000	-	37,280,000
-	(52,540,984)	-	(7,786,798)	-	(41,767,755)
28,958	(467,794)	-	(27,978)	68,421,886	34,521
(10,966,597)	1,817,346	(397,284)	(8,398,476)	59,093,027	(19,420,994)
33,321,679	22,355,082	24,172,428	23,775,144	15,376,668	74,469,695
\$ 22,355,082	\$ 24,172,428	\$ 23,775,144	\$ 15,376,668	\$ 74,469,695	\$ 55,048,701
10.47%	10.74%	10.89%	10.18%	10.14%	10.97%

Walled Lake Consolidated School District

Taxable value and actual value of taxable property

Taxable Value by Property Type						
Real Property						
Tax Year	Residential	Commercial	Industrial	Agricultural and Other	Personal Property	Total Value
2005	\$ 3,514,271,190	\$ 615,956,520	\$ 400,975,500	\$ 3,005,170	\$ 334,887,820	\$ 4,869,096,200
2006	3,788,259,690	664,752,000	415,189,120	172,880	333,229,940	5,201,603,630
2007	3,988,659,349	696,134,860	423,402,560	179,260	332,627,270	5,441,003,299
2008	3,937,865,040	730,829,590	433,742,160	625,740	280,308,810	5,383,371,340
2009	3,629,338,350	769,454,490	438,273,050	653,260	277,218,300	5,114,937,450
2010	3,114,970,060	720,211,930	384,339,710	651,290	265,377,510	4,485,550,500
2011	2,903,284,640	874,551,470	137,896,900	662,340	266,973,210	4,183,368,560
2012	2,845,641,240	804,757,380	119,051,070	680,210	277,019,440	4,047,149,340
2013	2,891,374,620	764,670,870	110,121,080	586,590	298,882,180	4,065,635,340
2014	2,980,696,150	777,318,350	106,436,100	507,170	283,208,710	4,148,166,480

Note: Under Michigan law, the revenue base is taxable value. Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Michigan Department of Treasury L-4029

Taxable Value and Actual Value of Taxable Property Last Ten Fiscal Years

Tax Rate (Mills)	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percent of Actual
Homestead	Nonhomestead		
6.8975	22.7900	\$ 11,737,914,500	41.48
6.7841	22.7900	10,403,207,260	50.00
6.6700	22.7900	10,882,006,598	50.00
6.5722	22.7900	10,766,742,680	50.00
6.4793	22.5000	10,229,874,900	50.00
6.7508	22.5000	8,971,101,000	50.00
6.8812	22.5000	8,366,737,120	50.00
7.0254	22.5600	8,094,298,680	50.00
7.4730	23.1445	8,131,270,680	50.00
7.6843	23.4872	8,296,332,960	50.00

Walled Lake Consolidated School District

Direct and overlapping property tax rates

		Millage Rates - Direct School District Taxes											
		Operating						Total Direct Taxes					
		Homestead						Homestead					
Tax Year	Year Ended June 30	Commercial Personal	Industrial Personal	Other **	Non-Homestead	Debt*	Sinking Fund*	Commercial Personal	Industrial Personal	Other **	Non-homestead	County	Community College
2005	2006	-	-	2.10750	18.00000	4.29000	0.50000	-	-	6.89750	22.79000	4.19000	1.58440
2006	2007	-	-	1.99410	18.00000	4.29000	0.50000	-	-	6.78410	22.79000	4.19000	1.58440
2007	2008	-	-	1.88000	18.00000	4.29000	0.50000	-	-	6.67000	22.79000	4.19000	1.58440
2008	2009	7.7822	1.7822	1.78220	18.00000	4.29000	0.50000	12.57220	6.57220	6.57220	22.79000	4.19000	1.58440
2009	2010	7.9793	1.9793	1.97930	18.00000	4.00000	0.50000	12.47930	6.47930	6.47930	22.50000	4.19000	1.58440
2010	2011	8.2508	2.2508	2.25080	18.00000	4.00000	0.50000	12.75080	6.75080	6.75080	22.50000	4.19000	1.58440
2011	2012	8.3812	2.3812	2.38120	18.00000	4.00000	0.50000	12.88120	6.88120	6.88120	22.50000	4.19000	1.58440
2012	2013	8.4654	2.4654	2.46540	18.00000	4.06000	0.50000	13.02540	7.02540	7.02540	22.56000	4.19000	1.58440
2013	2014	8.3285	2.3285	2.32850	18.00000	4.64450	0.50000	13.47300	7.47300	7.47300	23.14450	4.19000	1.58440
2014	2015	8.1971	2.1971	2.19710	18.00000	4.98720	0.50000	13.68430	7.68430	7.68430	23.48720	4.19000	1.58440

* Debt and sinking fund millages apply to homestead and nonhomestead property

*** - Beginning in 2008/2009, classification of property by the State was changed. Other Homestead for tax years 1999 through 2007 include the traditional homestead millage prior to the change. For all tax years beginning with 2008, Other Homestead includes Principal Residences, Qualified Agricultural and Qualified Forest properties.

* Debt and sinking fund millages apply to homestead and nonhomestead property.

** Beginning in 2008/2009, classification of property by the State was changed. Other homestead for tax years 1999 through 2007 include the traditional homestead millage prior to the change. For all tax years beginning with 2008, other homestead includes principal residences, qualified agricultural, and qualified forest properties.

Source: Walled Lake Consolidated School District's books and records

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Overlapping Taxes

Intermediate School District	State Education	City of Walled Lake	City of Farmington Hills	City of Novi	City of Orchard Lake	City of Wixom	Village of Wolverine Lake	Township of Commerce	Township of West Bloomfield	Township of White Lake
3.36900	6.00000	17.99280	11.70270	10.54160	8.96000	11.63630	9.57300	4.55600	9.65690	6.03800
3.36900	6.00000	17.89920	10.02160	10.54160	8.57000	11.52140	9.57300	4.53060	8.97340	6.26520
3.36900	6.00000	17.89910	11.60720	10.54160	8.62600	11.73640	9.57300	4.53060	8.99940	6.26520
3.36900	6.00000	17.89910	11.60720	10.54160	8.49500	11.63140	9.57300	4.53060	8.99940	6.58760
3.36900	6.00000	17.89910	11.60720	10.54160	8.44500	11.93140	9.57300	4.53060	8.97740	6.58760
3.36900	6.00000	17.73470	11.60720	10.54160	9.48300	12.74230	9.57300	4.53060	9.00740	9.11160
3.36900	6.00000	17.73470	12.20360	10.54160	10.23000	12.74230	9.57300	4.53060	11.93470	8.81160
3.36900	6.00000	17.73470	13.93620	10.20000	8.82000	13.32590	9.57300	3.48730	12.25370	8.85900
3.36900	6.00000	17.73470	13.93940	10.20000	7.36000	16.79290	9.57300	3.48730	12.25500	8.85900
3.36900	6.00000	17.73470	13.96620	10.20000	7.86000	15.92290	9.57300	3.09340	12.23800	9.85900

Walled Lake Consolidated School District

Principal Property Taxpayers

	2015		Percentage	2006		Percentage
	Taxable Value	Rank	of Total	Taxable Value	Rank	of Total
DTE Electric Company	\$ 39,904,950	1	0.96	\$ 37,926,230	3	0.73
VHS Huron Valley - Sinai Hospital	38,841,210	2	0.94	-	-	-
Occidental Development LTD	36,322,320	3	0.88	27,574,630	7	-
Novi Campus LLC - Fox Run	32,827,540	4	0.79	-	-	-
Haggerty Corridor Partners	31,612,120	5	0.76	-	-	-
Providence Hospital	27,467,160	6	0.66	-	-	-
Allerion Associated	22,877,210	7	0.55	30,610,420	6	0.59
Singh IV Ltd. Partnership	19,579,720	8	0.47	51,450,040	2	0.99
Silverbrooke Villa	17,299,990	9	0.42	-	-	-
Oakland Management Company	15,581,580	10	0.38	19,482,390	9	0.37
Ford Motor Company	-	-	-	82,031,630	1	1.58
Edward Rose & Sons	-	-	-	34,482,230	4	0.66
Novi Campus LLC - Fox Run	-	-	-	32,074,800	5	0.62
MI Developments America, Inc.	-	-	-	19,390,830	10	0.37
General Motor Corp.	-	-	-	20,852,360	8	0.40
All others*	3,865,852,680		96.26	4,845,728,070	-	93.16
Total taxable value	\$ 4,148,166,480		100.00	\$ 5,201,603,630		100.00

* Taxable value is the base upon which revenue is calculated.

Sources: Oakland County Planning and Economic Development Services Division, Crain's Detroit Business Book of Lists, Michigan Manufacturer's Directory, and Ford Motor Company

Walled Lake Consolidated School District

Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year	Year Ended June 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2005	2006	\$ 59,558,580	\$ 58,824,304	98.77	\$ 29,157	\$ 58,853,461	98.82
2006	2007	62,824,846	62,311,242	99.18	35,523	62,346,765	99.24
2007	2008	65,113,391	64,739,216	99.43	79,048	64,818,264	99.55
2008	2009	61,630,269	61,445,043	99.70	29,057	61,474,100	99.75
2009	2010	59,458,458	59,271,854	99.69	24,408	59,296,262	99.73
2010	2011	53,763,428	53,612,828	99.72	14,498	53,627,326	99.75
2011	2012	50,254,873	50,081,701	99.66	43,936	50,125,637	99.74
2012	2013	48,270,412	47,622,746	98.66	47,670	47,670,416	98.76
2013	2014	50,792,720	48,776,829	96.03	1,443,153	50,219,982	98.87
2014	2015	52,886,331	51,151,586	96.72	1,378,929	52,530,515	99.33

Source: Walled Lake Consolidated School District's books and records

Walled Lake Consolidated School District

Fiscal Year	General Obligation Bonds	Less Pledged Debt Service Funds	Net General Bonded Debt	Other General Obligation Debt *	Total General Obligation Debt
2005	\$ 212,510,000	\$ 2,685,062	\$ 209,824,938	\$ 11,061,805	\$ 220,886,743
2006	201,160,000	1,996,916	199,163,084	10,737,224	209,900,308
2007	190,145,000	2,559,815	187,585,185	10,135,267	197,720,452
2008	177,690,000	4,861,996	172,828,004	9,754,669	182,582,673
2009	166,105,000	7,870,816	158,234,184	11,251,268	169,485,452
2010	154,285,000	7,826,647	146,458,353	9,945,496	156,403,849
2011	140,345,000	5,690,820	134,654,180	9,223,304	143,877,484
2012	127,690,000	2,679,701	125,010,299	8,997,820	134,008,119
2013	115,325,000	25,001	115,299,999	8,490,501	123,790,500
2014	169,285,000	1,660,836	167,624,164	10,990,207	178,614,371
2015	153,430,000	2,344,845	151,085,155	10,232,708	161,317,863

Sources: Walled Lake Consolidated School District's books and records, U.S. Census Bureau

* Other general obligation debt includes compensated absences, bond premium, deferred charges, and other debt as indicated in the notes to financial statements.

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Taxable Value	Net General Bonded Debt as a Percentage of Taxable Value	Total Debt as a Percentage of Taxable Value	Population	Net General Bonded Debt per Capita	Total Debt per Capita	Total Outstanding Debt to Personal Income
\$ 4,543,111,451	4.62	4.86	88,669	\$ 2,366	\$ 2,491	\$ 3,568
4,869,096,200	4.09	4.31	88,669	2,246	2,367	3,391
5,201,603,630	3.61	3.80	88,669	2,116	2,230	3,194
5,441,003,299	3.18	3.36	88,669	1,949	2,059	2,949
5,383,371,340	2.94	3.15	88,669	1,785	1,911	2,738
5,114,937,450	2.86	3.06	88,669	1,652	1,764	2,526
4,485,550,500	3.00	3.21	89,871	1,519	1,623	2,297
4,183,368,560	2.99	3.20	89,871	1,391	1,491	2,018
4,047,149,340	2.85	3.06	99,771	1,156	1,241	1,865
4,065,635,340	4.12	4.39	93,591	1,791	1,908	2,690
4,148,166,480	3.64	3.89	93,591	1,614	1,724	2,458

Walled Lake Consolidated School District

Direct and Overlapping Governmental Activities Debt June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
City of Walled Lake	\$ 1,625,000	100.00	\$ 1,625,000
City of Farmington Hills	22,547,783	4.34	978,574
City of Novi	33,370,000	17.40	5,806,380
City of Wixom	<u>12,438,000</u>	93.46	<u>11,624,555</u>
Total	69,980,783		20,034,509
Township of Commerce	119,650,000	83.11	99,441,115
Township of West Bloomfield	43,645,281	3.02	1,319,833
Township of White Lake	<u>5,345,000</u>	25.35	<u>1,354,958</u>
Total	168,640,281		102,115,906
Village of Wolverine Lake	2,280,000	100.00	2,280,000
Oakland County	457,989,805	8.25	37,784,159
Oakland County Intermediate Schools	55,625,000	8.28	4,605,750
Oakland Community College	<u>3,075,000</u>	8.30	<u>255,225</u>
Total	<u>516,689,805</u>		<u>42,645,134</u>
Total overlapping debt	<u>\$ 757,590,869</u>		167,075,549
Direct district debt			<u>153,430,000</u>
Total direct and overlapping debt			<u>\$ 320,505,549</u>

Source: Municipal Advisory Council of Michigan

Note: The method used to compute the overlapping debt percentages is Walled Lake Community School District taxable value in each community compared to that community's total taxable value.

Walled Lake Consolidated School District

	2006	2007	2008	2009
Calculation of Debt Limit				
State equalized valuation (SEV)	\$ 5,868,957,250	\$ 6,197,193,550	\$ 6,352,631,239	\$ 6,061,220,590
15% of SEV*	880,343,588	929,579,033	952,894,686	909,183,089
Calculation of Debt Subject to Limit				
Total debt	201,160,000	190,145,000	177,690,000	166,105,000
Less debt not subject to limit - State qualified debt issuance	(200,510,000)	(189,695,000)	(177,455,000)	(166,105,000)
Net Debt Subject to Limit	650,000	450,000	235,000	-
Legal Debt Margin	879,693,588	929,129,033	952,659,686	909,183,089
Net Debt Subject to Limit as Percent of Debt Limit	0.07%	0.05%	0.02%	0.00%

* Public Act No. 451 of Michigan 1976, Section 1351A provides debt limits as follows: The bonded indebtedness of a school district shall not exceed 15 percent of all assessed valuation of the district. Bonds not included in the computation of the legal debt margin are:

1. Refunding bonds
2. Any bond qualified under Article IX, Section 16 of the 1963 Michigan Constitution
3. Deficit budget bonds as authorized by Section 1356

Source: Walled Lake Consolidated School District's books and records, Oakland County Equalization "Baseline Taxable Values by School and Use Code" report

**Legal Debt Margin
Last Ten Fiscal Years**

2010	2011	2012	2013	2014	2015
\$ 5,484,970,235	\$ 4,672,882,380	\$ 4,295,081,710	\$ 4,138,835,390	\$ 4,207,438,690	\$ 4,148,166,480
822,745,535	700,932,357	644,262,257	620,825,309	631,115,804	622,224,972
154,285,000	140,345,000	127,690,000	115,325,000	169,285,000	153,430,000
<u>(154,285,000)</u>	<u>(140,345,000)</u>	<u>(127,690,000)</u>	<u>(115,325,000)</u>	<u>(169,285,000)</u>	<u>(153,430,000)</u>
-	-	-	-	-	-
822,745,535	700,932,357	644,262,257	620,825,309	631,115,804	622,224,972
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Walled Lake Consolidated School District

Demographic and Economic Statistics Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	88,669	\$ 61,907	\$ 36,318	5.8
2007	88,669	61,907	36,318	6.7
2008	88,669	61,907	36,318	8.0
2009	88,669	61,907	36,318	14.4
2010	88,669	61,907	36,318	13.0
2011	89,871	62,626	32,534	10.9
2012	89,871	66,390	36,138	8.8
2013	99,771	66,390	36,138	9.0
2014	93,591	66,390	36,138	7.8
2015	93,591	65,637	36,458	6.8

Sources: U.S. Census Bureau, U.S. Census Estimate of Household Income for Oakland County, Michigan Department of Labor and Economic Growth, Office of Labor Market Information for Oakland County

Walled Lake Consolidated School District

Principal Employers Last Ten Fiscal Years

Taxpayer	2015	Rank	Percentage of	2006	Rank	Percentage of
			Total Employment	Employees		Total Employment
Walled Lake Consolidated Schools	1,362	1	2.56	1,863	1	3.27
Huron Valley-Sinai Hospital	1,281	2	2.41	-	-	-
Mac Air Valves, Inc.	800	3	1.51	800	3	1.40
Williams International	416	4	0.78	500	4	0.88
Moeller Mfg. Co., Inc.	400	5	0.75	-	-	-
Wal-Mart	330	6	0.62	-	-	-
Alta Lift Truck Services, Inc.	290	7	0.55	-	-	-
Lifetime Fitness, Inc.	256	8	0.48	-	-	-
Homedics, Inc.	230	9	0.43	-	-	-
Trijicon, Inc.	225	10	0.42	-	-	-
Ford Motor Company	-	-	-	1,000	2	1.75
American Plastic Toys, Inc.	-	-	-	150	9	0.26
Behr America, Inc.	-	-	-	250	6	0.44
Libralter Plastics, Inc.	-	-	-	200	7	0.35
Holloway Companies	-	-	-	350	5	0.61
Pyles Business Unit	-	-	-	200	8	0.35
Total principal taxpayers	5,590			5,313		
Total employment	53,133			56,981		

Source:* U.S. Census Bureau Form DP03

Walled Lake Consolidated School District

Function/Program	2006	2007	2008	2009	2010
General government:					
Instruction	1,365.66	1,375.15	1,295.31	1,293.84	1,281.21
Support services	313.74	305.52	290.97	276.40	267.45
Community service	69.77	72.38	68.40	81.60	74.91
Athletics	2.00	2.00	2.00	2.00	2.00
Cafeteria	78.21	76.91	81.79	75.17	80.70
Total	<u>1,829.38</u>	<u>1,831.96</u>	<u>1,738.47</u>	<u>1,729.01</u>	<u>1,706.27</u>

Source: Insight FTE Report

**Full-time Equivalent School District Employees
Last Ten Fiscal Years**

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1,185.32	1,166.18	1,195.66	1,146.71	1,143.61
181.35	170.25	184.27	58.29	58.70
50.24	51.09	57.89	77.88	71.45
2.00	2.00	2.00	2.00	2.00
<u>75.49</u>	<u>82.15</u>	<u>81.24</u>	<u>81.58</u>	<u>79.11</u>
<u>1,494.40</u>	<u>1,471.67</u>	<u>1,521.06</u>	<u>1,366.46</u>	<u>1,354.87</u>

Walled Lake Consolidated School District

Operating Indicators Last Ten Fiscal Years

Year	Enrollment*	Operating Expenditures	Cost per Pupil	Operating Revenue	Revenue per Pupil	Total Teaching Staff	Percentage of Students Qualifying for Free/Reduced Meals**	Average Teacher Salary
2006	15,680	\$ 158,098,964	\$ 10,507	\$ 154,045,905	\$ 11,899	1,005	10.83	\$ 68,826
2007	15,692	162,908,415	10,803	160,096,862	12,295	1,022	10.00	65,301
2008	15,635	162,130,461	10,370	162,048,693	10,364	859	12.99	74,372
2009	15,711	164,278,455	10,456	163,331,316	10,396	847	16.00	75,803
2010	15,621	165,682,302	10,606	158,606,142	10,153	853	20.50	74,137
2011	15,486	154,206,433	9,958	158,671,724	10,246	793	24.30	78,991
2012	15,544	150,821,411	9,703	153,839,133	9,897	843	26.70	74,938
2013	15,266	155,797,269	10,206	150,912,052	9,886	833	27.16	81,167
2014	15,012	156,789,504	10,444	152,893,121	10,185	838	22.40	81,132
2015	14,809	155,298,930	10,487	155,829,860	10,523	821	22.00	77,723

* Student F.T.E.

** Michigan Department of Education School Lunch Program

Source: MEIS/SRSD Fall F.T.E. count for LEA/PSA - DS4120 - Audited

Walled Lake Consolidated School District

Function/Program	2006	2007	2008	2009	2010
Instructional buildings:					
Elementary:					
Number of buildings	14	14	14	14	14
Square footage	760,541	751,421	751,421	751,421	757,021
Capacity	5,950	5,950	6,625	6,625	6,765
Enrollment	6,896	6,886	6,806	6,872	6,789
Middle:					
Number of buildings	4	4	4	4	4
Square footage	592,981	583,319	568,012	568,012	568,012
Capacity	3,376	3,376	3,376	3,416	3,416
Enrollment	3,672	3,621	3,633	3,585	3,558
High:					
Number of buildings	3	3	3	3	3
Square footage	999,147	999,147	1,005,002	1,005,002	1,005,002
Capacity	5,291	5,291	4,829	4,829	4,829
Enrollment	4,891	5,028	5,028	4,957	4,919
Other:					
Number of buildings	4	4	4	4	4
Square footage	205,699	149,355	152,028	152,028	152,028
Capacity	200	200	200	200	200
Enrollment	221	223	248	232	230
Administrative:					
Number of buildings	1	1	1	1	1
Square footage	52,200	52,200	52,200	52,200	52,200
Transportation:					
Number of garages	1	1	1	1	1
Buses	110	132	131	125	123
Athletics:					
Football fields	7	7	7	7	7
Soccer fields	7	7	7	7	7
Running tracks	3	3	3	3	3
Baseball/Softball	12	12	12	12	12
Swimming pools	3	3	3	3	3
Playgrounds	14	14	14	14	14

Source: Walled Lake Consolidated School District's books and records

**Capital Asset Information
Last Ten Fiscal Years**

2011	2012	2013	2014	2015
14	14	12	12	12
757,021	757,021	671,435	671,435	671,435
6,765	6,765	6,765	6,765	6,765
6,675	6,715	6,476	6,440	6,272
4	4	4	4	4
568,012	568,012	568,012	568,012	568,012
3,416	3,416	3,416	3,416	3,416
3,679	3,689	3,661	3,515	3,542
3	3	3	3	3
1,005,002	1,005,002	1,005,002	1,005,002	1,005,002
4,829	4,829	4,829	4,829	4,829
4,985	5,054	5,003	4,945	4,774
4	4	4	4	4
152,028	152,028	152,028	152,028	152,028
200	200	200	200	200
69	60	65	170	283
1	1	1	1	1
52,200	52,200	52,200	52,200	52,200
1	1	1	1	1
123	119	119	119	119
7	7	7	7	7
7	7	7	7	7
3	3	3	3	3
12	12	12	12	12
3	3	3	3	3
14	14	12	12	12