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**Annual Comprehensive
Financial Report**

Walled Lake Consolidated School District

**For the Fiscal
Year Ended
June 30, 2025**



**Walled Lake
Consolidated
School District**

Education Services Center
850 Ladd Road, Building D
Walled Lake, MI 48390
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***Every Child,
Every Day!***

District Web Site: wlcsd.org

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Walled Lake Consolidated School District

(a school district in the State of Michigan)

Annual Comprehensive Financial Report with Supplementary Information

For the Fiscal Year Ended June 30, 2025

Report Prepared by the Business Office

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Walled Lake Consolidated Schools

**Educational Services Center
850 Ladd Road, Building D
Walled Lake, MI 48390
Phone: 248/956-2000
Fax: 248/956-2123**

October 10, 2025

Dear Citizens and Board Members:

The Annual Comprehensive Financial Report of Walled Lake Consolidated School District (the "School District") for the fiscal year ended June 30, 2025 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.

Annual Comprehensive Financial Report Organization

This Annual Comprehensive 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 School District 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 contains a more detailed analysis of revenue and expenditures that are compared to the 2024-25 budgets for the General, Special Revenue, and Capital Projects 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, parks, tennis clubs, and ski areas serve the immediate area.

The Educational Program

The School District has 12 elementary schools (K-5), three middle schools (6-8), three high schools (9-12), an early childhood center, Junior Kindergarten programs at nine of our elementary buildings, an educational services center, a maintenance/transportation building, and an outdoor education center. We currently serve approximately 12,100 K-12 students that includes approximately 5,500 elementary students, 2,900 middle school students, and 3,700 high school students.

The School District has a comprehensive educational program for students of all ages. This includes both an early intervention preschool program and a robust MTSS (Multi-Tiered System of Supports) program in each of our K-12 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 middle school, as well as extracurricular offerings, including athletics and various clubs. A full range of courses is also available to high school students, including Advanced Placement curriculum. The School District also offers a secondary hybrid virtual program through partnerships with third party providers offering high quality connections with qualified staff. Beyond special education services for students pre-K to grade 12, the District also provides an Adult Transition Program for students ranging from 18 to 26 years of age with moderate to severe disabilities. To meet the needs of our families, a fee-based before-and-after-school activities program that is part of our Community Education department offers several opportunities for enrichment to our students.

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. During a typical year, programs and services offered might include some of the following: basic skills (reading/math) improvement, E.L.D. (English language development) classes, classes for preschoolers in grant-funded and tuition-funded programs, GED testing/preparation,

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, and senior citizen resource referral. These community programs and services start with preschool-age children and continue to senior citizen participation with nearly 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 (phonics, 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

During the 2024-2025 school year, the District continued construction funds approved in the 2019 bond initiative and began construction on projects that were included in the 2024 approved bond proposal. The repurposing of Geisler Middle School into the new Geisler Educational Services Center began in June 2025 with an anticipated completion date of January 2027. The Geisler Educational Services Center will service our Central Office, Adult Transitions students, Adult SXI students, Community Education, along with many other programs. The plans for the new Wixom Elementary School were developed and the groundbreaking is scheduled to take place in November 2025. The District Strategic Plan was completed with implementation to begin in the 2025-2026 school year. The Strategic Plan process contemplated the need to continually align the District's facilities with educational and operational needs.

Projects that have begun and are supported by the 2024 Bond include:

- Enhancement of safety and security systems in buildings across the District
- Replacement and upgrading of instructional technology
- Improvement of internal and external public communications with new digital signage and similar tools
- Upgrading learning environments with interior improvements in multiple buildings
- Replacement of Wixom Elementary School on a new site

- Providing site upgrades at multiple locations to improve safety (lighting, paving, sidewalk replacements, etc.)
- Continuation of the upgrade of Western High School that began with the 2019 bond
- Continuation of structural and learning environment enhancements at Northern and Central High Schools

As a way to support our students academically, in September of 2021, the District implemented a comprehensive and robust Multi-Tiered System of Supports (MTSS) process at the elementary level. This process also included adding an Instructional Specialist at each elementary to coach staff and provide intensive support to struggling students. In October of 2022, the District implemented an MTSS system for our middle and high schools. This implementation at the secondary level includes Instructional Specialists to support English language arts and math at both the middle and high school level. The commitment to all learners is evidenced by continued allocation in 2024-25 and beyond resources to the refinement and adherence to the MTSS process.

The District will continue to focus on the needs of our school communities and allocate our limited resources accordingly.

BOARD GOALS

The Board of Education provided resources to develop a comprehensive strategic planning process and has adopted the following Strategic Plan:

Our District vision provides a clear picture of what we aspire to become in the near future. It serves as an actionable guide that reflects our direction and beliefs through five key narratives. While the vision defines *what* we seek to achieve, the strategic plan will outline *how* we will accomplish it.

The development of this vision was a collaborative effort involving voices from across our school community. Students, teachers, support staff, administrators, parents, guardians, and community members all contributed their perspectives. With guidance from G&D Associates, the process included a review of important data and extensive community engagement. This input was gathered through surveys, focus groups, and individual interviews—62 opportunities in total—ensuring that our vision truly reflects the collective aspirations of the Walled Lake Consolidated Schools community.

Learning

In today's changing world, learning must go beyond academics to prepare students with the skills they need for success in school and beyond. Walled Lake Consolidated Schools is committed to building a strong foundation in core subjects while ensuring learning is relevant and connected to real-world applications. Students will develop essential skills such as empathy, resilience, curiosity, and collaboration through experiences that promote critical thinking, effective communication, and honest discourse. Multiple pathways will allow learners to demonstrate growth in ways that reflect their strengths.

Equally important, we will prioritize student well-being, voice, and choice. Safe, supportive schools will provide personalized guidance, positive relationships, and opportunities for students to shape their educational journey. With access to innovative programming and personalized pathways from Pre-K through adult learning, every student will receive what they need when they need it. By connecting education to real-world skills and authentic experiences, we will empower our students to thrive as engaged, contributing members of their communities.

Teaching

Walled Lake Consolidated Schools is committed to inspiring a passion for teaching through the celebration of innovation, success, and educator expertise. By leveraging teacher voice in system design, we ensure that every learner has the support needed to succeed every day. Educators will have access to evidence-based resources, dedicated planning time, and opportunities for collaboration, enabling a learner-centered approach that aligns with our core beliefs.

Our District promotes data-informed innovation and a culture of continuous improvement. Using frameworks like Universal Design for Learning (UDL) and Multi-Tiered Systems of Support (MTSS), teachers can tailor instruction to meet students' academic and behavioral needs. Access to industry and community partners will help connect learning to real-world experiences, while safe, well-equipped facilities provide an environment where educators can focus on student success. By valuing both the art and science of teaching, Walled Lake fosters a culture of pride, growth, and achievement for all educators.

Leading

Leadership in Walled Lake Consolidated Schools is defined by actions that inspire, empower, and support the growth of every individual. District leaders model empathy, prioritize well-being, and engage staff in meaningful dialogue to ensure employees feel heard and valued. By fostering a healthy work-life balance and providing timely feedback, our leaders cultivate high morale and a collaborative culture across the District.

We are committed to collaborative problem-solving and aligning efforts with District goals to drive innovation and learner-centered experiences. Retention and recruitment strategies focus on attracting and developing top talent, while formal leadership development opportunities strengthen our current and future leaders. Through these efforts, Walled Lake will continue to build a legacy of passionate, collaborative leaders dedicated to the success and well-being of every member of our school community.

Professional Growth

Walled Lake Consolidated Schools believe that investing in personal and professional growth is essential to our District's success. Using a human-centered approach to adult learning, every team member will have opportunities to enhance their expertise through strategically aligned and personalized experiences. Professional learning will be measured by its impact and implementation, not just seat time, and new initiatives will be thoughtfully introduced with the time and resources needed for success.

Employees will receive embedded, non-evaluative coaching and mentorship, helping build confidence and proficiency, especially for new staff. Flexible scheduling and professional learning networks will provide collaboration time, peer connections, and opportunities to adapt strategies to individual contexts. By prioritizing professional growth, we strengthen both our educators and our schools, positively impacting every member of the Walled Lake Consolidated Schools community.

Community Engagement

The success of Walled Lake Consolidated Schools depends on strong, collaborative partnerships with families, community members, and local organizations. Families will be engaged through opportunities to experience their child's learning and provide feedback, supported by a variety of digital and non-digital communications. These connections offer windows into the District, empowering advocacy for both students and educators.

Our staff will model a culture of care, empathy, and exceptional service in every interaction. Strategic community partnerships will provide opportunities for volunteering, internships, apprenticeships, and expanded educational programs before and after school. By fostering meaningful engagement and collaboration, we strengthen our shared vision, support student success, and build a thriving, connected community.

Economic Outlook

Through a collaborative initiative with the University of Michigan, Oakland County presents an economic outlook that is updated annually. The report presented in May of 2025 recognized that the past year presented challenges to the Michigan economy. Every county in the state began 2025 with a higher unemployment rate than at the start of 2024. Oakland County was not immune from that trend, but the increase in the unemployment rate was the fourth smallest among the 83 counties in Michigan. Although the long-run fundamentals of job growth and retention are expected to remain strong in Oakland County, the job growth is expected to remain subdued and uneven in the near future. This is primarily based on the importance of local automotive and manufacturing sectors to the economic health of the county and the challenges that the current tariff environment poses to these sectors. Long term job growth is forecasted to rebound at a modest pace in 2025, averaging .5 percent annually through 2027. This expected growth is lower than the 2 percent annual growth seen from 2010-2019. Real wages have resumed growing after falling following the pandemic. The estimate is a .9 percent real wage gain in 2024 for Oakland County, with a projected average of .5 percent per year going forward. Oakland County faces a more complex and uncertain economic environment compared to one year ago. However, in the long run, the strong fundamentals of a well-educated labor force, high concentration of professional jobs, and low poverty rates are expected to win out over the current short-term challenges.

At a school district level, the impact of the funds received by districts over the years of the pandemic have concluded with all Federal pandemic funds ending in the Fall of 2024. Many districts, including Walled Lake Consolidated School District, had the ability to build up fund balance during this influx of pandemic grant funds by creating the ability for operational funds to be set aside to manage the volatility of the financial environment while funneling necessary resources to provide programs for

students to combat the learning loss as a result of the disruption in the educational process. The State of Michigan was also able to build funds for the first time in many years, allowing additional state revenue to be available to fund initiatives. With the sunset of these funds and the volatility of the economic and policy environment, the current financial outlook is uncertain at the State and Federal level.

The most significant financial challenges facing the District in the coming years are: 1) Enrollment projections reflecting a continued decline as a function of lower birth rates; 2) Human resource talent retention and attraction requiring a competitive wage at a time when the Michigan revenue consensus reports seemed to indicate less resources to support the School State Aid fund; 3) The uncertainty of the economic outlook creating uncertainty for State and Federal revenues that support educational initiatives; and 4) Political gridlock on a State and Federal level causing the inability for budgets to be passed resulting in financial instability and the inability to develop strategic financial plans at a local level.

Financial Information

Budget Process

The development of the District's budget is under the supervision and direction of the Superintendent. The budget process is an ongoing process throughout the year as new information is garnered that will impact the financial picture of the District. The Assistant Superintendent of Business Services develops an initial budget timeline and prepares a preliminary financial forecast as well as detailed budget documents for the Board of Education.

As new budgetary information becomes available, it is presented to the Superintendent's administrative team for feedback and input. Any changes to established budget assumptions for both the current and upcoming fiscal year are carefully reviewed to assess their significance, timing, and potential impact on the District's programs and services. This review also helps to determine whether further evaluation is needed to support strategy development and effective communication. Communication with the Board of Education, District leadership and stakeholders is a key consideration as changes in the budget are considered.

During the months of March and April, the budget assumptions for the coming fiscal year and projected impact on the financial performance of the District are presented and discussed with the Board of Education, departments, buildings and union leadership. Financial initiatives from these stakeholders along with updated information from the State and Federal legislatures are incorporated into the budget assumptions as deemed appropriate up until the budget is presented to the Board for formal adoption.

The Public Hearing on the budget is typically held in June. As required by State law, the budget for the following fiscal year must be adopted by June 30 of the prior year. The Community can also address the Board of Education at any of the Board of Education meetings to provide thoughts on the budget until the budget is adopted.

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, 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 on June 30, 2025

Please refer to the management's discussion and analysis section for a summary of the financial condition of the School District as of June 30, 2025.

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. Four funds are currently active, the 2022 Bond Fund, the 2024 Bond Fund, the 2025 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 2024-2025 fiscal year. In addition, the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), 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

Board practice recommends that the annual budget maintain an end-of-year General fund balance that should not fall below six percent (6%) of the preceding year's expenditures.

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. Enrollment has been declining for several years. The final blended count for 2025-26 reflected in the August 2025 state aid status report reflects 11,870 full-time-equivalents (FTE). The 2025-26 budget is based on a decline of 196 FTE from what was included in the final budget for 2024-25.

Initially, the extended recession had an impact on District enrollment as job losses caused many families to leave Michigan. What we are experiencing now is the impact of declining birth rates.

Incoming kindergarten classes are smaller than graduating seniors. Enrollment studies performed lead us to believe that the School District will continue to experience declining enrollment for the next several years, as birth rates have remained low.

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 Annual Comprehensive Financial Report for each of the fiscal years ended June 30, 1994 through June 30, 2024. In order to be awarded a certificate of excellence, the School District must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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 ending June 30, 2005, through June 30, 2025. 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,

A handwritten signature in cursive script, appearing to read "Julie A. Omer".

Julie A. Omer
Assistant Superintendent of Business Services

A handwritten signature in cursive script, appearing to read "Michael A. Lonze".

Dr. Michael A. Lonze
Superintendent of Schools

Walled Lake Consolidated School District

District Officials

Administration

Dr. Michael Lonze

Superintendent of Schools

Chad Scaling

Deputy Superintendent of Schools

Julie Omer

Assistant Superintendent of Business Services

Ali Hamka

Assistant Superintendent of Human Resources

Cathy Kochanski

Assistant Superintendent of Learning Services

Julieanne Muir

Assistant Superintendent of Special Services

Dan Durkin

Director of Community Relations and Marketing

Board of Education

Stephanie Kaplan

President

Marc Siegler

Vice President

Susie Crafton

Secretary

Michael Smith

Treasurer

Ronald Lippitt

Trustee

Lisa West

Trustee

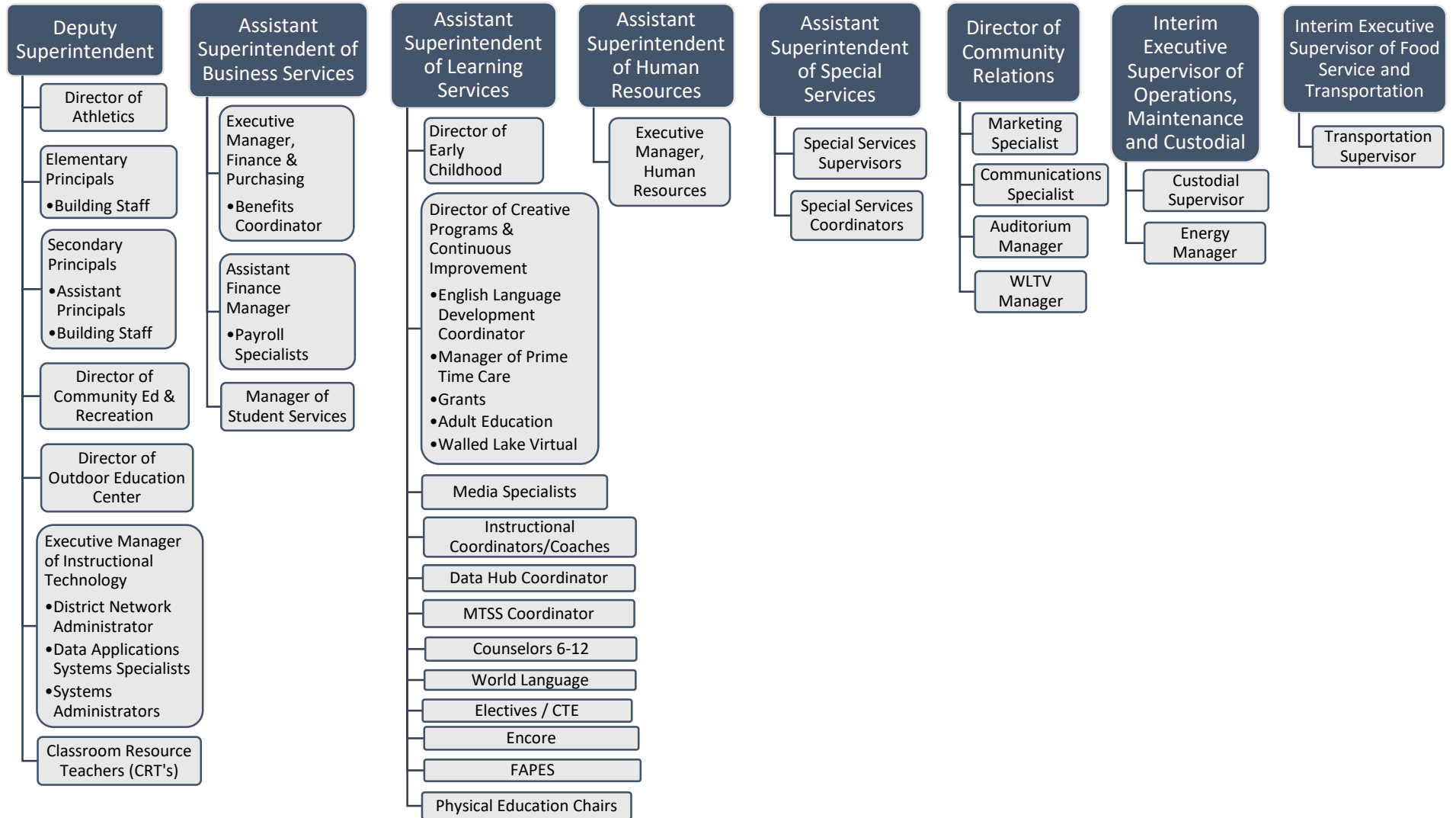
Dr. Andrea Zellner

Trustee

Organizational Chart 2024/2025

Board of Education

Superintendent of Schools





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Walled Lake Consolidated School District
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Independent Auditor's Report

To the Board of Education
Walled Lake Consolidated School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walled Lake Consolidated School District (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2025 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Education
Walled Lake Consolidated School District

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Board of Education
Walled Lake Consolidated School District

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 10, 2025

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 year ended June 30, 2025. 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 financial 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 and 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, the 2025 Bond Issue Fund, the 2024 Bond Issue Fund, and the 2022 Bond Issue Fund, with all other funds presented in one column as nonmajor funds. The remaining statements, the statements of fiduciary net position and changes in fiduciary net position, present financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. This report is composed of the following elements:

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Schedule of the School District's Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)

Schedule of OPEB Contributions

Supplementary Information

Statistical Section

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

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All the current year's revenue and expenses are included, regardless of when cash is received or paid.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net 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 Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, 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 specific purposes (the Cafeteria and Enrichment/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).

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 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.

Fiduciary Funds

The School District has certain fiduciary responsibility for its custodial funds. For these funds, the School District's fiduciary activities are reported in the separate statement of fiduciary net position and statement of changes in fiduciary net position. 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 these funds 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. The following table provides a summary of the School District's net position as of June 30, 2025 and 2024:

	Governmental Activities	
	2025	2024
	(in millions)	
Assets		
Current and other assets	\$ 278.7	\$ 235.9
Capital assets	437.5	406.9
Total assets	716.2	642.8
Deferred Outflows of Resources	70.8	97.4
Liabilities		
Current liabilities	43.2	47.8
Noncurrent liabilities	456.3	417.4
Net pension liability	203.4	271.2
Total liabilities	702.9	736.4
Deferred Inflows of Resources	123.7	97.5
Net Position (Deficit)		
Net investment in capital assets	114.3	121.8
Restricted	69.3	28.6
Unrestricted	(223.2)	(244.1)
Total net position (deficit)	<u>\$ (39.6)</u>	<u>\$ (93.7)</u>

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(39.6) million at June 30, 2025. Net investment in capital assets, totaling \$114.3 million, compares the original cost, less depreciation and amortization 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 is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position, \$(223.2) million, was unrestricted.

The \$(223.2) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from adoption of GASB Statement Nos. 68 and 75 (recording the School District's share of the net pension liability and OPEB asset from the state-managed retirement system). Unrestricted net position, when available, would enable the School District to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund and the change in the net pension/OPEB liabilities (assets) will have significant impacts on the change in unrestricted net position (deficit) from year to year.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2025 and 2024:

	Governmental Activities	
	2025	2024
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 6.8	\$ 6.8
Operating grants	85.4	83.6
General revenue:		
Property taxes	68.9	62.8
State aid not restricted to specific purposes	79.4	84.5
Other	3.6	8.5
Total revenue	244.1	246.2
Expenses		
Instruction	99.4	106.8
Support services	65.6	66.0
Athletics	2.1	2.2
Food services	5.4	5.5
Community services	2.0	2.4
Debt service	14.6	12.0
Depreciation and amortization expense (unallocated)	0.9	0.8
Total expenses	190.0	195.7
Change in Net Position	54.1	50.5
Net Position (Deficit) - Beginning of year	(93.7)	(144.2)
Net Position (Deficit) - End of year	<u><u>\$ (39.6)</u></u>	<u><u>\$ (93.7)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$190.0 million. Certain activities were partially funded from those who benefited from the programs (\$6.8 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$85.4 million). We paid for the remaining public benefit portion of our governmental activities with \$68.9 million in taxes, \$79.4 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$54.1 million.

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 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 previously noted, the School District utilizes various funds to manage and control its financial resources for specific purposes. Analyzing these funds provides valuable insight into whether the School District is effectively stewarding the resources entrusted to it by taxpayers and other stakeholders. This level of transparency helps assess the School District's fiscal responsibility and contributes to a clearer picture of its overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$203.1 million, which is an increase of \$17.3 million from last year. The primary reasons for the increase are as follows:

In the General Fund, our principal operating fund, fund balance increased by \$6.2 million to \$37.5 million. The School District budgeted a decrease of approximately \$2.7 million.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

Fund balance of our special revenue funds increased by \$0.9 million last year to \$9.0 million this year, primarily as a result of the increased revenue generated in the Cafeteria Fund through the Michigan Schools Meal Program. The Michigan Schools Meal Program is a legislative initiative that provides free breakfast and lunch for all pre-K through grade 12 students. The Cafeteria Fund balance is restricted in use to improve the quality of the program.

Between 2019 and 2022, the School District issued three series of voter-approved bonds totaling \$316 million. The bonds were issued in accordance with state law and have been used for infrastructure needs at every building, the rebuilding of one of our oldest elementary building, major reconstruction of one of our high schools, renovation at the other two high schools, the building of the Early Childhood Center, and the purchase of buses. The 2019 bond issue was fully expended in a prior fiscal year while the remainder of the 2020 bond issue was fully expended during this fiscal year. The 2022 Bond Issue Fund had a fund balance of \$33.0 million as of June 30, 2025, representing a decrease of \$34.1 million. The 2024 Bond Issue Fund had fund balance of \$48.8 million at June 30, 2025, a decrease of \$0.9 million. The 2025 Bond Issue Fund had a fund balance of \$50.0 million. The 2024 bonds were issued in June as the first of a four series of voter-approved bonds totaling \$250 million. The 2024 approved bond program will be used to continue the district's efforts to maintain a modern learning environment for students; health, safety, security, and energy conservation initiatives; replacement of an elementary school; purchasing of school buses; repurposing a the middle school to better accommodate the identified educational needs of the School District; technology infrastructure upgrades; and other capital projects, as permitted by law.

The other nonmajor governmental funds (excluding the special revenue funds) have a combined fund balance of \$33.9 million, which represents a decrease of \$3.8 million. The increase is primarily the result of an accumulation of funds to pay for debt obligations for outstanding bonds.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected 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 June 2025. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

During the 2024-2025 fiscal year, several significant amendments were made to the General Fund budget. These adjustments were necessary to reflect fluctuations in revenue driven by changes in student enrollment, the timing and utilization of grants, and other categorical revenue provided by the State. On the expense side, the most notable changes occurred in salaries and benefits, which represent the largest portion of expenditures for school districts. Variability in these areas is largely influenced by employee mobility and ongoing challenges in filling vacant positions - trends that have been more pronounced than in prior years. Additionally, changes in the utilization of employee benefits have further contributed to expense variability. These factors highlight the importance of maintaining a conservative approach during the budgeting process to ensure financial stability amid uncertainty.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the School District had \$437.5 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, equipment, and leased assets. This amount represents a net increase (including additions, disposals, depreciation, and amortization) of approximately \$30.6 million, or 7.5 percent, from last year.

	2025	2024
Land	\$ 11,923,678	\$ 11,923,678
Construction in progress	29,600,854	72,184,686
Buildings and improvements	563,523,662	483,341,442
Furniture and equipment	47,875,464	43,546,535
Buses and other vehicles	10,357,508	10,597,153
Lease assets - Equipment	3,643,572	3,609,262
Total capital assets	666,924,738	625,202,756
Less accumulated depreciation and amortization	229,431,263	218,296,790
Total capital assets - Net of accumulated depreciation and amortization	\$ 437,493,475	\$ 406,905,966

This year's additions (net of adjustments between classifications) of \$53.8 million included building renovations, furniture, equipment, and leased assets. The majority of the investment in needed capital assets to maintain a positive school climate and culture is made possible by the support of the community through the successful passage of bond and Sinking Fund initiatives. The School District passed a 0.50 mill Building and Site Improvement Fund, or Sinking Fund, during 2004, which was renewed for 10 years by the voters again in November 2022. As mentioned previously, the School District was fortunate in having community support to issue \$316 million in voter-approved bonds in 2019. This same support was witnessed in 2024 when the community passed a \$250 million bond initiative that will provide resources to support the School District's strategic facility plan. 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 \$392.2 million in bonds outstanding versus \$354.7 million in the previous year.

The School District's general obligation bond rating is AA- from Standard & Poor's and A2 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 (i.e., 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, installment purchase agreements, compensated absences, leases payable, and other amounts. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Walled Lake Consolidated School District

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2025-2026 fiscal year budget. Two of the most important factors affecting the revenue budget are our student count and the foundation allowance established by the Legislature during the State's budgeting process. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2025-2026 budget was adopted in June 2025 based on an estimate of students who will enroll in September 2025 and be eligible to be counted per the rules established by the State. The estimated count is expected to be 11,641. Approximately 49.9 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, 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 district resources are not sufficient to fund original appropriations.

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 the School District. The School Aid Act for the 2025-2026 school year had not yet been approved by the Legislature when the School District's initial budget was approved in June and is still not approved as of the publication of these statements. School districts in the State of Michigan must have a budget approved by their Board of Education no later than June 30 of each year. Walled Lake Consolidated School District estimated a \$392 per pupil increase for a total foundation grant of \$10,146 (inclusive of the Hold Harmless millage allowed to be assessed by the School District) for 2025-2026. This follows the 2024-2025 fiscal year in which the State did not increase the foundation allowance but paid the intended increase to districts through a categorical that was intended to be an estimate of the savings to districts if the retirement rate associated with OPEB (other postemployment benefits) could statutorily be reduced.

Another significant factor influencing the financial performance of the School District is the cost of salaries and benefits, which accounts for 78 percent of total budgeted General Fund expenditures. The need to provide fair but competitive wages in an inflationary cost environment for all expenses while resources become scarcer will become increasingly challenging. The success of finding this balance is paramount to maintaining the fiscal integrity of the School District.

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact 850 Ladd Road, Building D, Walled Lake, MI 48390.

Walled Lake Consolidated School District

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets	
Cash and investments (Note 4)	\$ 49,435,076
Receivables:	
Accrued interest receivable	164,997
Other receivables	600,514
Due from other governments	25,639,788
Inventory	114,273
Prepaid items and other assets	906,669
Restricted assets	166,679,221
Net OPEB asset (Note 13)	35,218,773
Capital assets:	
Assets not subject to depreciation or amortization (Note 6)	41,524,532
Assets subject to depreciation or amortization - Net (Note 6)	395,968,943
Total assets	716,252,786
Deferred Outflows of Resources	
Deferred charges on bond refunding (Note 10)	5,217,902
Deferred pension costs (Note 13)	57,003,623
Deferred OPEB costs (Note 13)	8,537,353
Total deferred outflows of resources	70,758,878
Liabilities	
Accounts payable	12,159,679
Accrued liabilities and other:	
Accrued salaries and wages	14,452,237
Payroll taxes and withholdings	5,696,587
Accrued interest payable	2,863,703
Other accrued liabilities	504,785
Unearned revenue (Note 8)	7,594,841
Noncurrent liabilities:	
Due within one year (Note 10)	23,796,046
Due in more than one year (Note 10)	432,502,792
Net pension liability (Note 13)	203,354,910
Total liabilities	702,925,580
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 13)	10,870,947
Deferred pension cost reductions (Note 13)	65,197,397
Deferred OPEB cost reductions (Note 13)	47,612,014
Total deferred inflows of resources	123,680,358
Net Position (Deficit)	
Net investment in capital assets	114,319,879
Restricted:	
Food service	3,296,100
Capital projects	16,243,521
Debt service	14,607,283
Net OPEB asset	35,218,773
Unrestricted	(223,279,830)
Total net position (deficit)	\$ (39,594,274)

Walled Lake Consolidated School District

Statement of Activities

Year Ended June 30, 2025

	Expenses	Program Revenue		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	\$ 99,423,852	\$ 1,536,699	\$ 66,327,131	\$ (31,560,022)
Support services	65,601,713	12,313	12,985,167	(52,604,233)
Athletics	2,091,730	745,824	-	(1,345,906)
Food services	5,429,448	1,247,761	6,126,022	1,944,335
Community services	1,994,820	3,266,207	-	1,271,387
Interest	13,710,392	-	-	(13,710,392)
Other debt costs	848,771	-	-	(848,771)
Depreciation and amortization expense (unallocated, net of expense allocated to programs)	897,062	-	-	(897,062)
Total primary government	<u><u>\$ 189,997,788</u></u>	<u><u>\$ 6,808,804</u></u>	<u><u>\$ 85,438,320</u></u>	(97,750,664)
General revenue (expense):				
Taxes:				
Property taxes, levied for general purposes				38,037,331
Property taxes, levied for debt service				27,531,869
Property taxes, levied for capital projects				3,354,742
State aid not restricted to specific purposes				79,429,216
Federal grants and contributions not restricted to specific purposes				113,617
Interest and investment earnings				7,860,387
Penalties, interest, and other taxes				43,790
Loss on disposal of capital assets				(5,277,254)
Other				798,982
Total general revenue				<u>151,892,680</u>
Change in Net Position				54,142,016
Net Position (Deficit) - Beginning of year				<u>(93,736,290)</u>
Net Position (Deficit) - End of year				<u>\$ (39,594,274)</u>

Walled Lake Consolidated School District

Governmental Funds Balance Sheet

June 30, 2025

	General Fund	2022 Bond Issue Fund	2024 Bond Issue Fund	2025 Bond Issue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments (Note 4)	\$ 45,110,720	\$ -	\$ -	\$ -	\$ 4,324,356	\$ 49,435,076
Receivables:						
Accrued interest receivable	-	13,320	151,677	-	-	164,997
Other receivables	474,030	-	-	-	121,891	595,921
Due from other governments	24,707,857	-	-	-	931,931	25,639,788
Due from other funds (Note 7)	344,331	-	-	-	4,333,268	4,677,599
Inventory	24,301	-	-	-	89,972	114,273
Prepaid items and other assets	906,669	-	-	-	-	906,669
Restricted assets	-	41,731,377	50,090,699	49,967,194	24,889,951	166,679,221
Total assets	\$ 71,567,908	\$ 41,744,697	\$ 50,242,376	\$ 49,967,194	\$ 34,691,369	\$ 248,213,544
Liabilities						
Accounts payable	\$ 1,875,676	\$ 8,778,749	\$ 1,448,868	\$ -	\$ 56,386	\$ 12,159,679
Due to other funds (Note 7)	4,333,268	-	-	-	339,738	4,673,006
Accrued liabilities and other:						
Accrued salaries and wages	14,452,237	-	-	-	-	14,452,237
Payroll taxes and withholdings	5,696,587	-	-	-	-	5,696,587
Other accrued liabilities	494,385	-	-	-	10,400	504,785
Unearned revenue (Note 8)	7,209,166	-	-	-	385,675	7,594,841
Total liabilities	34,061,319	8,778,749	1,448,868	-	792,199	45,081,135
Fund Balances						
Nonspendable:						
Inventory	24,301	-	-	-	89,972	114,273
Prepaid items	906,669	-	-	-	-	906,669
Restricted:						
Debt service	-	-	-	-	17,470,986	17,470,986
Capital projects	-	32,965,948	48,793,508	49,967,194	7,425,405	139,152,055
Food service	-	-	-	-	3,206,128	3,206,128
Committed:						
Community Education	-	-	-	-	959,655	959,655
Enrichment/Prime Time Care	-	-	-	-	2,329,947	2,329,947
Preschool	-	-	-	-	390,689	390,689
Student Activities	-	-	-	-	2,026,388	2,026,388
Assigned - Subsequent year's budget	14,435,451	-	-	-	-	14,435,451
Unassigned	22,140,168	-	-	-	-	22,140,168
Total fund balances	37,506,589	32,965,948	48,793,508	49,967,194	33,899,170	203,132,409
Total liabilities and fund balances	\$ 71,567,908	\$ 41,744,697	\$ 50,242,376	\$ 49,967,194	\$ 34,691,369	\$ 248,213,544

See notes to financial statements.

Walled Lake Consolidated School District

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2025

Fund Balances Reported in Governmental Funds	\$ 203,132,409
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and lease assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of assets	666,924,738
Accumulated depreciation and amortization	<u>(229,431,263)</u>
Net capital assets and lease assets used in governmental activities	437,493,475
Deferred outflows related to charges on bond refundings are not reported in the funds	5,217,902
Bonds payable, including premiums, installment purchase agreements, and lease liabilities, are not due and payable in the current period and are not reported in the funds	(450,813,051)
Accrued interest is not due and payable in the current period and is not reported in the funds	(2,863,703)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(3,823,766)
Longevity obligations	(1,175,040)
Net pension liability and related deferred inflows and outflows	(211,548,684)
Net OPEB asset and related deferred inflows and outflows	(3,855,888)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(10,870,947)
Arbitrage liabilities, do not represent a claim on current financial resources and are not reported as fund liabilities	<u>(486,981)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (39,594,274)</u></u>

Walled Lake Consolidated School District

	General Fund	2022 Bond Issue Fund	2024 Bond Issue Fund	2025 Bond Issue Fund
Revenue				
Local sources	\$ 41,931,109	\$ 2,927,143	\$ 2,078,279	\$ 157,000
State sources	127,746,628	-	-	-
Federal sources	6,492,529	-	-	-
Interdistrict sources	16,598,569	-	-	-
Total revenue	192,768,835	2,927,143	2,078,279	157,000
Expenditures				
Current:				
Instruction	114,276,573	-	-	-
Support services	67,639,709	42,996	66,221	-
Athletics	2,361,339	-	-	-
Food services	-	-	-	-
Community services	264,540	-	-	-
Debt service:				
Principal	969,706	-	-	-
Interest	110,413	-	-	-
Other debt costs	-	-	35,000	301,638
Capital outlay	3,101,783	37,028,761	2,897,871	-
Total expenditures	188,724,063	37,071,757	2,999,092	301,638
Excess of Revenue Over (Under) Expenditures	4,044,772	(34,144,614)	(920,813)	(144,638)
Other Financing Sources (Uses)				
Leases entered into	1,780,397	-	-	-
Face value of debt issued (Note 10)	-	-	-	48,565,000
Proceeds from sale of capital assets	-	-	-	-
Premium on debt issued (Note 10)	-	-	-	1,546,832
Transfers in (Note 7)	415,913	-	-	-
Transfers out (Note 7)	(78)	-	-	-
Total other financing sources (uses)	2,196,232	-	-	50,111,832
Net Change in Fund Balances	6,241,004	(34,144,614)	(920,813)	49,967,194
Fund Balances - Beginning of year, as previously reported	31,265,585	67,110,562	49,714,321	-
Change within Financial Reporting Entity (Note 2)	-	-	-	-
Fund Balances - Beginning of year, as adjusted or restated	31,265,585	67,110,562	49,714,321	-
Fund Balances - End of year	<u>\$ 37,506,589</u>	<u>\$ 32,965,948</u>	<u>\$ 48,793,508</u>	<u>\$ 49,967,194</u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2025

Formerly Major - 2020 Bond Issue Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 39,745,740	\$ 86,839,271
-	2,978,829	130,725,457
-	3,329,327	9,821,856
-	-	16,598,569
-	46,053,896	243,985,153
-	974,495	115,251,068
-	2,951,091	70,700,017
-	-	2,361,339
-	6,185,531	6,185,531
-	2,215,627	2,480,167
-	11,005,000	11,974,706
-	15,235,332	15,345,745
-	25,152	361,790
-	10,842,522	53,870,937
-	49,434,750	278,531,300
-	(3,380,854)	(34,546,147)
-	-	1,780,397
-	-	48,565,000
-	1,100	1,100
-	-	1,546,832
-	78	415,991
-	(415,913)	(415,991)
-	(414,735)	51,893,329
-	(3,795,589)	17,347,182
9,765,800	27,928,959	185,785,227
(9,765,800)	9,765,800	-
-	37,694,759	185,785,227
\$ -	\$ 33,899,170	\$ 203,132,409

Walled Lake Consolidated School District

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

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	\$ 17,347,182
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 and amortization:	
Capitalized capital outlay	53,807,109
Depreciation and amortization expense	(17,941,246)
Net book value of assets disposed of	(5,278,354)
Revenue in support of pension contributions made subsequent to the measurement date	5,431,905
Issuing debt and entering into leases (\$50,111,832 and \$1,780,397, respectively) provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	(51,892,229)
Repayment of bond principal, installment purchase obligations, and lease liabilities (\$11,005,000, \$103,130, and \$866,576, respectively) is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt and lease liabilities); amortization of premium/discounts and inflows/outflows related to bond refundings (\$2,328,109 and \$(306,935), respectively) are not expenses in the governmental funds	13,995,880
Interest expense is recognized in the government-wide statements as it accrues	(385,821)
Some employee costs (pension, OPEB, and compensated absences, including longevity costs, of \$23,887,809, \$16,475,360, and \$818,598, respectively) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	39,544,571
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds	(486,981)
Change in Net Position of Governmental Activities	<u>\$ 54,142,016</u>

Walled Lake Consolidated School District

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2025

Custodial Funds

Assets - Cash and investments

\$ 22,956

Liabilities

Accounts payable

6,059

Due to other funds (Note 7)

4,593

Total liabilities

10,652

Net Position - Restricted

\$ 12,304

Walled Lake Consolidated School District

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	<u>Custodial Funds</u>
Additions - Fundraising and contributions	\$ 51,120
Deductions - Disbursements for student activities	<u>76,563</u>
Net Decrease in Fiduciary Net Position	(25,443)
Net Position - Beginning of year	<u>37,747</u>
Net Position - End of year	<u><u>\$ 12,304</u></u>

June 30, 2025

Note 1 - Nature of Business

Walled Lake Consolidated School District (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). 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. Based on the application of the criteria, the School District does not contain any component units.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

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 and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)*****Fund Accounting***

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into two broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The 2022 Bond Issue Fund (capital project fund) is used to record bond proceeds or other revenue and disbursements of invoices specifically designated for completing a replacement elementary school; completing a new childhood center facility; additions to existing buildings; remodeling, equipping, and furnishing existing facilities; upgrading technology infrastructure and equipment; preparing, developing, and improving sites at school buildings and other facilities; and purchasing school buses. The fund operates until the purpose for which it was created is accomplished.
- The 2024 Bond Issue Fund (capital project fund) is used to record bond proceeds or other revenue and disbursements of invoices specifically designated for completing, equipping, and furnishing a replacement elementary school and a new athletic field building; additions to existing buildings; remodeling, equipping, and furnishing existing facilities; acquiring and installing instructional technology infrastructure and equipment; preparing, developing, and improving sites at school buildings, athletic fields, playgrounds, and other facilities; and purchasing school buses. The fund operates until the purpose for which it was created is accomplished.
- The 2025 Bond Issue Fund (capital project fund) is used to record bond proceeds or other revenue and disbursements of invoices specifically designated for completing, equipping, and furnishing a replacement elementary school and a new athletic field building; additions to existing buildings; remodeling, equipping, and furnishing existing facilities; acquiring and installing instructional technology infrastructure and equipment; preparing, developing, and improving sites at school buildings, athletic fields, playgrounds, and other facilities; and purchasing school buses. The fund operates until the purpose for which it was created is accomplished.

Additionally, the School District reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School District's special revenue funds include the Cafeteria Fund, the Community Education Fund, the Preschool Fund, the Enrichment/Prime Time Care Fund, and the Student Activities Fund. Any operating deficit generated by these activities is the responsibility of the General Fund.
 - The Cafeteria Fund accounts for all moneys generated from the cafeteria operations throughout the various buildings of the School District. Revenue sources for the Cafeteria Fund include the sales to customers and dedicated grants from state and federal sources.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

- The Community Education Fund is used to account for all moneys 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 of tuition and fees charged to users.
- The Preschool Fund accounts for all moneys originating from the preschool programs run by the School District. Revenue sources for the Preschool Fund consist of tuition charged to users and child care grants from federal sources.
- The Enrichment/Prime Time Care Fund accounts for all moneys originating from the School District's Enrichment and Prime Time Care programs. Revenue sources for the Enrichment/Prime Time Care Fund consist of tuition and fees charged to users and child care grants from federal sources.
- The Student Activities Fund records the transactions of student groups for school and school-related purposes. Revenue sources for the Student Activities Fund include fundraising revenue and donations earned and received by student groups.
- The 2019 Bond Issue Fund (capital project fund) is used to record bond proceeds or other revenue and disbursements of invoices specifically designated for completing a replacement elementary school; completing a new childhood center facility; additions to existing buildings; remodeling, equipping, and furnishing existing facilities; upgrading technology infrastructure and equipment; preparing, developing, and improving sites at school buildings and other facilities; and purchasing school buses.
- The 2020 Bond Issue Fund (capital project fund) is used to record bond proceeds or other revenue and disbursements of invoices specifically designated for completing a replacement elementary school; completing a new childhood center facility; additions to existing buildings; remodeling, equipping, and furnishing existing facilities; upgrading technology infrastructure and equipment; preparing, developing, and improving sites at school buildings and other facilities; and purchasing school buses.
- The 2012 and 2022 Sinking Funds (capital project funds) are used to record related tax revenue and the disbursement of invoices specifically designated for approved Sinking Fund projects. The funds operate until the purpose for which they were created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt. The School District currently has six debt service funds.

Fiduciary Funds

The School District reports certain student activity funds as fiduciary because they are held in a custodial capacity for student organizations and are not available to support the School District's own programs. These funds are maintained separately and are used solely for student-led activities where the School District does not have administrative or financial control over how the funds are spent. The Student Activities Fund includes transactions for student groups engaged in school-related purposes. Activities that meet the criteria for fiduciary reporting - where students or their representatives make spending decisions independently - are recorded in custodial funds and presented in the fiduciary financial statements. However, not all student activity accounts meet the fiduciary requirements. Where the School District has more direct involvement, such as setting policies or approving expenditures, those activities are recorded in the Student Activities Fund within the special revenue funds.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

Interfund Activity

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

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

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

The fiduciary fund uses the economic resources measurement focus and the full 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.

June 30, 2025

Note 2 - Significant Accounting Policies (Continued)

Accounting Changes

Changes to or within the Financial Reporting Entity

Change in Major Funds

The 2020 Bond Issue Fund was previously reported as a major fund but is now reported as a nonmajor fund for fiscal year 2025. The effects of this change in major funds are shown in the table that follows.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, the changes noted above resulted in adjustments to and restatements of beginning net position and fund net position as follows:

	June 30, 2024		June 30, 2024
	As Previously Reported	Change to or within the Financial Reporting Entity	As Restated
Governmental funds:			
Major funds:			
General Fund	\$ 31,265,585	\$ -	\$ 31,265,585
2020 Bond Issue Fund	9,765,800	(9,765,800)	-
2022 Bond Issue Fund	67,110,562	-	67,110,562
2024 Bond Issue Fund	49,714,321	-	49,714,321
Nonmajor funds	27,928,959	9,765,800	37,694,759
Total governmental funds	<u>\$ 185,785,227</u>	<u>\$ -</u>	<u>\$ 185,785,227</u>

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value, except for investments in MILAF Cash Management funds and MILAF MAX Class funds, which are valued at amortized cost. Pooled investment income from the debt service funds is generally allocated to each fund using a weighted average of balance for the principal.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories 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 items in both government-wide and fund financial statements, when applicable. The School District uses the consumption method to report prepaid costs in governmental funds.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest of the bonded capital project funds required to be set aside for construction or other allowable bond purchases
- Unspent property taxes levied held in the debt service funds required to be set aside for future bond principal and interest payments

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)**

- Unspent property taxes levied and held in the Sinking Fund required to be set aside for construction or allowable purchases

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and leased assets (further described in the section below), are reported in the applicable governmental activities 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 \$5,000 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 acquisition 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.

Capital assets are depreciated or amortized using the straight-line method over the following useful lives:

	Depreciable/ Amortizable Life - Years
Buildings and improvements	20 to 50
Furniture and other equipment	5 to 10
Buses and other vehicles	5 to 10
Lease assets - Equipment	5

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 bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District reports deferred outflows related to deferred pension costs, OPEB costs, and deferred charges related to bond refundings.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The School District reports deferred inflows related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)****Net Position**

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)**

On an annual basis, the superintendent recommends and the Board of Education approves a fund balance policy. The fund balance policy prescribes that an end of year fund balance should not fall below 6 percent of the preceding year's expenditures.

Property Tax Revenue

Property taxes are levied on each July 1 for taxes due on September 15; the tax is based on the taxable valuation of property as of the preceding December 31. Tax collections are forwarded to the School District as collected by the assessing municipalities through March 1 of the following year, at which time they are considered delinquent and added to county tax rolls. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Grants and Contributions

The School District receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Pension and Other Postemployment Benefit (OPEB) Plans

For the purpose of measuring the net pension liability and net OPEB liability, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from the 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 expenses when due and payable in accordance with the plan benefit terms. The net pension liability and the net OPEB liability will be liquidated from the funds that report each employee's compensation, generally the General Fund.

Compensated Absences (Vacation and Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. In accordance with GASB Statement No. 101, *Compensated Absences*, the School District has accrued a liability for future absences, recognizing the obligation relating to compensation for absences attributable to services already rendered. Teachers and other employees receive compensation for vacations, holidays, illnesses, and certain other qualifying absences. The number of days compensated for sick leave and vacation is based on years of service to the School District. It is the policy of the School District to accumulate earned but unused annual leave benefits, which will be paid to employees upon separation from the School District. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Longevity Payments

The liability for longevity payments is a future benefit that consists of amounts due to eligible employees upon retirement based on their respective contracts. Because the longevity benefits do not have determinable payment dates, the cost of these benefits are calculated at the undiscounted total of estimated future benefit payments at current cost levels. This liability is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee retirements as of year end where amounts are due and payable.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)****Indirect Costs**

The statement of activities includes both direct and indirect expenses. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses primarily consist of administrative and facility-related costs that are allocated to functions and programs primarily based upon indirect cost rates established by the State. Indirect costs totaling \$130,566 were allocated to support activities and \$247,732 were allocated to community services activities.

Use of Estimates

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

Leases

The School District is a lessee for noncancelable leases of technology equipment. The School District recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the governmental activities column in the government-wide financial statements. The School District recognizes lease assets and liabilities with an initial value of \$5,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets, and lease liabilities are reported with long-term debt on the statement of net position.

June 30, 2025**Note 2 - Significant Accounting Policies (Continued)*****Upcoming Accounting Pronouncements***

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

Note 3 - 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, special revenue funds, and capital project funds, with the exception that capital outlay is budgeted in the function category. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level for the General Fund, the fund level for the Cafeteria Fund, and the subfund level for other special revenue funds and capital project funds. 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. During the 2024-2025 fiscal year, several significant amendments were made to the General Fund budget. These adjustments were necessary to reflect fluctuations in revenue driven by changes in student enrollment, the timing and utilization of grants, and other categorical revenue provided by the State. On the expense side, the most notable changes occurred in salaries and benefits, which represent the largest portion of expenditures for school districts. Variability in these areas is largely influenced by employee mobility and ongoing challenges in filling vacant positions, trends that have been more pronounced than in prior years. Additionally, changes in the utilization of employee benefits have further contributed to expense variability. These factors highlight the importance of maintaining a conservative approach during the budgeting process to ensure financial stability amid uncertainty.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year end lapse and 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.

June 30, 2025**Note 3 - Stewardship, Compliance, and Accountability (Continued)*****Capital Projects and Sinking Fund Compliance***

The 2019 Bond Issue Fund, 2020 Bond Issue Fund, and 2022 Bond Issue Fund include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code. These bonds are three series of the same bonded construction project that were approved by community vote as a singular project. The 2019 Bond Issue Fund, the 2020 Bond Issue Fund, and the 2022 Bond Issue Fund, therefore, are all considered to be one bonded construction project when considering substantial completion of those funds. The funds are not yet considered substantially complete, and a subsequent year audit is expected.

The 2024 Bond Issue Fund and the 2025 Bond Issue Fund include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code. These bonds are two series of the same bonded construction project that were approved by community vote as a singular project. The 2024 Bond Issue Fund and the 2025 Bond Issue Fund, therefore, are both considered to be one bonded construction project when considering substantial completion of those funds. The funds are not yet considered substantially complete, and a subsequent year audit is expected.

The 2012 Sinking Fund records capital project activities funded with Sinking Fund millage. For this fund, authorized prior to March 29, 2017, the School District has complied with the applicable provisions of §1212 of the State of Michigan Revised School Code.

The 2022 Sinking Fund records capital project activities funded with Sinking Fund millage. For this fund, authorized on March 29, 2017 through May 7, 2023, the School District has complied with the applicable provisions of §1212 of the State of Michigan Revised School Code.

Note 4 - 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, certificates of deposit, commercial paper rated prime at the time of purchase that matures no 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 10 financial institutions and utilized 3 for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost, except for a 1-day minimum investment period on MILAF Cash Management funds and a 14-day redemption limitation on MILAF MAX Class funds. Redemptions made prior to the applicable 14-day period for the MILAF MAX Class funds are subject to a penalty equal to 15 days' interest on the amount so redeemed.

June 30, 2025

Note 4 - Deposits and Investments (Continued)

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 for custodial credit risk requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits. At year end, the School District's deposit balance of \$30,994,607 had bank deposits of \$30,494,607 (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.

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 custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2025, the School District does not have investments with custodial credit risk.

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; 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.

June 30, 2025

Note 4 - Deposits and Investments (Continued)

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

Investment	Carrying Value	Rating	Rating Organization
Primary Government			
Michigan Liquid Asset Fund Cash Management Money Market Fund	\$ 11,855,169	AAAm	S&P
Michigan Liquid Asset Fund MAX Class Money Market	107,409,648	AAAm	S&P
Michigan Cooperative Liquid Assets Securities System	11,288,713	AAAm	S&P
Michigan Liquid Asset Fund Term	14,445,000	N/A	N/A
Credit Agricole Group	1,536,266	A+	S&P
Groupe BPCE	1,536,087	A+	S&P
Mitsubishi UFJ Financial Group Inc.	1,536,075	A-	S&P
Toronto - Dominion Bank	2,576,774	A+	S&P
Total	<u>\$ 152,183,732</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. At June 30, 2025, more than 5 percent of the School District's investments are invested in the following:

	Value	Percentage of Total Investments
U.S. Treasury notes	\$ 33,928,754	18

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 investment policy prohibit investments in foreign currency.

Note 5 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The School District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

June 30, 2025

Note 5 - Fair Value Measurements (Continued)

The School District has the following recurring fair value measurements as of June 30, 2025:

- U.S. Treasury debt securities of \$33,928,754 are valued based on Level 2 inputs. The School District estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.
- Commercial paper of \$7,185,202 is also valued based on Level 2 inputs. The fair value of these investments is determined using observable market data, including credit spreads, interest rates, and broker-dealer quotes for similar instruments.

Note 6 - Capital Assets

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

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated or amortized:					
Land	\$ 11,923,678	\$ -	\$ -	\$ -	\$ 11,923,678
Construction in progress	72,184,686	(71,296,104)	28,712,272	-	29,600,854
Subtotal	84,108,364	(71,296,104)	28,712,272	-	41,524,532
Capital assets being depreciated or amortized:					
Buildings and improvements	483,341,442	71,296,104	18,750,127	(9,864,011)	563,523,662
Furniture and equipment	43,546,535	-	4,564,313	(235,384)	47,875,464
Buses and other vehicles	10,597,153	-	-	(239,645)	10,357,508
Lease assets - Equipment	3,609,262	-	1,780,397	(1,746,087)	3,643,572
Subtotal	541,094,392	71,296,104	25,094,837	(12,085,127)	625,400,206
Accumulated depreciation and amortization:					
Buildings and improvements	174,032,492	-	14,406,070	(4,702,854)	183,735,708
Furniture and equipment	34,038,593	-	1,802,780	(181,457)	35,659,916
Buses and other vehicles	7,425,037	-	904,475	(239,645)	8,089,867
Lease assets - Equipment	2,800,668	-	827,921	(1,682,817)	1,945,772
Subtotal	218,296,790	-	17,941,246	(6,806,773)	229,431,263
Net capital assets being depreciated or amortized	322,797,602	71,296,104	7,153,591	(5,278,354)	395,968,943
Net governmental activities capital assets	\$ 406,905,966	\$ -	\$ 35,865,863	\$ (5,278,354)	\$ 437,493,475

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

Governmental activities:	
Instruction	\$ 11,302,985
Support services	5,741,199
Unallocated	897,062
Total governmental activities	\$ 17,941,246

June 30, 2025

Note 6 - Capital Assets (Continued)

Construction Commitments

The School District has active construction projects at year end related to the 2022 Bond Issue Fund, 2024 Bond Issue Fund, and the Sinking Fund. At June 30, 2025, the School District's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
2022 Bond Issue Fund	\$ 95,937,130	\$ 19,678,528
2024 Bond Issue Fund	2,256,044	2,233,316
Sinking Fund	-	1,577,828
Total	<u>\$ 98,193,174</u>	<u>\$ 23,489,672</u>

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From		
	General Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 344,331	\$ 344,331
Nonmajor funds	4,333,268	-	4,333,268
Fiduciary fund	4,593	-	4,593
Total	<u>\$ 4,337,861</u>	<u>\$ 344,331</u>	<u>\$ 4,682,192</u>

Interfund balances due from the General Fund represent routine deposits received by the General Fund that will be transferred to other funds' investment accounts. Interfund balances due to the General Fund result from a pooled cash arrangement and the time lag between the dates that goods and services are provided for the funds and when the reimbursements between funds are made.

Interfund Transfers

The General Fund transferred \$78 to the Cafeteria Fund to transfer grant proceeds to the fund that incurred the expenditure. The Cafeteria Fund transferred \$415,913 to the General Fund to cover indirect operating expenditures incurred by the General Fund.

Note 8 - 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 June 30, 2025, the various components of unearned and unavailable revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Tuition and fees received in advance	\$ -	\$ 422,811
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	7,172,030
Total	<u>\$ -</u>	<u>\$ 7,594,841</u>

June 30, 2025

Note 9 - Line of Credit

Under a line of credit agreement with a bank, the School District has available borrowings of the lesser of \$5,000,000 or 30 percent of the state school aid for the fiscal year ended June 30, 2025. Interest is payable monthly at a rate of (a) the greater of the bank's prime rate or 2.50 percent or (b) 80 percent of SOFR plus 1.90 percent (an effective rate of 5.45 percent at June 30, 2025). Under the line of credit agreement, the School District has pledged no more than 30 percent of the state school aid for the fiscal year ended June 30, 2025 as collateral. There was no outstanding balance on the line of credit at June 30, 2025.

The line of credit agreement contains (1) a provision that, in an event of default, the note shall bear interest at 3 percent above the applicable rate and (2) a provision that, if the entity is unable to make payment or in the event of default, outstanding amounts are due immediately.

Subsequent to year end, on September 2, 2025, the School District renewed the line of credit agreement with an available borrowing limit of \$5,000,000 through August 31, 2026. Interest is payable monthly at a rate of (a) the greater of the bank's prime rate or 2.50 percent or (b) 80 percent of SOFR plus 1.90 percent. The other terms on the amended line of credit remain the same.

Note 10 - Long-term Debt

Long-term debt activity for the year ended June 30, 2025 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:					
Direct borrowings and direct placements - Installment purchase agreements	\$ 375,037	\$ -	\$ (103,130)	\$ 271,907	\$ 107,208
Other debt - General obligation bonds	354,675,000	48,565,000	(11,005,000)	392,235,000	18,335,000
Unamortized bond premiums	57,342,297	1,546,832	(2,328,109)	56,561,020	2,278,318
Total bonds and notes payable	412,392,334	50,111,832	(13,436,239)	449,067,927	20,720,526
Leases (Note 11)	831,303	1,780,397	(866,576)	1,745,124	605,005
Compensated absences (Note 2)	2,946,858	2,659,487	(1,782,579)	3,823,766	2,294,259
Longevity payments (Note 2)	1,233,350	202,940	(261,250)	1,175,040	176,256
Arbitrage liability	-	486,981	-	486,981	-
Total governmental activities long-term debt	<u>\$ 417,403,845</u>	<u>\$ 55,241,637</u>	<u>\$ (16,346,644)</u>	<u>\$ 456,298,838</u>	<u>\$ 23,796,046</u>

The School District had deferred outflows of \$5,217,902, net of current year amortization of \$306,935, related to deferred charges on bond refundings at June 30, 2025.

The School District had unspent bond proceeds, net of accumulated interest earnings, of \$122,421,553 at June 30, 2025.

June 30, 2025

Note 10 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's qualified bonds are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2025 are as follows:

Purpose	Remaining Annual Installments	Interest Rates	Maturing	Outstanding
\$54,420,000 General Obligation (2019 Issuance)	\$860,000 - \$3,710,000	4.0 to 5.0	2049	\$ 53,545,000
\$143,665,000 General Obligation (2020 Issuance)	\$2,150,000 - \$6,355,000	4.0 to 5.0	2050	140,200,000
\$66,740,000 General Obligation (2021 Refunding)	\$2,825,000 - \$3,700,000	0.86 to 2.68	2043	57,365,000
\$55,490,000 General Obligation (2022 Issuance)	\$500,000 - \$3,155,000	4.0 to 5.0	2049	50,240,000
\$47,320,000 General Obligation (2024 Issuance)	\$300,000 - \$5,700,000	5.0	2054	42,320,000
\$48,565,000 General Obligation (2025 Issuance)	\$250,000 - \$6,300,000	5.0	2055	48,565,000
Total governmental activities				<u>\$ 392,235,000</u>

Installment Purchase Agreements

Installment purchase agreements were issued to fund the purchase of various vehicles. The 2021 installment purchase agreements have a fixed interest rate of 2.45 percent. The 2024 installment purchase agreement has a fixed interest rate of 5.8 percent. The installment purchase agreements will be repaid in equal annual installments of principal and interest over a five-year period by the General Fund. The vehicles are secured as collateral under the installment purchase agreements. The 2021 loans mature on June 1, 2026, and the 2024 loan matures on November 3, 2028.

The installment purchase agreements contain (1) a provision that, in the event of default, outstanding amounts are to be repaid immediately and (2) a provision that, if the entity is unable to make a payment, outstanding amounts are due immediately.

Other Long-term Liability

Arbitrage liability attributable to the governmental activities will be liquidated from the funds when payable to the Internal Revenue Service.

June 30, 2025

Note 10 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2026	\$ 107,208	\$ 13,820	\$ 18,335,000	\$ 17,404,801	\$ 35,860,829
2027	51,835	9,553	8,775,000	16,854,124	25,690,512
2028	54,842	6,546	10,000,000	16,557,598	26,618,986
2029	58,022	3,365	9,045,000	16,206,547	25,312,934
2030	-	-	9,750,000	15,906,183	25,656,183
2031-2035	-	-	59,875,000	73,370,716	133,245,716
2036-2040	-	-	82,985,000	58,347,120	141,332,120
2041-2045	-	-	88,865,000	38,565,521	127,430,521
2046-2050	-	-	79,995,000	17,645,500	97,640,500
2051-2055	-	-	24,610,000	3,511,000	28,121,000
Total	\$ 271,907	\$ 33,284	\$ 392,235,000	\$ 274,369,110	\$ 666,909,301

Note 11 - Leases

The School District leases technology equipment from various third parties. Payments are generally fixed monthly. Lease activity of the School District is included in Note 6.

Future principal and interest payment requirements related to the School District's lease liabilities at June 30, 2025 are as follows:

Years Ending June 30	Principal	Interest	Total
2026	\$ 605,005	\$ 80,938	\$ 685,943
2027	421,490	54,956	476,446
2028	446,596	29,850	476,446
2029	222,818	8,015	230,833
2030	49,215	577	49,792
Total	\$ 1,745,124	\$ 174,336	\$ 1,919,460

Note 12 - 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 have not exceeded the amount of insurance coverage in any of the past three fiscal 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.

June 30, 2025**Note 13 - Michigan Public School Employees' Retirement System*****Plan Description***

The School District participates in the Michigan Public School Employees' Retirement System (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. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). 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 postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services 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 by 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.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty 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. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Note 13 - Michigan Public School Employees' Retirement System (Continued)

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.

Under the OPEB plan, 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. Participating employers are required to contribute at that rate.

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

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.0% - 1.25%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2025 were \$35,939,533, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2025, the School District's required and actual pension contributions include an allocation of \$8,857,583 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate as well as \$2,013,364 of a one-time state payment received and remitted to the System for the purpose of contribution additional assets to the System.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2025 were \$3,084,435, which includes the School District's contributions required for those members with a defined contribution benefit.

June 30, 2025

Note 13 - Michigan Public School Employees' Retirement System (Continued)

Net Pension Liability

At June 30, 2025, the School District reported a liability of \$203,354,910 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated liability to September 30, 2024. 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, 2024 and 2023, the School District's proportion was 0.83 and 0.84 percent, respectively, representing a change of 0.86 percent.

Net OPEB Asset

At June 30, 2025, the School District reported an asset of \$35,218,773 for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2025 was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated asset to September 30, 2024. The School District's proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2024 and 2023, the School District's proportion was 0.82 and 0.83 percent, respectively, representing a change of (1.96) percent.

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

For 2025, the School District recognized pension expense of \$9,642,945, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,517,162	\$ (2,209,479)
Changes in assumptions	21,200,955	(14,899,483)
Net difference between projected and actual earnings on pension plan investments	-	(38,808,737)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	12,099	(9,279,698)
The School District's contributions to the plan subsequent to the measurement date	30,273,407	-
Total	<u>\$ 57,003,623</u>	<u>\$ (65,197,397)</u>

The \$10,870,947 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the will be recognized as state appropriations revenue for the year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2026	\$ (11,105,777)
2027	(1,365,557)
2028	(15,584,384)
2029	(10,411,463)
Total	<u>\$ (38,467,181)</u>

June 30, 2025

Note 13 - Michigan Public School Employees' Retirement System (Continued)

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

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

For the year ended June 30, 2025, the School District recognized OPEB recovery of \$14,408,335.

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (37,321,144)
Changes in assumptions	7,692,287	(884,165)
Net difference between projected and actual earnings on OPEB plan investments	-	(6,667,318)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	56,560	(2,739,387)
Employer contributions to the plan subsequent to the measurement date	788,506	-
Total	<u>\$ 8,537,353</u>	<u>\$ (47,612,014)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2026	\$ (13,289,083)
2027	(8,091,104)
2028	(7,569,394)
2029	(6,612,688)
2030	(3,609,532)
Thereafter	(691,366)
Total	<u>\$ (39,863,167)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2024 are based on the results of an actuarial valuation as of September 30, 2023 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75 percent
Health care cost trend rate - OPEB	6.50% - 7.25%	Year 1 graded to 3.5 percent in year 15
Mortality basis		PubT-2010 Male and Female Employee Mortality Tables, scaled 100 percent (retirees: 116 percent for males and 116 percent for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

June 30, 2025

Note 13 - Michigan Public School Employees' Retirement System (Continued)

Assumption changes as a result of an experience study for the periods from 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension liability and OPEB liability as of Sept. 30, 2024, is based on the results of an actuarial valuation date of Sept. 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study.

Significant assumption changes since the prior measurement date, September 30, 2023, for the OPEB plans include a decrease in the health care cost trend rate of 0.25 percentage points for members under 65 and an increase of 0.25 percent for members over 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability and OPEB liability was 6.00 percent as of September 30, 2024 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 district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.30 %
Private equity pools	16.00	9.00
International equity pools	15.00	6.50
Fixed-income pools	13.00	2.20
Real estate and infrastructure pools	10.00	7.10
Absolute return pools	9.00	5.20
Real return/opportunistic pools	10.00	6.90
Short-term investment pools	2.00	1.40
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.3 percent.

June 30, 2025

Note 13 - Michigan Public School Employees' Retirement System (Continued)

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 depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 298,120,483	\$ 203,354,910	\$ 124,444,337

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset of the School District	\$ (27,217,358)	\$ (35,218,773)	\$ (42,136,841)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB asset of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net OPEB asset of the School District	\$ (42,136,917)	\$ (35,218,773)	\$ (27,799,101)

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2025, the School District reported a payable of \$2,965,594 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025. There was no reported payable for the amount of outstanding contributions to the OPEB plan required for the year ended June 30, 2025.

Note 14 - Tax Abatements

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974) and brownfield redevelopment agreements granted by cities, villages, and townships within the boundaries of the School District. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities; brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

June 30, 2025

Note 14 - Tax Abatements (Continued)

For the fiscal year ended June 30, 2025, the School District's property tax revenue was reduced by approximately \$1,894,000 under these programs.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the school aid formula. The School District received approximately \$1,493,000 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from the Sinking Fund or debt service millages.

Required Supplementary Information

Walled Lake Consolidated School District**Required Supplementary Information
Budgetary Comparison Schedule - General Fund****Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 35,983,838	\$ 41,413,879	\$ 41,931,109	\$ 517,230
State sources	127,194,773	130,574,643	127,746,628	(2,828,015)
Federal sources	6,615,702	7,396,827	6,492,529	(904,298)
Interdistrict sources	15,901,085	16,535,572	16,598,569	62,997
Total revenue	185,695,398	195,920,921	192,768,835	(3,152,086)
Expenditures				
Current:				
Instruction:				
Basic programs	83,706,611	84,233,806	80,167,536	(4,066,270)
Added needs	35,667,255	37,157,528	34,951,298	(2,206,230)
Adult/Continuing education	127,545	212,239	93,145	(119,094)
Support services:				
Pupil	19,896,498	20,268,911	19,323,676	(945,235)
Instructional staff	9,007,577	10,179,711	8,520,265	(1,659,446)
General administration	899,138	1,064,408	942,331	(122,077)
School administration	10,486,298	10,288,621	9,981,864	(306,757)
Business	2,789,377	2,661,361	2,551,280	(110,081)
Operations and maintenance	15,204,861	17,127,483	15,966,250	(1,161,233)
Pupil transportation services	6,831,892	7,617,528	6,942,422	(675,106)
Central	6,114,018	5,822,682	5,513,408	(309,274)
Athletics	2,496,922	2,540,898	2,406,591	(134,307)
Community services	301,755	418,643	283,878	(134,765)
Debt service	1,206,028	1,082,092	1,080,119	(1,973)
Total expenditures	194,735,775	200,675,911	188,724,063	(11,951,848)
Excess of Revenue (Under) Over Expenditures	(9,040,377)	(4,754,990)	4,044,772	8,799,762
Other Financing Sources (Uses)				
Leases entered into	626,879	1,780,397	1,780,397	-
Proceeds from sale of capital assets	20,000	-	-	-
Transfers in	200,000	300,000	415,913	115,913
Transfers out	(100)	(100)	(78)	22
Total other financing sources	846,779	2,080,297	2,196,232	115,935
Net Change in Fund Balance	(8,193,598)	(2,674,693)	6,241,004	8,915,697
Fund Balance - Beginning of year	31,265,585	31,265,585	31,265,585	-
Fund Balance - End of year	\$ 23,071,987	\$ 28,590,892	\$ 37,506,589	\$ 8,915,697

Walled Lake Consolidated School District

Required Supplementary Information Schedule of the School District's Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Ten Plan Years									
	Plan Years Ended September 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.83063 %	0.83782 %	0.85493 %	0.88318 %	0.91704 %	0.94589 %	0.97170 %	0.97879 %	0.99427 %	1.00410 %
School District's proportionate share of the net pension liability	\$ 203,354,910	\$ 271,170,856	\$ 321,530,070	\$ 209,096,889	\$ 315,014,820	\$ 313,245,426	\$ 292,109,873	\$ 253,646,407	\$ 248,061,578	\$ 245,250,568
School District's covered payroll	\$ 85,077,195	\$ 82,444,967	\$ 80,107,264	\$ 77,348,467	\$ 79,448,367	\$ 80,765,714	\$ 82,054,019	\$ 81,254,055	\$ 82,445,987	\$ 83,313,023
School District's proportionate share of the net pension liability as a percentage of its covered payroll	239.02 %	328.91 %	401.37 %	270.33 %	396.50 %	387.84 %	356.00 %	312.16 %	300.88 %	294.37 %
Plan fiduciary net position as a percentage of total pension liability	74.44 %	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %

Walled Lake Consolidated School District

Required Supplementary Information Schedule of Pension Contributions Michigan Public School Employees' Retirement System

	Last Ten Fiscal Years Years Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 35,206,282	\$ 34,886,073	\$ 38,779,108	\$ 29,401,727	\$ 26,711,551	\$ 25,345,286	\$ 25,254,458	\$ 24,682,460	\$ 22,786,357	\$ 23,331,814
Contributions in relation to the statutorily required contribution	35,206,282	34,886,073	38,779,108	29,401,727	26,711,551	25,345,286	25,254,458	24,682,460	22,786,357	23,331,814
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 86,708,611	\$ 84,243,263	\$ 81,855,411	\$ 80,082,271	\$ 77,188,768	\$ 80,047,113	\$ 81,090,596	\$ 81,392,149	\$ 80,028,634	\$ 83,599,827
Contributions as a Percentage of Covered Payroll	40.60 %	41.41 %	47.38 %	36.71 %	34.61 %	31.66 %	31.14 %	30.33 %	28.47 %	27.91 %

Walled Lake Consolidated School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)

Michigan Public School Employees' Retirement System

	Last Eight Plan Years							
	Plan Years Ended September 30							
	2024	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB (asset) liability	0.81820 %	0.83459 %	0.83373 %	0.86436 %	0.90148 %	0.92715 %	0.96520 %	0.97742 %
School District's proportionate share of the net OPEB (asset) liability	\$ (35,218,773) \$	(4,721,260) \$	17,658,871 \$	13,193,358 \$	48,294,605 \$	66,548,661 \$	76,723,406 \$	86,555,073
School District's covered payroll	\$ 85,077,195 \$	82,444,967 \$	80,107,264 \$	77,348,467 \$	79,448,367 \$	80,765,714 \$	82,054,019 \$	81,254,055
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(41.40)%	(5.73)%	22.04 %	17.06 %	60.79 %	82.40 %	93.50 %	106.52 %
Plan fiduciary net position as a percentage of total OPEB liability	143.08 %	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Walled Lake Consolidated School District

Required Supplementary Information Schedule of OPEB Contributions Michigan Public School Employees' Retirement System

	Last Eight Fiscal Years Years Ended June 30							
	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 2,581,749	\$ 6,920,942	\$ 6,588,706	\$ 6,526,064	\$ 6,423,456	\$ 6,432,266	\$ 6,369,687	\$ 5,878,731
Contributions in relation to the statutorily required contribution	2,581,749	6,920,942	6,588,706	6,526,064	6,423,456	6,432,266	6,369,687	5,878,731
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 86,708,611	\$ 84,243,263	\$ 81,855,411	\$ 80,082,271	\$ 77,188,768	\$ 80,047,113	\$ 81,090,596	\$ 81,392,149
Contributions as a Percentage of Covered Payroll	2.98 %	8.22 %	8.05 %	8.15 %	8.32 %	8.04 %	7.86 %	7.22 %

June 30, 2025

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds and capital project funds, with the exception that capital outlay is budgeted in the function category. 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 for the General Fund, the fund level for the Cafeteria Fund, and the subfund level for other special revenue funds and capital project funds. 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. During the year, the budget was amended in a legally permissible manner.

Encumbrances (e.g., purchase orders and 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.

Pension Information

The required contributions for the year ended June 30, 2025 include a one-time contribution of \$2,013,364, referred to as 147c(2), related to funding received from the State and remitted to the System for the purpose of contributing additional assets to the System.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

June 30, 2025

Changes in Assumptions

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2024 - The health care cost trend rate used in the September 30, 2024 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2022 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Supplementary Information

Walled Lake Consolidated School District

	Special Revenue Funds					Debt Service Funds	
	Cafeteria Fund	Community Education Fund	Enrichment/Prime Time Care Fund	Preschool Fund	Student Activities Fund	2019 Debt Retirement Fund	2020 Debt Retirement Fund
Assets							
Cash and investments	\$ 2,393,823	\$ -	\$ 299	\$ -	\$ 1,930,234	\$ -	\$ -
Receivables:							
Other receivables	-	-	-	-	121,891	-	-
Due from other governments	931,931	-	-	-	-	-	-
Due from other funds	85,698	1,099,621	2,395,796	406,110	-	745	1,596
Inventory	89,972	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	2,219,345	5,689,920
Total assets	\$ 3,501,424	\$ 1,099,621	\$ 2,396,095	\$ 406,110	\$ 2,052,125	\$ 2,220,090	\$ 5,691,516
Liabilities							
Accounts payable	\$ 1,017	\$ 24,616	\$ 4,970	\$ 181	\$ 25,158	\$ -	\$ -
Due to other funds	-	-	-	-	579	-	-
Accrued liabilities and other	6,554	236	1,500	2,110	-	-	-
Unearned revenue	197,753	115,114	59,678	13,130	-	-	-
Total liabilities	205,324	139,966	66,148	15,421	25,737	-	-
Fund Balances							
Nonspendable - Inventories	89,972	-	-	-	-	-	-
Restricted:							
Debt service	-	-	-	-	-	2,220,090	5,691,516
Capital projects	-	-	-	-	-	-	-
Food service	3,206,128	-	-	-	-	-	-
Committed:							
Community Education	-	959,655	-	-	-	-	-
Enrichment/Prime Time Care	-	-	2,329,947	-	-	-	-
Preschool	-	-	-	390,689	-	-	-
Student Activities	-	-	-	-	2,026,388	-	-
Total fund balances	3,296,100	959,655	2,329,947	390,689	2,026,388	2,220,090	5,691,516
Total liabilities and fund balances	\$ 3,501,424	\$ 1,099,621	\$ 2,396,095	\$ 406,110	\$ 2,052,125	\$ 2,220,090	\$ 5,691,516

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

Debt Service Funds				Capital Project Funds			Total
2021 Debt Retirement Fund	2022 Debt Retirement Fund	2024 Debt Retirement Fund	2025 Debt Retirement Fund	2012 Sinking Fund	2020 Bond Issue	2022 Sinking Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,324,356
-	-	-	-	-	-	-	121,891
-	-	-	-	-	-	-	931,931
577	608	2,629	-	-	-	339,888	4,333,268
-	-	-	-	-	-	-	89,972
2,496,781	1,898,821	5,159,964	-	1,103,179	-	6,321,941	24,889,951
\$ 2,497,358	\$ 1,899,429	\$ 5,162,593	\$ -	\$ 1,103,179	\$ -	\$ 6,661,829	\$ 34,691,369
\$ -	\$ -	\$ -	\$ -	\$ 444	\$ -	\$ -	\$ 56,386
-	-	-	-	339,159	-	-	339,738
-	-	-	-	-	-	-	10,400
-	-	-	-	-	-	-	385,675
-	-	-	-	339,603	-	-	792,199
-	-	-	-	-	-	-	89,972
2,497,358	1,899,429	5,162,593	-	-	-	-	17,470,986
-	-	-	-	763,576	-	6,661,829	7,425,405
-	-	-	-	-	-	-	3,206,128
-	-	-	-	-	-	-	959,655
-	-	-	-	-	-	-	2,329,947
-	-	-	-	-	-	-	390,689
-	-	-	-	-	-	-	2,026,388
2,497,358	1,899,429	5,162,593	-	763,576	-	6,661,829	33,899,170
\$ 2,497,358	\$ 1,899,429	\$ 5,162,593	\$ -	\$ 1,103,179	\$ -	\$ 6,661,829	\$ 34,691,369

Walled Lake Consolidated School District

	Special Revenue Funds					Debt Service Funds	
	Cafeteria Fund	Community Education Fund	Enrichment/ Prime Time Care Fund	Preschool Fund	Student Activities Fund	2019 Debt Retirement Fund	2020 Debt Retirement Fund
Revenue							
Local sources	\$ 1,288,911	\$ 903,650	\$ 1,684,639	\$ 1,094,385	\$ 2,572,037	\$ 3,429,884	\$ 7,357,643
State sources	2,796,696	-	-	20,850	-	17,406	37,298
Federal sources	3,329,327	-	-	-	-	-	-
Total revenue	7,414,934	903,650	1,684,639	1,115,235	2,572,037	3,447,290	7,394,941
Expenditures							
Current:							
Instruction	-	-	-	974,495	-	-	-
Support services	-	-	33,544	258,032	2,652,168	-	-
Food services	6,185,531	-	-	-	-	-	-
Community services	-	689,531	1,503,350	22,746	-	-	-
Debt service:							
Principal	-	-	-	-	-	775,000	1,925,000
Interest	-	-	-	-	-	2,642,800	6,918,000
Other debt costs	-	-	-	-	-	3,775	6,171
Capital outlay	80,261	-	-	-	-	-	-
Total expenditures	6,265,792	689,531	1,536,894	1,255,273	2,652,168	3,421,575	8,849,171
Excess of Revenue Over (Under) Expenditures							
	1,149,142	214,119	147,745	(140,038)	(80,131)	25,715	(1,454,230)
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	1,100	-	-	-	-	-	-
Transfers in	78	-	-	-	-	-	-
Transfers out	(415,913)	-	-	-	-	-	-
Total other financing uses	(414,735)	-	-	-	-	-	-
Net Change in Fund Balances							
	734,407	214,119	147,745	(140,038)	(80,131)	25,715	(1,454,230)
Fund Balances - Beginning of year, as previously reported							
	2,561,693	745,536	2,182,202	530,727	2,106,519	2,194,375	7,145,746
Change within Financial Reporting Entity							
	-	-	-	-	-	-	-
Fund Balances - Beginning of year, as adjusted or restated							
	2,561,693	745,536	2,182,202	530,727	2,106,519	2,194,375	7,145,746
Fund Balances - End of year							
	<u>\$ 3,296,100</u>	<u>\$ 959,655</u>	<u>\$ 2,329,947</u>	<u>\$ 390,689</u>	<u>\$ 2,026,388</u>	<u>\$ 2,220,090</u>	<u>\$ 5,691,516</u>

Supplementary Information

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2025

Debt Service Funds				Capital Project Funds			Total
2021 Debt Retirement Fund	2022 Debt Retirement Fund	2024 Debt Retirement Fund	2025 Debt Retirement Fund	2012 Sinking Fund	2020 Bond Issue	2022 Sinking Fund	
\$ 2,661,493	\$ 2,799,916	\$12,108,785	\$ -	\$ 31,235	\$ 411,240	\$ 3,401,922	\$ 39,745,740
13,499	14,209	61,454	-	-	-	17,417	2,978,829
-	-	-	-	-	-	-	3,329,327
2,674,992	2,814,125	12,170,239	-	31,235	411,240	3,419,339	46,053,896
-	-	-	-	-	-	-	974,495
-	-	-	-	2,092	4,770	485	2,951,091
-	-	-	-	-	-	-	6,185,531
-	-	-	-	-	-	-	2,215,627
2,805,000	500,000	5,000,000	-	-	-	-	11,005,000
1,204,576	2,472,000	1,997,956	-	-	-	-	15,235,332
2,706	2,810	9,690	-	-	-	-	25,152
-	-	-	-	589,991	10,172,270	-	10,842,522
4,012,282	2,974,810	7,007,646	-	592,083	10,177,040	485	49,434,750
(1,337,290)	(160,685)	5,162,593	-	(560,848)	(9,765,800)	3,418,854	(3,380,854)
-	-	-	-	-	-	-	1,100
-	-	-	-	-	-	-	78
-	-	-	-	-	-	-	(415,913)
-	-	-	-	-	-	-	(414,735)
(1,337,290)	(160,685)	5,162,593	-	(560,848)	(9,765,800)	3,418,854	(3,795,589)
3,834,648	2,060,114	-	-	1,324,424	-	3,242,975	27,928,959
-	-	-	-	-	9,765,800	-	9,765,800
3,834,648	2,060,114	-	-	1,324,424	9,765,800	3,242,975	37,694,759
\$ 2,497,358	\$ 1,899,429	\$ 5,162,593	\$ -	\$ 763,576	\$ -	\$ 6,661,829	\$ 33,899,170

Walled Lake Consolidated School District

Supplementary Information Budgetary Comparison Schedules - Nonmajor Governmental Funds Special Revenue Fund - Cafeteria Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 1,136,899	\$ 1,181,834	\$ 1,288,911	\$ 107,077
State sources	2,402,954	2,819,326	2,796,696	(22,630)
Federal sources	2,895,000	3,285,438	3,329,327	43,889
Total revenue	6,434,853	7,286,598	7,414,934	128,336
Expenditures - Current - Food services	6,456,731	6,829,344	6,265,792	(563,552)
Excess of Revenue (Under) Over Expenditures	(21,878)	457,254	1,149,142	691,888
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	1,100	1,100	-
Transfers in	100	100	78	(22)
Transfers out	(200,000)	(300,000)	(415,913)	(115,913)
Total other financing uses	(199,900)	(298,800)	(414,735)	(115,935)
Net Change in Fund Balance	(221,778)	158,454	734,407	575,953
Fund Balance - Beginning of year	2,561,693	2,561,693	2,561,693	-
Fund Balance - End of year	<u>\$ 2,339,915</u>	<u>\$ 2,720,147</u>	<u>\$ 3,296,100</u>	<u>\$ 575,953</u>

Walled Lake Consolidated School District

Supplementary Information Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued)

Capital Project Fund - 2020 Bond Issue, 2022 Bond Issue, 2024 Bond Issue, 2025 Bond Issue, and Sinking Funds

Year Ended June 30, 2025				
	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 3,379,262	\$ 3,672,222	\$ 3,621,976	\$ (50,246)
State sources	-	-	17,417	17,417
Net realized/unrealized investment gain	2,355,000	4,869,355	5,384,843	515,488
Total revenue	5,734,262	8,541,577	9,024,236	482,659
Expenditures				
Capital outlay:				
Sinking Funds	2,030,080	1,132,624	592,568	(540,056)
2020 Bond Issue Fund	9,402,948	10,177,029	10,177,040	11
2022 Bond Issue Fund	45,950,050	29,050,178	37,071,757	8,021,579
2024 Bond Issue Fund	-	326,490	2,999,092	2,672,602
2025 Bond Issue Fund	-	269,000	301,638	32,638
Total expenditures	57,383,078	40,955,321	51,142,095	10,186,774
Excess of Expenditures Over Revenue	(51,648,816)	(32,413,744)	(42,117,859)	(9,704,115)
Other Financing Sources - Face value of debt issued	-	50,110,000	50,111,832	1,832
Net Change in Fund Balances	(51,648,816)	17,696,256	7,993,973	(9,702,283)
Fund Balances - Beginning of year	131,158,082	131,158,082	131,158,082	-
Fund Balances - End of year	<u>\$ 79,509,266</u>	<u>\$ 148,854,338</u>	<u>\$ 139,152,055</u>	<u>\$ (9,702,283)</u>

Walled Lake Consolidated School District

Supplementary Information Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued) Other Special Revenue Funds - Community Education, Enrichment/Prime Time Care, Preschool, and Student Activities

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 4,970,970	\$ 5,458,890	\$ 6,254,711	\$ 795,821
State sources	-	20,850	20,850	-
Total revenue	4,970,970	5,479,740	6,275,561	795,821
Expenditures				
Enrichment/Prime Time Care Fund	1,370,315	1,439,456	1,536,894	97,438
Preschool Fund	1,062,633	1,322,648	1,255,273	(67,375)
Community Education Fund	592,312	765,188	689,531	(75,657)
Student Activities Fund	2,478,848	2,687,750	2,652,168	(35,582)
Total expenditures	5,504,108	6,215,042	6,133,866	(81,176)
Net Change in Fund Balances - Excess of revenue (under) over expenditures	(533,138)	(735,302)	141,695	876,997
Fund Balances - Beginning of year	5,564,984	5,564,984	5,564,984	-
Fund Balances - End of year	<u>\$ 5,031,846</u>	<u>\$ 4,829,682</u>	<u>\$ 5,706,679</u>	<u>\$ 876,997</u>

Walled Lake Consolidated School District

Supplementary Information Schedule of Bonded Indebtedness

June 30, 2025

Years Ending June 30	2019 Debt Retirement Fund Principal	2020 Debt Retirement Fund Principal	2021 Debt Retirement Fund Principal	2022 Debt Retirement Fund Principal	2024 Debt Retirement Fund Principal	2025 Debt Retirement Fund Principal	Total
2026	\$ 860,000	\$ 2,150,000	\$ 2,825,000	\$ 500,000	\$ 5,700,000	\$ 6,300,000	\$ 18,335,000
2027	945,000	2,735,000	2,845,000	500,000	750,000	1,000,000	8,775,000
2028	995,000	3,385,000	2,870,000	1,000,000	750,000	1,000,000	10,000,000
2029	1,055,000	4,085,000	2,905,000	1,000,000	-	-	9,045,000
2030	1,265,000	4,545,000	2,940,000	1,000,000	-	-	9,750,000
2031	1,640,000	4,755,000	2,985,000	1,000,000	-	-	10,380,000
2032	1,745,000	5,055,000	3,010,000	1,000,000	-	-	10,810,000
2033	1,845,000	5,755,000	3,065,000	1,000,000	-	250,000	11,915,000
2034	1,945,000	6,070,000	3,115,000	1,075,000	300,000	350,000	12,855,000
2035	2,055,000	6,350,000	3,160,000	1,450,000	400,000	500,000	13,915,000
2036	2,135,000	6,350,000	3,210,000	1,875,000	500,000	750,000	14,820,000
2037	2,250,000	6,350,000	3,280,000	2,275,000	590,000	1,250,000	15,995,000
2038	2,310,000	6,355,000	3,350,000	2,475,000	895,000	1,275,000	16,660,000
2039	2,345,000	6,355,000	3,415,000	2,625,000	1,160,000	1,475,000	17,375,000
2040	2,440,000	6,355,000	3,500,000	3,070,000	1,310,000	1,460,000	18,135,000
2041	2,535,000	6,355,000	3,555,000	3,155,000	1,425,000	1,540,000	18,565,000
2042	2,640,000	6,355,000	3,635,000	3,155,000	1,500,000	1,615,000	18,900,000
2043	2,770,000	6,355,000	3,700,000	3,155,000	1,575,000	1,695,000	19,250,000
2044	2,905,000	6,355,000	-	3,155,000	1,700,000	1,780,000	15,895,000
2045	3,055,000	6,355,000	-	3,155,000	1,825,000	1,865,000	16,255,000
2046	3,205,000	6,355,000	-	3,155,000	1,950,000	1,960,000	16,625,000
2047	3,365,000	6,355,000	-	3,155,000	2,075,000	2,055,000	17,005,000
2048	3,530,000	6,355,000	-	3,155,000	2,200,000	2,160,000	17,400,000
2049	3,710,000	6,355,000	-	3,155,000	2,310,000	2,270,000	17,800,000
2050	-	6,355,000	-	-	2,430,000	2,380,000	11,165,000
2051	-	-	-	-	2,550,000	2,490,000	5,040,000
2052	-	-	-	-	2,675,000	2,600,000	5,275,000
2053	-	-	-	-	2,810,000	2,720,000	5,530,000
2054	-	-	-	-	2,940,000	2,845,000	5,785,000
2055	-	-	-	-	-	2,980,000	2,980,000
Total remaining payments	\$ 53,545,000	\$ 140,200,000	\$ 57,365,000	\$ 50,240,000	\$ 42,320,000	\$ 48,565,000	\$ 392,235,000
Principal payments due	May 1	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	November 1 and May 1	
Interest rate	4.0% to 5.0%	4.0% to 5.0%	0.86% to 2.68%	4.0% to 5.0%	5.0%	5.0%	
Original issue	\$ 54,420,000	\$ 143,665,000	\$ 66,740,000	\$ 55,490,000	\$ 47,320,000	\$ 48,565,000	\$ 416,200,000

Statistical Section

Statistical Section

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

The statistical section is organized into the following main categories:

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.

Revenue capacity

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

Debt capacity

These schedules present information to help the reader assess the affordability of the School District's current level of outstanding debt and the School District's ability to issue additional debt in the future.

Demographic and economic information

These schedules help the reader understand the environment within which the School District's financial activities take place.

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.

Walled Lake Consolidated School District

	As of June 30,			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities:				
Net investment in capital assets	\$ 119,986,715	\$ 126,880,952	\$ 124,505,071	\$ 125,923,734
Restricted	3,639,543	2,802,753	4,499,305	7,554,994
Unrestricted (deficit)	<u>(225,633,550)</u>	<u>(223,021,213)</u>	<u>(308,485,268)</u>	<u>(313,327,778)</u>
Total net position	\$ (102,007,292)	\$ (93,337,508)	\$ (179,480,892)	\$ (179,849,050)

Source: Walled Lake Consolidated School District audited financial reports

Net Position (Deficit) by Component

Last Ten Fiscal Years

June 30, 2025

As of June 30,					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 129,354,076	\$ 136,170,656	\$ 131,399,482	\$ 123,919,371	\$ 123,595,031	\$ 114,319,879
10,571,891	5,772,792	6,870,460	11,731,360	26,810,171	69,365,677
(326,598,324)	(324,248,984)	(297,131,145)	(279,812,104)	(244,141,492)	(223,279,830)
\$ (186,672,357)	\$ (182,305,536)	\$ (158,861,203)	\$ (144,161,373)	\$ (93,736,290)	\$ (39,594,274)

Walled Lake Consolidated School District

	For the year ended June 30,			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses				
Governmental activities:				
Instruction	\$ 107,603,402	\$ 115,616,026	\$ 111,754,110	\$ 115,997,038
Support services	51,722,421	45,884,136	54,414,049	56,965,193
Athletics	1,963,754	2,024,932	2,100,821	2,047,822
Food services	4,439,903	4,551,780	4,521,253	4,473,383
Community services	2,276,017	2,465,524	2,561,153	2,615,726
Interest on long-term debt	7,182,909	6,422,279	5,213,206	5,084,077
Other	159,092	-	-	446,821
Depreciation and amortization (unallocated)	423,764	507,285	596,453	585,851
Total governmental activities	175,771,262	177,471,962	181,161,045	188,215,911
Program revenue				
Charges for services:				
Instruction	1,146,573	1,157,423	1,020,587	1,011,324
Support services	-	-	-	-
Athletics	1,094,055	1,059,620	1,059,498	1,044,428
Food services	2,802,258	2,795,956	2,723,955	2,585,513
Community services	3,376,808	3,454,063	3,361,419	3,236,123
Operating grants and contributions	29,713,750	37,016,056	41,898,681	41,178,273
Total program revenue	38,133,444	45,483,118	50,064,140	49,055,661
Net expense	(137,637,818)	(131,988,844)	(131,096,905)	(139,160,250)
General Revenue				
Property taxes	52,398,995	52,396,812	54,437,299	56,141,428
State aid not restricted to specific purposes	87,522,822	86,388,154	83,541,005	82,177,544
Federal sources - unrestricted	-	-	19,422	29,879
Investment earnings	1,316,493	1,011,197	168,547	440,736
Penalties, interest, and other taxes	-	-	-	-
Gain (loss) on capital assets	-	-	(6,014,342)	-
Other	2,569,308	862,465	505,457	2,505
Total general revenue	143,807,618	140,658,628	132,657,388	138,792,092
Change in Net Position	\$ 6,169,800	\$ 8,669,784	\$ 1,560,483	\$ (368,158)

Source: Walled Lake Consolidated School District audited financial reports

Changes in Governmental Net Position

Last Ten Fiscal Years

June 30, 2025

For the year ended June 30,

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 122,509,659	\$ 114,391,962	\$ 95,410,453	\$ 109,839,371	\$ 106,828,040	\$ 99,423,852
58,975,557	61,071,584	61,192,140	68,110,593	65,991,570	65,601,713
2,009,184	1,985,446	1,921,451	2,031,409	2,183,273	2,091,730
4,425,736	3,101,233	4,817,717	4,341,858	5,529,957	5,429,448
2,519,617	1,016,122	1,679,971	2,042,558	2,373,884	1,994,820
5,983,602	8,199,512	10,644,974	11,864,243	11,758,770	13,710,392
35,424	1,213,725	379,715	25,108	293,416	848,771
603,097	595,502	638,617	716,715	775,608	897,062
<u>197,061,876</u>	<u>191,575,086</u>	<u>176,685,038</u>	<u>198,971,855</u>	<u>195,734,518</u>	<u>189,997,788</u>
721,168	183,528	720,632	1,298,596	1,497,645	1,536,699
-	-	-	9,250	5,753	12,313
795,150	413,779	888,775	927,194	743,520	745,824
1,917,926	102,395	721,682	2,584,973	1,311,095	1,247,761
2,277,872	412,326	2,053,901	2,780,347	3,222,643	3,266,207
<u>47,089,034</u>	<u>56,976,566</u>	<u>68,265,931</u>	<u>64,568,348</u>	<u>83,613,077</u>	<u>85,438,320</u>
<u>52,801,150</u>	<u>58,088,594</u>	<u>72,650,921</u>	<u>72,168,708</u>	<u>90,393,733</u>	<u>92,247,124</u>
(144,260,726)	(133,486,492)	(104,034,117)	(126,803,147)	(105,340,785)	(97,750,664)
57,250,135	58,990,182	56,323,963	58,590,368	62,832,636	68,923,942
76,224,012	77,324,238	73,099,058	80,419,486	84,479,827	79,429,216
50,121	46,256	53,590	1,912,464	78,446	113,617
1,756,423	379,896	(3,095,021)	3,084,817	7,705,527	7,860,387
-	-	-	-	52,914	43,790
-	-	-	(3,096,514)	57,247	(5,277,254)
<u>164,461</u>	<u>1,112,741</u>	<u>1,096,860</u>	<u>592,356</u>	<u>559,271</u>	<u>798,982</u>
<u>135,445,152</u>	<u>137,853,313</u>	<u>127,478,450</u>	<u>141,502,977</u>	<u>155,765,868</u>	<u>151,892,680</u>
\$ (8,815,574)	\$ 4,366,821	\$ 23,444,333	\$ 14,699,830	\$ 50,425,083	\$ 54,142,016

Walled Lake Consolidated School District

	As of June 30,			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:				
Nonspendable:				
Inventories	\$ 33,071	\$ 20,294	\$ 17,401	\$ 21,088
Prepaid items	260,946	800,278	989,524	1,040,709
Restricted	-	-	-	118,689
Assigned	-	-	578,887	-
Unassigned	9,448,029	10,785,962	10,389,999	10,028,378
Total general fund	<u>9,742,046</u>	<u>11,606,534</u>	<u>11,975,811</u>	<u>11,208,864</u>
All other governmental funds:				
Nonspendable - Inventories	\$ 57,225	\$ 56,438	\$ 62,979	\$ 62,979
Restricted:				
Debt service	2,194,367	1,951,221	2,951,008	7,650,031
Capital projects	21,008,858	9,203,678	7,114,226	68,604,924
Special revenue funds - Food service	540,502	677,918	763,525	615,534
Committed:				
Community Education	160,128	187,557	227,187	235,590
Enrichment/Prime Time Care	682,285	775,107	588,556	268,884
Preschool	256,665	255,513	272,006	307,406
Student Activities	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total of all other governmental funds	<u>\$ 24,900,030</u>	<u>\$ 13,107,432</u>	<u>\$ 11,979,487</u>	<u>\$ 77,745,348</u>

Source: Walled Lake Consolidated School District audited financial reports

Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2025

As of June 30,					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 17,367	\$ 8,011	\$ 13,400	\$ 26,747	\$ 16,827	\$ 24,301
960,405	572,855	1,279,080	1,596,444	1,469,666	906,669
-	-	-	-	-	-
3,235,251	5,024,989	7,087,535	78,300	8,193,598	14,435,451
7,153,118	15,662,356	9,544,275	20,450,058	21,585,494	22,140,168
<u>11,366,141</u>	<u>21,268,211</u>	<u>17,924,290</u>	<u>22,151,549</u>	<u>31,265,585</u>	<u>37,506,589</u>
\$ 62,979	\$ 62,979	\$ 103,784	\$ 89,972	\$ 89,972	\$ 89,972
9,500,888	5,173,113	4,401,945	8,028,874	15,234,883	17,470,986
54,719,812	199,017,879	193,131,860	133,368,976	131,158,082	139,152,055
91,922	389,909	1,235,099	1,771,307	2,471,721	3,206,128
56,293	94,083	219,534	509,444	745,536	959,655
101,135	133,978	1,692,509	2,375,260	2,182,202	2,329,947
196,755	109,589	575,969	796,348	530,727	390,689
1,909,661	1,930,235	1,934,440	2,158,279	2,106,519	2,026,388
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 66,639,445</u>	<u>\$ 206,911,765</u>	<u>\$ 203,295,140</u>	<u>\$ 149,098,460</u>	<u>\$ 154,519,642</u>	<u>\$ 165,625,820</u>

Walled Lake Consolidated School District

	For the year ended June 30,			
	2016	2017	2018	2019
Revenue				
Local revenue	\$ 61,937,817	\$ 62,206,709	\$ 63,442,184	\$ 64,833,426
State revenue	107,142,867	107,585,736	107,249,199	106,028,102
Federal revenue	6,871,553	7,134,815	7,611,617	7,345,974
Interdistrict revenue	9,560,384	9,509,147	10,149,170	10,568,423
Total revenue	185,512,621	186,436,407	188,452,170	188,775,925
Expenditures				
Current:				
Instruction	105,031,324	103,169,910	104,736,172	104,658,684
Support services	49,858,318	49,129,485	50,748,922	51,715,995
Athletics	1,991,553	2,018,161	2,111,724	2,022,668
Food services	4,512,121	4,528,504	4,546,085	4,413,748
Community services	2,329,028	2,473,098	2,549,196	2,569,801
Debt service:				
Principal	13,145,000	13,660,000	13,840,000	11,915,000
Interest and other	7,116,994	6,513,187	5,975,974	5,826,230
Capital Outlay	23,984,524	14,911,867	4,828,745	6,204,825
Total expenditures	207,968,862	196,404,212	189,336,818	189,326,951
Excess of Revenue Over (Under)				
Expenditures	(22,456,241)	(9,967,805)	(884,648)	(551,026)
Other Financing Sources (Uses)				
Debt issuance	-	-	-	54,676,807
Debt premium or discount	1,031,829	-	-	10,635,608
Leases entered into	-	-	-	-
Sale of capital assets	2,017,530	39,695	125,980	237,525
Transfers in	412,409	300,000	400,000	828,197
Transfers out	(412,409)	(300,000)	(400,000)	(828,197)
Proceeds of refunding bond	8,675,000	-	-	-
Payment to refunded bond escrow agent	(9,674,743)	-	-	-
Total other financing sources (uses)	2,049,616	39,695	125,980	65,549,940
Net change in fund balances	(20,406,625)	(9,928,110)	(758,668)	64,998,914
Fund Balances - Beginning of year	55,048,701	34,642,076	24,713,966	23,955,298
Fund Balances - End of year	\$ 34,642,076	\$ 24,713,966	\$ 23,955,298	\$ 88,954,212
Debt service as a percentage of noncapital expenditures	10.95%	11.05%	10.68%	9.56%

Source: Walled Lake Consolidated School District audited financial reports

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2025

For the year ended June 30,					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 66,987,693	\$ 62,507,126	\$ 60,640,567	\$ 72,609,428	\$ 80,260,222	\$ 86,839,271
102,333,420	106,211,693	103,093,264	121,870,335	130,598,669	130,725,457
7,501,776	16,186,145	23,713,493	18,477,497	13,603,133	9,821,856
<u>11,450,932</u>	<u>12,384,019</u>	<u>12,825,831</u>	<u>14,365,500</u>	<u>15,596,386</u>	<u>16,598,569</u>
188,273,821	197,288,983	200,273,155	227,322,760	240,058,410	243,985,153
104,029,315	102,579,970	107,712,662	116,512,973	114,752,832	115,251,068
51,361,609	51,883,976	58,173,245	64,563,898	67,705,315	70,700,017
1,902,854	1,935,154	2,119,453	2,176,995	2,362,179	2,361,339
4,159,587	3,019,352	5,287,816	4,703,744	6,016,051	6,185,531
2,325,920	971,202	1,985,324	2,296,060	2,706,199	2,480,167
12,498,240	13,094,447	13,070,772	8,475,902	7,417,846	11,974,706
7,073,148	14,658,629	12,173,338	13,885,952	13,753,592	15,707,535
<u>17,954,041</u>	<u>46,634,171</u>	<u>72,308,279</u>	<u>65,398,342</u>	<u>61,315,747</u>	<u>53,870,937</u>
201,304,714	234,776,901	272,830,889	278,013,866	276,029,761	278,531,300
(13,030,893)	(37,487,918)	(72,557,734)	(50,691,106)	(35,971,351)	(34,546,147)
-	143,942,481	55,490,000	-	47,580,000	48,565,000
-	43,297,433	9,072,756	-	2,788,826	1,546,832
-	-	933,659	721,685	34,198	1,780,397
90,000	33,950	100,773	-	103,545	1,100
193,280	1,212,447	1,626,586	925,851	1,577,114	415,991
(193,280)	(1,212,447)	(1,626,586)	(925,851)	(1,577,114)	(415,991)
-	66,740,000	-	-	-	-
-	(66,351,556)	-	-	-	-
<u>90,000</u>	<u>187,662,308</u>	<u>65,597,188</u>	<u>721,685</u>	<u>50,506,569</u>	<u>51,893,329</u>
(12,940,893)	150,174,390	(6,960,546)	(49,969,421)	14,535,218	17,347,182
<u>90,946,479</u>	<u>78,005,586</u>	<u>228,179,976</u>	<u>221,219,430</u>	<u>171,250,009</u>	<u>185,785,227</u>
<u>\$ 78,005,586</u>	<u>\$ 228,179,976</u>	<u>\$ 221,219,430</u>	<u>\$ 171,250,009</u>	<u>\$ 185,785,227</u>	<u>\$ 203,132,409</u>
10.63%	14.46%	12.20%	10.29%	9.85%	12.32%

Taxable Value and Estimated Actual Value of Taxable Property
June 30, 2025

Taxable Value by Property Type											
Real Property											
Tax Year	Fiscal year	Residential	Commercial	Industrial	Agricultural & other	Personal property	Total Value	Tax rate (mills) Homestead	Tax rate (mills) Nonhomestead	Estimated Actual Value	Taxable Value as a % of Actual
2015	2016	3,099,243,530	800,578,120	105,386,790	516,780	301,417,450	4,307,142,670	7.2841	23.1180	10,020,972,540	42.98%
2016	2017	3,187,085,000	816,328,300	107,643,910	548,320	265,916,310	4,377,521,840	7.0150	22.9279	10,736,356,020	40.77%
2017	2018	3,313,730,180	852,564,870	115,433,980	553,240	273,276,400	4,555,558,670	6.9458	22.7592	11,478,228,040	39.69%
2018	2019	3,477,506,310	903,819,840	122,677,010	564,840	257,550,930	4,762,118,930	6.7968	22.5643	11,998,951,240	39.69%
2019	2020	3,684,238,160	956,730,870	136,482,870	578,390	275,468,800	5,053,499,090	6.2300	21.9531	12,872,341,780	39.26%
2020	2021	3,887,419,600	991,760,990	140,478,050	589,370	297,527,410	5,317,775,420	6.1582	21.7335	13,635,814,260	39.00%
2021	2022	4,033,102,740	1,037,535,670	146,012,650	597,610	299,030,580	5,516,279,250	6.0742	21.5648	14,205,986,200	38.83%
2022	2023	4,283,545,440	1,097,670,340	179,755,930	617,320	308,836,620	5,870,425,650	4.5969	21.3430	15,026,465,500	39.07%
2023	2024	4,617,288,520	1,150,942,564	221,053,563	669,040	293,219,050	6,283,172,737	4.6300	21.3761	16,316,674,600	38.51%
2024	2025	4,976,100,437	1,221,527,081	251,593,652	1,163,280	312,263,448	6,762,647,898	4.8567	22.2395	17,764,423,216	38.07%

Note: Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year

Source: Oakland County, Michigan 2024 Baseline Report

Millage rates - direct school district taxes											Overlapping taxes												
Operating							Total school district direct taxes																
Homestead																							
	Commercial	Industrial					Commercial	Industrial				Community	Intermediate	State	City of Walled	City of	City of		Village of	Township of		Township of	
Tax Year	Personal	Personal	Other	Non-Homestead	Debt*	Sinking Fund*	Personal	Personal	Other	Non-Homestead	County	college	school district	Education	Lake	Hills	City of Novi	Village	City of Wixom	Lake	Commerce	Bloomfield	White Lake
2015	8.0869	2.1265	2.1265	17.9604	4.6591	0.4985	13.2445	7.2841	7.2841	23.1180	4.8450	1.5819	3.3633	6.0000	21.5024	15.9764	10.2000	7.8600	15.3629	9.5730	3.0871	12.2112	9.8133
2016	7.8965	1.9918	1.9918	17.9047	4.5279	0.4953	12.9197	7.0150	7.0150	22.9279	4.7909	1.5707	3.3398	6.0000	21.2227	15.9054	9.9500	7.8332	15.3189	9.5730	3.0873	12.1665	9.7216
2017	7.6700	1.9283	1.9283	17.7417	4.5279	0.4896	12.6875	6.9458	6.9458	22.7592	4.7849	1.5550	3.3079	6.0000	20.8277	16.2213	10.5376	7.8270	15.2429	9.5730	3.0752	12.0487	9.5209
2018	7.3325	1.7825	1.7825	17.5500	4.5279	0.4864	12.3468	6.7968	6.7968	22.5643	4.7805	1.5431	3.2813	6.0000	20.5152	16.1311	10.5376	8.3229	15.1029	9.5730	3.0711	11.9618	10.1043
2019	6.9627	1.6198	1.6198	17.3429	4.1300	0.4802	11.5729	6.2300	6.2300	21.9531	4.7748	1.5303	3.2539	6.0000	20.1806	18.7298	10.5376	8.3212	14.2784	9.5730	3.0634	11.8579	10.1129
2020	6.6803	1.5525	1.5525	17.1278	4.1300	0.4757	11.2860	6.1582	6.1582	21.7335	4.8682	1.5184	3.2280	6.0000	19.9902	18.5326	10.5376	8.3189	13.0201	9.5730	3.0529	11.7840	9.9790
2021	6.4360	1.4727	1.4727	16.9633	4.1300	0.4715	11.0375	6.0742	6.0742	21.5648	4.8544	1.5057	3.2012	6.0000	19.6201	18.3628	10.5376	8.3590	13.0201	9.5730	3.0412	11.7285	9.8310
2022	4.7461	-	-	16.7461	4.1300	0.4669	9.3430	4.5969	4.5969	21.3430	3.9686	1.4891	3.1658	6.0000	19.3412	18.0435	10.5376	8.3540	12.9487	9.5730	3.0363	11.6475	10.2322
2023	4.7461	-	-	16.7461	4.1300	0.5000	9.3761	4.6300	4.6300	21.3761	3.9686	1.4891	3.1658	6.0000	19.3412	17.9937	10.5376	8.3600	12.9487	12.6093	3.0363	11.6475	10.1971
2024	6.3086	0.3086	0.3086	17.6914	4.0500	0.4981	10.8567	4.8567	4.8567	22.2395	3.9539	1.4836	3.1541	6.0000	19.5606	17.8928	10.5376	8.3463	12.9526	12.6057	3.0327	12.0912	10.1681

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

Source: Walled Lake Consolidated School District 2024 Form L-4029 and 2024 Oakland County Apportionment report

Walled Lake Consolidated School District

Principal Property Taxpayers

Current and Nine Years Ago

June 30, 2025

	Taxpayer	2024 Taxable Value	% of total	Taxpayer	2015 Taxable Value	% of total	2015 Rank
1	Redwood-ERC Novi. LLC	\$ 71,317,760	1.05%	DTE Electric Company	\$ 39,306,300	0.91%	1
2	Detroit Edison	48,657,822	0.72%	Occidental Development LTD	36,859,000	0.86%	2
3	VHS Huron Valley - Sinai Hospital	33,596,330	0.50%	Fox Run Village	34,884,280	0.81%	3
4	TEG Silverbrooke Villa	30,892,059	0.46%	Northern Equities, Etal	30,710,390	0.71%	4
5	Allerion Associates	28,778,781	0.43%	VHS Huron Valley - Sinai Hospital	29,574,550	0.69%	5
6	MM Commerce Martin Apartments	27,689,940	0.41%	Allerion Associates	23,226,940	0.54%	6
7	Consumers Energy	26,606,950	0.39%	Singh Apartments	23,148,720	0.54%	7
8	Oakland Management Company	19,711,080	0.29%	Eberspaecher-North American Inc	17,566,350	0.41%	8
9	Occidental Development LTD	18,350,280	0.27%	Silverbrooke Villa	17,556,890	0.41%	9
10	Arbors of Aldingbrooke LLC	<u>15,226,130</u>	<u>0.23%</u>	ITC Transmission	<u>17,114,290</u>	<u>0.40%</u>	10
	Total	<u>\$ 320,827,132</u>	4.74%		<u>\$ 269,947,710</u>	6.28%	
	Total School District Taxable Value	<u>\$ 6,762,647,898</u>			<u>\$ 4,301,133,490</u>		

Source: 2025 Bond Official Statement, Page B-6 and Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2016

Walled Lake Consolidated School District

Property Tax Levies and Collections

Last Ten Fiscal Years

June 30, 2025

Tax Year	Year ended June 30,	Total levy	Current collections (1)	Percent collected	Delinquent collections (2)	Total tax collections	Percent of levy collected
2015	2016	53,077,410	52,535,714	98.98%	10,127	52,545,841	99.00%
2016	2017	53,428,462	52,529,848	98.32%	9,185	52,539,033	98.34%
2017	2018	54,741,738	54,326,851	99.24%	50,116	54,376,967	99.33%
2018	2019	56,075,506	55,957,665	99.79%	25,346	55,983,011	99.84%
2019	2020	57,322,477	56,427,285	98.44%	103,561	56,530,846	98.62%
2020	2021	58,972,202	58,694,655	99.53%	26,710	58,721,365	99.57%
2021	2022	60,298,203	60,019,173	99.54%	23,038	60,042,211	99.58%
2022	2023	57,588,641	57,291,946	99.48%	35,589	57,327,535	99.55%
2023	2024	60,842,731	60,792,679	99.92%	32,773	60,825,452	99.97%
2024	2025	68,653,554	68,529,142	99.82%	-	68,529,142	99.82%

(1) Represents collections through the final distribution of taxes, including delinquent real taxes purchased by the county

(2) Represents all collections after the final distribution date, through the current date

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

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

June 30, 2025

Fiscal Year	General obligation bonds	Less: pledged debt service funds	Net general bonded debt	Installment purchase agreements	Leases Payable	Net general debt	Taxable value	Net general bonded debt as a percentage of taxable value	Population	Net general debt per capita	Net total debt per capita	Ratio of total outstanding debt to personal income
2016	139,470,000	2,194,367	137,275,633	-	-	137,275,633	4,307,142,670	3.19%	99,771	1,376	1,376	3.8%
2017	125,810,000	1,951,221	123,858,779	-	-	123,858,779	4,374,861,000	2.83%	101,707	1,218	1,218	3.2%
2018	111,970,000	2,951,008	109,018,992	-	-	109,018,992	4,552,897,830	2.39%	101,872	1,070	1,070	2.7%
2019	154,475,000	7,650,031	146,824,969	256,807	-	147,081,776	4,777,592,560	3.07%	103,192	1,423	1,425	3.6%
2020	142,025,000	9,500,888	132,524,112	208,567	-	132,732,679	5,053,499,090	2.62%	104,166	1,272	1,274	4.3%
2021	277,730,000	5,173,114	272,556,886	436,601	-	272,993,487	5,317,775,420	5.13%	104,682	2,604	2,608	6.1%
2022	321,185,000	4,401,946	316,783,054	332,556	1,921,649	319,037,259	5,516,279,250	5.74%	106,220	2,982	3,004	7.0%
2023	313,745,000	8,028,874	305,716,126	225,374	1,714,617	307,656,117	5,870,425,650	5.21%	110,040	2,778	2,796	6.2%
2024	354,675,000	15,234,883	339,440,117	375,037	831,307	340,646,461	6,283,172,737	5.40%	109,991	3,086	3,097	6.1%
2025	392,235,000	17,470,988	374,764,012	271,907	1,743,577	376,779,496	6,762,647,898	5.54%	111,069	3,374	3,392	6.7%

Walled Lake Consolidated School District**Direct and Overlapping Governmental Activities Debt****June 30, 2025**

Governmental unit	Debt outstanding	Estimated percent applicable	Estimated share of overlapping debt
City of Walled Lake	\$ -	0.00%	\$ -
City of Farmington Hills	84,453,715	4.41%	3,724,409
City of Novi	3,750,000	17.73%	664,875
City of Orchard Lake	4,641,000	10.98%	509,582
City of Wixom	21,735,000	93.99%	20,428,727
Total	114,579,715		25,327,593
Township of Commerce	69,063,000	84.46%	58,330,610
Township of West Bloomfield	75,347,022	30.96%	23,327,438
Township of White Lake	49,609,600	25.62%	12,709,980
Total	194,019,622		94,368,028
Village of Wolverine Lake	820,000	100.00%	820,000
Oakland County	123,999,234	8.46%	10,490,335
Oakland County Intermediate Schools	36,680,000	8.50%	3,117,800
Oakland Community College	-		-
Total	160,679,234		13,608,135
Total overlapping debt	470,098,571		134,123,756
Direct district debt			392,235,000
Total direct and overlapping debt			\$ 526,358,756

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

Source: Municipal Advisory Council of Michigan, provided by PFM

Walled Lake Consolidated School District

Legal Debt Margin										
June 30, 2025										
	As of June 30,				As of June 30,					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Calculation of debt limit										
State equalized valuation (SEV)	\$ 5,010,486,270	\$ 5,368,178,010	\$ 5,739,114,020	\$ 5,999,475,620	\$ 6,436,170,890	\$ 6,817,907,130	\$ 7,102,993,100	\$ 7,513,232,750	\$ 8,158,337,300	\$ 8,882,211,608
15% of SEV*	751,572,941	805,226,702	860,867,103	899,921,343	965,425,634	1,022,686,070	1,065,448,965	1,126,984,913	1,223,750,595	1,332,331,741
Calculation of debt subject to limit										
Total debt	139,470,000	125,810,000	111,970,000	154,475,000	142,025,000	277,730,000	321,185,000	313,745,000	354,675,000	392,235,000
Less debt not subject to limit:										
State qualified debt issuance	(139,470,000)	(125,810,000)	(111,970,000)	(154,475,000)	(142,025,000)	(277,730,000)	(321,185,000)	(313,745,000)	(354,675,000)	(392,235,000)
Net debt subject to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	751,572,941	805,226,702	860,867,103	899,921,343	965,425,634	1,022,686,070	1,065,448,965	1,126,984,913	1,223,750,595	1,332,331,741
Net debt subject to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Oakland County Baseline Report and Walled Lake Consolidated School District's books and records

Walled Lake Consolidated School District

Demographic and Economic Statistics

June 30, 2025

Fiscal year	Population	Total Personal Income (in Thousands)	Per Capita Personal Income	Unemployment rate
2016	99,771	3,700,407	37,089	5.10%
2017	101,707	3,979,490	39,127	3.80%
2018	101,872	4,088,123	40,130	4.80%
2019	103,192	4,279,682	41,473	4.10%
2020	104,166	3,304,146	31,720	14.70%
2021	104,682	4,539,221	43,362	9.50%
2022	106,220	4,594,334	43,253	4.70%
2023	110,040	5,094,082	46,293	3.10%
2024	109,991	5,846,792	53,157	4.30%
2025	111,069	5,852,781	52,695	3.70%

Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics

SOURCES:

Population: US Census Bureau, ACS 5-year Estimates Data Profiles

Per Capita Personal Income: US Census Bureau Report QuickFacts Oakland County

Unemployment Rate: US Bureau of Labor Statistics (Use Oakland County Rate)

Walled Lake Consolidated School District

Principal Employers

June 30, 2025

Employer	2025		Employer	2016		2016 rank
	Employees	% of total		Employees	% of total	
1 Walled Lake Consolidated Schools	1,398	2.38%	Walled Lake Consolidated Schools	1,384	2.60%	1
2 Huron Valley-Sinai Hospital	936	1.60%	Huron Valley-Sinai Hospital	1,250	2.35%	2
3 Mac Air Valves, Inc.	800	1.36%	Mac Air Valves, Inc.	800	1.51%	3
4 Williams International	720	1.23%	Moeller Mfg. Co. Inc.	500	0.94%	4
5 Moeller Mfg. Co. Inc.	500	0.85%	Williams International	350	0.66%	5
6 WalMart	335	0.57%	Homedics, Inc.	249	0.47%	6
7 Trijicon, Inc.	300	0.51%	Alta Lift Truck Services, Inc.	200	0.38%	7
8 Homedics, Inc.	250	0.43%	Trijicon, Inc.	200	0.38%	8
9 Costco	222	0.38%	American Plastic Toys, Inc.	150	0.28%	9
10 Eagles Industries, Inc.	210	0.36%	U.S. Foodservice, Inc.	130	0.24%	10
Total principal employers	<u>5,671</u>			<u>5,213</u>		
Total employment	<u>58,669</u>			<u>53,133</u>		

2025 Source: 2025 Bond Official Statement, Page B-11

2016 Source: Walled Lake Consolidated Schools Annual Comprehensive Financial Report for the Year Ended June 30, 2016

Walled Lake Consolidated School District

Full-Time Equivalent School District Employees

Last Ten Fiscal Years

June 30, 2025

Function/ program:	As of June 30,									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General government										
Instruction	1,128.85	1,154.81	1,071.39	1,135.59	1,119.36	1,060.04	1,061.71	1,192.72	1,150.17	1,163.49
Support services	58.08	59.08	55.96	58.96	58.36	58.94	61.47	66.94	73.68	75.58
Community service	70.15	77.85	52.80	62.80	61.74	63.22	88.24	80.37	107.10	86.81
Athletics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Cafeteria	<u>74.37</u>	<u>81.86</u>	<u>67.54</u>	<u>72.54</u>	<u>69.87</u>	<u>48.78</u>	<u>51.65</u>	<u>59.89</u>	<u>62.43</u>	<u>63.83</u>
Total	<u>1,333.45</u>	<u>1,375.60</u>	<u>1,249.69</u>	<u>1,331.89</u>	<u>1,311.33</u>	<u>1,232.98</u>	<u>1,265.07</u>	<u>1,401.92</u>	<u>1,395.38</u>	<u>1,391.71</u>

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

Walled Lake Consolidated School District

Operating Indicators

Last Ten Fiscal Years

June 30, 2025

Year	Enrollment*	Operating expenditures	Cost per pupil	Operating revenue	Revenue per pupil	Total teaching staff	Percentage of students	Average teacher salary
							qualifying for free/reduced meals**	
2016	14,447	157,267,449	10,886	155,219,073	10,744	831	21.0	75,867
2017	14,252	154,705,332	10,855	156,230,125	10,962	821	21.0	73,904
2018	13,989	157,755,888	11,277	157,599,185	11,266	808	27.6	76,904
2019	13,678	158,639,091	11,598	156,791,332	11,463	788	26.1	74,486
2020	13,427	155,226,769	11,561	155,100,836	11,551	798	25.5	76,719
2021	13,291	156,425,813	11,769	166,714,999	12,543	761	27.9	79,047
2022	12,293	169,421,054	13,782	165,979,052	13,502	770	30.6	76,751
2023	12,210	181,792,515	14,889	184,998,180	15,151	816	30.8	75,971
2024	12,136	182,682,764	15,053	191,042,798	15,742	785	31.0	73,229
2025	11,870	188,724,063	15,899	192,768,835	16,240	775	23.8	73,686

* Student F.T.E.

** Michigan Department of education School Lunch Program

Walled Lake Consolidated School District

Capital Asset Information

Last Ten Fiscal Years

June 30, 2025

Function/ program	As of June 30,				As of June 30,					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instructional buildings:										
Elementary:										
Number of buildings	12	12	12	12	12	12	12	12	12	12
Square footage	674,720	674,720	675,776	675,776	675,776	675,776	675,776	700,750	700,750	700,750
Capacity	6,765	6,765	6,765	6,765	6,765	6,765	6,765	6,765	6,765	6,765
Enrollment	6,138	6,035	5,916	5,897	5,822	5,317	5,497	5,626	5,622	5,534
Middle:										
Number of buildings	4	4	4	4	4	4	4	4	4	4
Square footage	592,725	593,185	593,185	593,185	593,185	593,185	593,185	593,185	593,185	593,185
Capacity	3,416	3,416	3,416	3,416	3,416	3,416	3,416	3,416	3,416	3,416
Enrollment	3,378	3,338	3,271	3,153	3,060	2,873	2,873	2,810	2,806	2,857
High:										
Number of buildings	3	3	3	3	3	3	3	3	3	3
Square footage	1,000,836	1,000,836	1,000,836	1,000,836	1,000,836	1,000,836	1,000,836	1,000,836	1,000,836	1,061,919
Capacity	4,829	4,829	4,829	4,829	4,829	4,829	4,829	4,829	4,829	4,829
Enrollment	4,682	4,596	4,701	4,536	4,324	4,270	4,053	3,947	3,702	3,680
Other:										
Number of buildings	3	3	3	3	3	3	3	4	4	4
Square footage	124,622	124,622	124,622	27,442	27,442	27,442	27,442	65,827	65,827	65,827
Capacity	200	200	200	200	200	200	200	400	400	400
Enrollment	163	286	132	174	267	230	217	237	254	226
Total enrollment	14,361	14,255	14,020	13,760	13,473	12,690	12,640	12,620	12,384	12,297
Administrative:										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Square footage	52,200	52,200	52,200	52,200	52,200	52,200	52,200	52,200	52,200	52,200
Transportation/Maintenance:										
Number of garages	1	1	1	1	1	1	1	1	1	1
Buses	108	108	108	108	107	119	120	120	109	109
Athletics:										
Football fields	7	7	7	7	7	7	7	7	7	7
Soccer fields	7	7	7	7	7	7	7	7	7	7
Running tracks	3	3	3	3	3	3	3	3	3	3
Baseball/softball	12	12	12	12	12	12	12	12	12	12
Swimming pools	3	3	3	3	3	3	3	3	3	3
Playgrounds	13	13	13	13	13	13	13	14	14	14

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

Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government
Auditing Standards*

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Education
Walled Lake Consolidated School District

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walled Lake Consolidated School District (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To Management and the Board of Education
Walled Lake Consolidated School District

Purpose of this Report

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

Plante & Morse, PLLC

October 10, 2025