

WYOMING PUBLIC SCHOOLS

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

YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Wyoming Public Schools

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wyoming Public Schools as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 11 to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wyoming Public Schools basic financial statements. The additional supplementary information, as identified in the table of contents, and schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional supplementary 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. Such additional supplementary 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 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 additional supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2015 on our consideration of Wyoming Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wyoming Public Schools' internal control over financial reporting and compliance.

Manes Costeiran PC

October 26, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Wyoming Public Schools’ (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended on June 30, 2015. Please read it in conjunction with the District’s financial statements which immediately follow this section.

For the year ended June 30, 2015 the District implemented Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These changes are significant at the government-wide level.

These new financial reporting standards require participants in a multi-employer cost sharing plan to:

- Record a proportionate share of the net pension liability on our statement of net position.
- Record a proportionate share of pension expense as defined by GASB on our statement of activities.
- Report additional note disclosures and required supplementary information.
- These changes will not result in any changes at the fund level.

FINANCIAL OVERVIEW

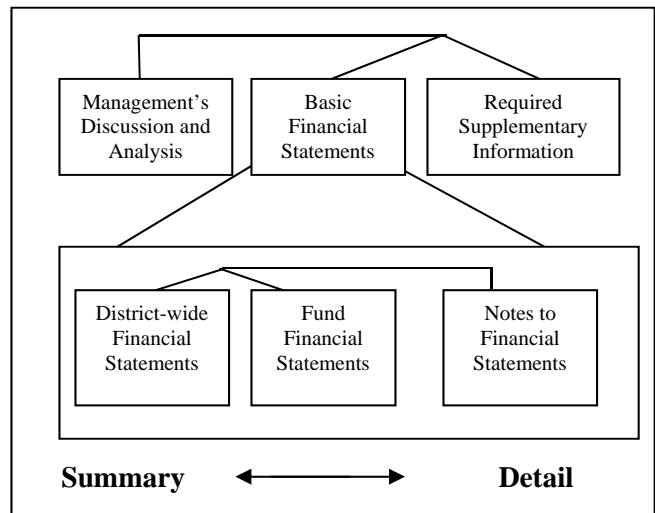
- The District’s general fund financial situation improved from the 2014 fiscal year to 2015.
- For the 2014-15 school year, fund balance in the general fund was increased by \$38,550.
- During the 2014-15 school year compared to 2013-14, general fund revenues increased by \$2,025,891 (4.54 percent), while expenditures increased by \$1,528,390 (3.38 percent).
- Enrollment decreased by 26 students from October of 2013 to October of 2014. This represents a decline of approximately 0.59 percent from the October 2013 figure.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide notes to financial statements.
- The governmental funds statements tell how basic services like instruction and support services were financed in the short-term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

Figure A-1
Organization of Wyoming Public Schools'
Annual Financial Report



The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 Major Features of District-Wide and Fund Financial Statements			
	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term, Wyoming's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statements of net position include all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

District-wide financial statements:

- Governmental activities - Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying debt, and its capital projects fund) or to show that it is properly using certain revenues (like school lunch).

The District has two kinds of funds.

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.
- Fiduciary funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position - The District's combined net position at the beginning of the fiscal year was restated because of GASB Statements 68 and 71 implementation. During the fiscal year ended June 30, 2015, the District's net position increased by \$2,818,156. The following is a summary of the District's combined net position at June 30, 2015.

Table A-3		
Wyoming Public Schools Net Position		
	2015	2014
Assets:		
Current and other assets	\$ 11,646,529	\$ 12,228,120
Capital assets	39,023,255	40,134,796
Total assets	50,669,784	52,362,916
Deferred outflows of resources	6,708,556	829,298
Liabilities:		
Other liabilities	9,629,589	6,119,161
Noncurrent liabilities	31,081,542	39,523,991
Net pension liability	58,432,793	-
Total liabilities	99,143,924	45,643,152
Deferred inflows of resources	6,459,769	-
Net position:		
Net investment in capital assets	5,869,554	2,991,648
Restricted for debt service	96,897	40,120
Restricted for food service	-	223,748
Unrestricted	(54,191,804)	4,293,546
Total net position	\$ (48,225,353)	\$ 7,549,062
The 2014 figures have not been updated for the adoption of GASB 68 and 71.		

Table A-4
Changes in Wyoming Public Schools' Net Position

	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 706,880	\$ 676,310
Federal and state categorical grants	16,257,783	13,711,799
General revenues:		
Property taxes	10,998,028	11,159,191
Investment	8,763	9,346
State aid - unrestricted	25,395,545	26,127,575
Other	1,391,111	953,664
Total revenues	<u>54,758,110</u>	<u>52,637,885</u>
Expenses:		
Instruction	31,040,184	29,510,642
Support services	15,201,411	16,031,499
Community services	148,554	121,659
Outgoing transfers and other transactions	1,731,777	835,225
Food services	2,563,563	2,515,179
Interest on long-term debt	1,254,465	1,793,996
Total expenses	<u>51,939,954</u>	<u>50,808,200</u>
Change in net position	<u>\$ 2,818,156</u>	<u>\$ 1,829,685</u>

The 2014 figures have not been updated for the adoption of GASB 68 and 71.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For the District as a whole its *combined* fund balance, is \$5,846,120 compared to \$6,023,140 in 2014. The fund balance decreased by \$177,020 for the year, primarily due to a decrease of \$263,643 in the capital projects fund; while the fund balances increased by \$38,550 in the general fund, \$24,708 in the special revenue fund, and \$23,365 in the debt service fund.

General Fund and Budget Highlights

During the 2014-15 fiscal year the original district budget was amended once to reflect changes which affected the District. The final budget was amended to show a projected current year fund balance of \$4,466,257 while the actual fund balance for the year was \$4,733,581. The better-than-anticipated final result was due largely to budgeted funds going unspent at the building and departmental levels and the timing expenses incurred.

At June 30, 2015, the District's fund balance in the general fund was \$4,733,581. Remaining fund balance represented 10.13 percent of 2014-15 general fund expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets are as follows:

Table A-5 Wyoming Public Schools' Capital Assets				
	2015		2014	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 708,581	\$ -	\$ 708,581	\$ 708,581
Land improvements	3,758,321	3,173,018	585,303	794,432
Buildings and additions	71,281,729	34,209,336	37,072,393	37,778,686
Furniture and equipment	5,358,824	5,076,897	281,927	354,481
Transportation equipment	1,905,364	1,530,313	375,051	498,616
Total	<u>\$ 83,012,819</u>	<u>\$ 43,989,564</u>	<u>\$ 39,023,255</u>	<u>\$ 40,134,796</u>

LONG-TERM DEBT

At June 30, 2015, the District had approximately \$35 million in long-term obligations which included \$33,495,860 in outstanding bonded debt. The bonded debt obligation was reduced during the year as \$20,298,164 of previously outstanding bonds were redeemed and \$14,025,000 of new bonds were issued. In addition to the bonded debt, the District has obligations for accumulated compensated absences and termination benefits estimated at roughly \$1.5 million at the end of the fiscal year. More detailed information is available in Note 5 to the financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District's facilities are aging. The eight operational school buildings in the District were mostly built in the 50's and 60's. The last meaningful overhaul of the facilities was twenty years ago. Without significant investment in these facilities, the District may begin experiencing costly repairs to roofs and building mechanical systems. Also, aging facilities are less attractive to families searching for a school district when neighboring districts have updated buildings to offer. The District does not have an opportunity for a zero-millage-increase bond extension until 2021. Raising capital for facilities will be difficult.
- District enrollment has declined by over 1,300 students in the past ten years. The downward trend is expected to continue based on regional and statewide demographics. This enrollment decline creates constant budgetary pressure on the District which impacts program offerings and staff morale.
- Current projections for the State School Aid Fund call for slow growth through at least the 2017-18 school year. Slow growth coupled with increasing costs within the Michigan Public School Employees Retirement System will result in annual state aid increases that may not compensate for even modest cost increases.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact the Director of Finance's office at Wyoming Public Schools, 3575 Gladiola Avenue SW, Wyoming, MI 49519.

BASIC FINANCIAL STATEMENTS

**WYOMING PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Governmental activities
ASSETS:	
Cash and cash equivalents	\$ 3,712,239
Receivables:	
Accounts receivable	38,055
Intergovernmental	7,051,897
Inventories	47,276
Prepays	463,333
Land contract receivable	333,729
Capital assets not being depreciated	708,581
Capital assets, net of accumulated depreciation	38,314,674
TOTAL ASSETS	50,669,784
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding	342,159
Related to pensions	6,366,397
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,708,556
LIABILITIES:	
Accounts payable	160,466
Accrued salaries and related items	4,438,573
Intergovernmental	798,925
Accrued interest	246,690
Unearned revenue	68,716
Noncurrent liabilities:	
Due within one year	3,916,219
Due in more than one year	31,081,542
Net pension liability	58,432,793
TOTAL LIABILITIES	99,143,924
DEFERRED INFLOWS OF RESOURCES:	
Related to pensions	6,459,769
NET POSITION:	
Net investment in capital assets	5,869,554
Restricted for debt service	96,897
Unrestricted	(54,191,804)
TOTAL NET POSITION	\$ (48,225,353)

**WYOMING PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Functions/programs	Expenses	Program revenues		Governmental activities
		Charges for services	Operating grants	Net (expense) revenue and changes in net position
Governmental activities:				
Instruction	\$ 31,040,184	\$ 49,640	\$ 11,851,606	\$ (19,138,938)
Support services	15,201,411	295,204	2,146,637	(12,759,570)
Community services	148,554	-	-	(148,554)
Outgoing transfers and other transactions	1,731,777	-	-	(1,731,777)
Food services	2,563,563	362,036	2,259,540	58,013
Interest on long-term debt	1,254,465	-	-	(1,254,465)
Total governmental activities	<u>\$ 51,939,954</u>	<u>\$ 706,880</u>	<u>\$ 16,257,783</u>	<u>(34,975,291)</u>
General revenues:				
Property taxes, levied for general purposes				5,767,664
Property taxes, levied for debt service				5,230,364
Investment earnings				8,763
State sources - unrestricted				25,395,545
Other				<u>1,391,111</u>
Total general revenues				<u>37,793,447</u>
CHANGE IN NET POSITION				<u>2,818,156</u>
NET POSITION , beginning of year, as restated				<u>(51,043,509)</u>
NET POSITION , end of year				<u><u>\$ (48,225,353)</u></u>

**WYOMING PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Total nonmajor funds	Total governmental funds
ASSETS			
ASSETS:			
Cash and cash equivalents	\$ 2,679,893	\$ 1,032,346	\$ 3,712,239
Receivables:			
Accounts receivable	26,117	11,938	38,055
Land contract receivable	-	333,729	333,729
Intergovernmental receivables	7,020,971	30,926	7,051,897
Due from other funds	100,000	840	100,840
Inventories	18,297	28,979	47,276
Prepays	313,333	150,000	463,333
TOTAL ASSETS	\$ 10,158,611	\$ 1,588,758	\$ 11,747,369
DEFERRED INFLOWS OF RESOURCES, LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 133,240	\$ 27,226	\$ 160,466
Accrued salaries and related items	4,432,345	6,228	4,438,573
Intergovernmental payables	798,925	-	798,925
Due to other funds	840	100,000	100,840
Unearned revenue	59,680	9,036	68,716
TOTAL LIABILITIES	5,425,030	142,490	5,567,520
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - land contract	-	333,729	333,729

See notes to financial statements.

	General Fund	Total nonmajor funds	Total governmental funds
FUND BALANCES:			
Nonspendable:			
Inventories	\$ 18,297	\$ 28,979	\$ 47,276
Prepays	313,333	150,000	463,333
Restricted for:			
Debt service	-	343,587	343,587
Food service	-	240,535	240,535
Assigned for:			
Capital projects	-	310,841	310,841
Subsequent years expenditures	-	38,597	38,597
Unassigned	4,401,951	-	4,401,951
TOTAL FUND BALANCES	4,733,581	1,112,539	5,846,120
TOTAL DEFERRED INFLOWS OF RESOURCES, LIABILITIES AND FUND BALANCES	\$ 10,158,611	\$ 1,588,758	\$ 11,747,369
Total governmental fund balances			\$ 5,846,120
Amounts reported for governmental activities in the statement of net position are different because:			
Deferred charge on refunding, net of amortization			342,159
Deferred outflows of resources - related to pensions		\$ 6,366,397	
Deferred inflows of resources - related to pensions		(6,459,769)	
			(93,372)
The land contract receivable generated from the sale of property is recognized as revenue on the Statement of Activities in the year of sale.			333,729
Capital assets used in governmental activities are not financial resources and are not reported in the funds:			
The cost of the capital assets is		\$ 83,012,819	
Accumulated depreciation is		(43,989,564)	
			39,023,255
Long-term liabilities are not due and payable in the current period and are not reported in the funds:			
Bonds payable			(33,495,860)
Compensated absences and termination benefits			(1,501,901)
Accrued interest is not included as a liability in government funds, it is recorded when paid			(246,690)
Net pension liability			(58,432,793)
Net position of governmental activities			\$ (48,225,353)

See notes to financial statements.

WYOMING PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Total nonmajor funds</u>	<u>Total governmental funds</u>
REVENUES:			
Local sources:			
Property taxes	\$ 5,767,664	\$ 5,230,364	\$ 10,998,028
Tuition	53,415	-	53,415
Investment earnings	4,272	4,491	8,763
Food sales, athletics, and community service	51,820	362,036	413,856
Other	970,161	258,690	1,228,851
Total local sources	6,847,332	5,855,581	12,702,913
State sources	31,446,713	83,749	31,530,462
Federal sources	4,682,013	2,175,791	6,857,804
Incoming transfers and other	3,699,773	-	3,699,773
Total revenues	46,675,831	8,115,121	54,790,952
EXPENDITURES:			
Current:			
Instruction	29,866,118	-	29,866,118
Supporting services	14,861,910	-	14,861,910
Food service activities	-	2,473,733	2,473,733
Community service activities	132,726	-	132,726
Outgoing transfers and other transactions	1,732,027	-	1,732,027
Capital outlay	-	527,170	527,170

See notes to financial statements.

	<u>General Fund</u>	<u>Total nonmajor funds</u>	<u>Total governmental funds</u>
EXPENDITURES (Concluded)			
Debt service:			
Principal repayment	\$ 70,000	\$ 3,495,000	\$ 3,565,000
Interest expense	74,500	1,213,377	1,287,877
Bond issuance costs	-	160,873	160,873
Other	-	411	411
Total expenditures	<u>46,737,281</u>	<u>7,870,564</u>	<u>54,607,845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(61,450)</u>	<u>244,557</u>	<u>183,107</u>
OTHER FINANCING SOURCES (USES):			
Refunding bonds issued	-	14,025,000	14,025,000
Premium on issuance of debt	-	1,796,578	1,796,578
Payments to refunded bond escrows	-	(16,181,705)	(16,181,705)
Transfers in	100,000	-	100,000
Transfers out	-	(100,000)	(100,000)
Total other financing sources (uses)	<u>100,000</u>	<u>(460,127)</u>	<u>(360,127)</u>
NET CHANGE IN FUND BALANCES	<u>38,550</u>	<u>(215,570)</u>	<u>(177,020)</u>
FUND BALANCES:			
Beginning of year	<u>4,695,031</u>	<u>1,328,109</u>	<u>6,023,140</u>
End of year	<u><u>\$ 4,733,581</u></u>	<u><u>\$ 1,112,539</u></u>	<u><u>\$ 5,846,120</u></u>

See notes to financial statements.

WYOMING PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net change in fund balances total governmental funds	\$ (177,020)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation.	
Depreciation expense	(1,582,838)
Capital outlay	471,297
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of the year	280,102
Accrued interest payable, end of the year	(246,690)
Collections on the land contract receivable are revenues in the governmental funds, but decrease assets in the Statement of Net Position.	(32,192)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items and are as follows:	
Payments on debt	3,565,000
Refunding bonds issued	(14,025,000)
Premium on debt refunding	(1,796,578)
Payments to refunded bond escrow agent	16,181,705
Amortization of deferred loss on refunding	(11,037)
Amortization of bond premium	80,543
Amortization of bond discount	(5,186)
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences and termination benefits, beginning of the year	1,551,545
Accrued compensated absences and termination benefits, end of the year	(1,501,901)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Pension related items	66,406
Change in net position of governmental activities	<u><u>\$ 2,818,156</u></u>

**WYOMING PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015**

	<u>Agency fund</u>
ASSETS:	
Cash and cash equivalents	\$ 299,943
Accounts receivable	<u>2,560</u>
TOTAL ASSETS	<u><u>\$ 302,503</u></u>
LIABILITIES:	
Accounts payable	\$ 163
Due to student and other groups	<u>302,340</u>
TOTAL LIABILITIES	<u><u>\$ 302,503</u></u>

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

The Wyoming Public Schools Board of Education (the “Board”), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District’s reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

C. Basis of Presentation - Government-wide Financial Statements

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

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

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District’s funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Presentation - Fund Financial Statements (Concluded)

The District reports the following major governmental funds:

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

Other non-major funds

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service activities in the special revenue fund.

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

The *capital projects fund* accounts for the transfers from the general fund and sales of capital assets for the acquisition of fixed assets.

Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

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

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

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Concluded)

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the Foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the Foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 18 mills as well as 6 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as an intergovernmental receivable.

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

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

F. Budgetary Information

Budgetary basis of accounting:

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

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Information (Concluded)

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

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
4. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
5. The budget was amended during the year with supplemental appropriations, the last one approved prior to year end June 30, 2015. The District does not consider these amendments to be significant.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash and cash equivalents

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

2. Investments

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

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. District or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Group purchases are evaluated on a case by case basis. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Buildings and additions	40 - 50 years
Furniture and equipment	3 - 10 years
Transportation equipment	5 - 10 years
Land improvements	10 - 20 years

5. Defined Benefit Plan

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred outflows/inflows of resources

Deferred outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are the deferred charge on refunding and pension related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension related items. These amounts are expensed in the plan years in which they apply.

Deferred inflows

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. The second item is the future resources yet to be recognized in relation to the pension actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension liability and the actual results. The amounts are amortized over a period determined by the actuary.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Net position flow assumption

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

8. Fund balance flow assumptions

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

9. Fund balance policies

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

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund balance policies (Concluded)

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The board of education has by resolution authorized the superintendent and 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 only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and Expenditures/Expenses

1. Program revenues

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Revenues and Expenditures/Expenses (Continued)

2. Property taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2015, the District levied the following amounts per \$1,000 of assessed valuation:

<u>Fund</u>	<u>Mills</u>
General fund:	
Non-Principal Residence Exemption (PRE)	18.00
Commercial Personal Property	6.00
Debt service fund:	
PRE, Non-PRE, Commercial Personal Property	6.25

3. Compensated absences

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government- wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

H. Revenues and Expenditures/Expenses (Concluded)

4. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

The District had no investments at June 30, 2015.

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

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2015, the District did not have investments in commercial paper and corporate bonds.

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (Concluded)

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2015, \$3,996,338 of the District's bank balance of \$4,246,338 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying amount is \$4,012,182.

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

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

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

At June 30, 2015, the carrying amount is as follows:

Deposits - including fiduciary funds of \$299,943	<u><u>\$ 4,012,182</u></u>
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The above amounts are reported in the financial statements as follows:

Fiduciary fund	\$ 299,943
Government wide:	
Cash	<u>3,712,239</u>
	<u><u>\$ 4,012,182</u></u>

WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS

A summary of changes in the District's capital assets follows:

	Balance July 1, 2014	Additions	Deletions (Reclassifications)	Balance June 30, 2015
Assets not being depreciated:				
Land	\$ 708,581	\$ -	\$ -	\$ 708,581
Other capital assets:				
Land improvements	3,758,321	-	-	3,758,321
Buildings and additions	70,819,592	462,137	-	71,281,729
Furniture and equipment	5,349,664	9,160	-	5,358,824
Transportation equipment	1,905,364	-	-	1,905,364
Subtotal	81,832,941	471,297	-	82,304,238
Accumulated depreciation:				
Land improvements	2,963,889	209,129	-	3,173,018
Buildings and additions	33,040,906	1,168,430	-	34,209,336
Furniture and equipment	4,995,183	81,714	-	5,076,897
Transportation equipment	1,406,748	123,565	-	1,530,313
Total accumulated depreciation	42,406,726	1,582,838	-	43,989,564
Net capital assets being depreciated	39,426,215	(1,111,541)	-	38,314,674
Net governmental capital assets	\$ 40,134,796	\$ (1,111,541)	\$ -	\$ 39,023,255

Depreciation expense was charged to programs of the District as follows:

Governmental activities:	
Food service	\$ 79,142
Community service	15,828
Support services	379,881
Instruction	1,107,987
Total governmental activities	\$ 1,582,838

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2015, consist of the following:

	Governmental funds
Other intergovernmental units:	
State aid	\$ 5,511,939
Federal revenue	800,821
ISD and other	739,137
	<u>\$ 7,051,897</u>

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

No allowance for doubtful accounts is considered necessary.

NOTE 5 - LONG-TERM DEBT

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

The following is a summary of governmental long-term obligations for the District for the year ended June 30, 2015:

	Accumulated compensated absences and termination benefits	Bonds and other debt	Total
Balance July 1, 2014	\$ 1,551,545	\$ 37,972,446	\$ 39,523,991
Additions	-	15,821,578	15,821,578
Deletions	(49,644)	(20,298,164)	(20,347,808)
Balance June 30, 2015	1,501,901	33,495,860	34,997,761
Due within one year	101,219	3,815,000	3,916,219
Total due in more than one year	<u>\$ 1,400,682</u>	<u>\$ 29,680,860</u>	<u>\$ 31,081,542</u>

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM DEBT (Continued)

Bonds payable at June 30, 2015 is comprised of the following issues:

2007 building and site bonds due in annual installments of \$1,050,000 to \$1,950,000 through May 1, 2022 with interest from 4.00% to 5.50%.	\$ 10,450,000
2009 refunding bonds due in annual installments of \$635,000 to \$815,000 through May 1, 2022 with interest from 3.00% to 3.75%.	5,075,000
2013 building and site bonds due in annual installments of \$70,000 to \$150,000 through May 1, 2034 with interest from 2.00% to 4.50%.	2,030,000
2015 refunding bonds due in annual installments of \$1,660,000 to \$2,060,000 through May 1, 2023 with interest from 3.00% to 5.00%.	14,025,000
Less unamortized discount	(59,517)
Plus: premium on bond refunding	<u>1,975,377</u>
Total general obligation debt	33,495,860
Obligation under contract for compensated absences and termination benefits	<u>1,501,901</u>
Total general long-term debt	<u><u>\$ 34,997,761</u></u>

On March 25, 2015, the District issued general obligation bonds of \$14,025,000 with an interest rate ranging from 3.00% to 5.00%. The District issued the bonds to advance refund \$15,790,000 of the District's outstanding 2003 and 2005 bonds with an interest rate of 3.85% to 5.00%. The bonds mature at various times through May 1, 2023. The general obligation bonds were issued at a premium after paying issuance costs of \$160,873, the net proceeds were \$15,821,578. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are paid in full. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the District's government-wide financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$2,450,804, which resulted in an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$1,932,647.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account, assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2015, \$39,025,000 bonds outstanding are considered defeased.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM DEBT (Concluded)

The annual requirements to amortize debt outstanding as of June 30, 2015, including interest payments of \$6,757,982 are as follows:

Year ending June 30,	Principal	Interest	Amounts payable
2016	\$ 3,815,000	\$ 1,416,828	\$ 5,231,828
2017	3,620,000	1,214,168	4,834,168
2018	3,815,000	1,063,780	4,878,780
2019	3,965,000	917,368	4,882,368
2020	4,145,000	738,719	4,883,719
2021 - 2025	11,050,000	1,163,563	12,213,563
2026 - 2030	600,000	191,300	791,300
2031 - 2034	570,000	52,256	622,256
	31,580,000	6,757,982	38,337,982
Discounts on bond refunding	(59,517)	-	(59,517)
Premium on bond refunding	1,975,377	-	1,975,377
Accumulated compensated absences and termination benefits	1,501,901	-	1,501,901
	<u>\$ 34,997,761</u>	<u>\$ 6,757,982</u>	<u>\$ 41,755,743</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2015 are as follows:

Receivable fund		Payable fund	
General fund	\$ 100,000	General fund	\$ 840
Capital projects fund	840	Special revenue	100,000
	<u>\$ 100,840</u>		<u>\$ 100,840</u>

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

WYOMING PUBLIC SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 7 - DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at <http://michigan.gov/orsschools/0,1607,7-206-36585-,00.html>.

Benefits Provided

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

Pension Reform 2010

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

Pension Reform 2012

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Regular Retirement (no reduction factor for age)

Eligibility - Age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, any age with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60th birthday and has credited service in each of the last 5 years. For Pension Plus (PPP) members, age 60 with 10 years of credited service.

Annual Amount - Total credited service as of the Transition Date times 1.5% of final average compensation.

Pension Plus

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

Option 1 - Credited Service after the Transition Date times 1.5% times FAC.

Option 2 - Credited Service after the Transition Date (until total service reaches 30 years) times 1.5% times FAC, PLUS Credited Service after the Transition Date and over 30 years times 1.25% times FAC.

Option 3 - Credited Service after the Transition Date times 1.25% times FAC.

Option 4 - None (Member will receive benefit through a Defined Contribution plan).

Final Average Compensation - Average of highest 60 consecutive months (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected option 4, in which case the FAC is calculated at the Transition Date.

Member Contributions

The majority of the members currently participate on a contributory basis, under a variety of options "Benefits Provided." Reporting units are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of members and retiree Other Post-Employment Benefits (OPEB). Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Employer Contributions

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

The District's pension contributions for the year ended June 30, 2015 were equal to the required contribution total. Pension contributions were approximately \$6,989,708, with \$6,506,720 specifically for the Defined Benefit Plan. These amounts include Section 147 contributions also.

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

Pension Liabilities

At June 30, 2015, the District reported a liability of \$58,432,793 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2013 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2014, the District's proportion was .26528 percent.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

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

For the year ended June 30, 2015, the District recognized pension expense of \$4,528,036. At June 30, 2015, the Reporting Unit 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
Changes of assumptions	\$ 2,156,045	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	149	-
Net difference between projected and actual plan investment earnings	-	(6,459,769)
Reporting Unit's contributions subsequent to the measurement date	4,210,203	-
	<u>\$ 6,366,397</u>	<u>\$ (6,459,769)</u>

\$4,210,203, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2016	\$ (1,047,523)
2017	(1,047,523)
2018	(1,047,523)
2019	(1,161,006)

Actuarial Assumptions

Investment rate of return - 8.0% a year, compounded annually net of investment and administrative expenses for the Non-Hybrid groups and 7.0% a year, compounded annually net of investment and administrative expenses for the Hybrid group (Pension Plus plan).

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Salary increases - The rate of pay increase used for individual members is 3.5%.

Inflation - 2.5%

Mortality assumptions - The healthy life post-retirement mortality table used in this valuation of the System was the RP-2000 Male and Female Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. The final rates used include no margin for future mortality improvement. This assumption is used to measure the probabilities of each benefit payment being made after retirement.

Experience study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2014. An assumption experience study is performed every five years. The actuarial assumptions used in the September 30, 2014 valuation were based on the results of an actuarial experience study for the period October 1, 2008 to September 30, 2013. As a result of this actuarial experience study, the actuarial assumptions were adjusted to more closely reflect actual experience.

The long-term expected rate of return on pension plan investments - The rate was **8% (7% Pension Plus Plan)** net of investment and administrative expenses was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	28.00%	4.80%
Alternate Investment Pools	18.00%	8.50%
International Equity	16.00%	6.10%
Fixed Income Pools	10.50%	1.50%
Real Estate and Infrastructure Pools	10.00%	5.30%
Absolute Return Pools	15.50%	6.30%
Short Term Investment Pools	2.00%	(0.2%)
	<u>100.00%</u>	

*Long term rate of return does not include 2.5% inflation.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Continued)

Discount rate - The discount rate used to measure the total pension liability was **8% (7% for Pension Plus Plan)**. 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 contributions from school districts will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Reporting Unit's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (9.0 percent) than the current rate:

	1% Lower (7.0%)	Discount Rate (8.0%)	1% Higher (9.0%)
Reporting Unit's proportionate share of the net pension liability	<u>\$ 77,038,549</u>	<u>\$ 58,432,793</u>	<u>\$ 42,757,168</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2014 Comprehensive Annual Financial Report, available here: <http://michigan.gov/orsschools/0,1607,7-206-36585---,00.html>.

Benefit Provisions - Other Postemployment

Introduction

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

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PLAN AND POST RETIREMENT BENEFITS (Concluded)

Public Act 75 of 2010 requires each actively employed member of MPSERS after June 30, 2010 to annually contribute 3% of their compensation to offset employer contributions for health care benefits of current retirees.

Retiree Healthcare Reform of 2012

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

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

Employer Contributions

The District postemployment healthcare contributions to MPSERS for the year ended June 30, 2015 were approximately \$604,000.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees and natural disasters. The District is a member of the West Michigan Risk Management Trust (Trust), a self-insurance program with 30 districts pooling together to insure property, liability and auto exposures. Premiums from members of the Trust are arrived at through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$250,000 and \$1,273,481, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$1,000 per occurrence deductible for property losses is maintained to place the responsibility for small charges with the members of the Trust.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RISK MANAGEMENT (Concluded)

The District is a member of the West Michigan Workers' Compensation Fund, a self-insurance program with 17 districts pooling together to insure workers' compensation and employers' liability exposures. The fund pays the first \$450,000 of any workers' compensation or employers' liability loss out of a \$2,176,464 loss fund collected from members. Excess insurance has been purchased to cover claims exceeding those amounts.

The District carries commercial insurance for all other risks of loss, including employee life, health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

NOTE 9 - TRANSFERS

The food service fund transferred \$100,000 to the general fund. The transfer from the food service fund was made to allocate indirect costs between the funds.

NOTE 10 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 11 - NEW ACCOUNTING STANDARDS

For the year ended June 30, 2015 the District implemented the following new pronouncements: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Summary:

GASB Statement No. 68 requires governments that participate in defined benefit pension plans to report in their statement of net position an actuarial calculation. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. The statement requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the pension liabilities and expense.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - NEW ACCOUNTING STANDARDS (Concluded)

GASB Statement No. 71 addressed the issue of contributions made to the defined benefit pension plans after the measurement date for the year in which GASB Statement No. 68 is implemented. The effect is to eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual basis financial statements.

The restatement of the beginning of the year net position is as follows:

	Governmental Activities
Net position as previously stated July 1, 2014	\$ 7,549,062
Adoption of GASB Statements 68 and 71	
Net Pension Liability	(62,159,916)
Deferred Outflows	<u>3,567,345</u>
Net position as restated July 1, 2014	<u><u>\$ (51,043,509)</u></u>

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENT

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued by the GASB in June 2015 and will be effective for the District's 2018 fiscal year. The Statement requires governments that participate in defined benefit other post-employment benefit (OPEB) plans to report in the statement of net position a net OPEB liability. The net OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. Statement 75 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net OPEB liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the OPEB liabilities and expense.

REQUIRED SUPPLEMENTARY INFORMATION

**WYOMING PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Local sources	\$ 6,744,688	\$ 6,751,106	\$ 6,847,332	\$ 96,226
State sources	30,165,924	31,467,574	31,446,713	(20,861)
Federal sources	4,149,818	4,933,436	4,682,013	(251,423)
Incoming transfers and other	4,064,646	3,680,321	3,699,773	19,452
Total revenues	45,125,076	46,832,437	46,675,831	(156,606)
EXPENDITURES:				
Current:				
Instruction:				
Basic programs	21,326,145	21,548,966	21,538,507	10,459
Added needs	7,161,356	7,885,605	7,854,642	30,963
Adult education	418,202	480,233	472,969	7,264
Total instruction	28,905,703	29,914,804	29,866,118	48,686
Supporting services:				
Pupil	2,829,441	2,988,996	2,952,017	36,979
Instructional staff	1,756,285	1,666,569	1,564,025	102,544
General administration	480,716	506,955	494,218	12,737
School administration	1,759,778	1,793,756	1,791,206	2,550
Business	284,647	305,940	303,591	2,349
Operation/maintenance	3,556,543	3,062,875	3,092,327	(29,452)
Pupil transportation	2,609,307	2,675,249	2,499,520	175,729
Central	1,497,701	1,570,077	1,551,139	18,938
Athletics	636,316	612,587	613,867	(1,280)
Total supporting services	15,410,734	15,183,004	14,861,910	321,094
Community services	110,831	159,614	132,726	26,888
Debt service	-	144,500	144,500	-
Outgoing transfers and other transactions	1,195,248	1,759,289	1,732,027	27,262
Total expenditures	45,622,516	47,161,211	46,737,281	423,930
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(497,440)	(328,774)	(61,450)	267,324
OTHER FINANCING SOURCES (USES):				
Transfers in	-	100,000	100,000	-
NET CHANGE IN FUND BALANCE	\$ (497,440)	\$ (228,774)	38,550	\$ 267,324
FUND BALANCE:				
Beginning of year			4,695,031	
End of year			<u>\$ 4,733,581</u>	

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

	<u>2014</u>
Reporting unit's proportion of net pension liability (%)	0.26528%
Reporting unit's proportionate share of net pension liability	\$ 58,432,793
Reporting unit's covered-employee payroll	22,570,604
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	258.89%
Plan fiduciary net position as a percentage of total pension liability	66.20%

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

**WYOMING PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOLS EMPLOYEES RETIREMENT PLAN
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED
AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2015</u>
Statutorily required contributions	\$ 4,594,441
Contributions in relation to statutorily required contributions	<u>4,594,441</u>
Contribution deficiency (excess)	<u>\$ -</u>
Reporting unit's covered-employee payroll	\$ 22,309,478
Contributions as a percentage of covered-employee payroll	20.59%

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

**WYOMING PUBLIC SCHOOLS
SCHEDULE OF NET PENSION LIABILITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015**

Changes of benefit terms: There were no changes of benefit terms in 2015.

Changes of assumptions: Assumption changes as a result of an experience study for the periods 2007 through 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation.

ADDITIONAL SUPPLEMENTARY INFORMATION

**WYOMING PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
YEAR ENDED JUNE 30, 2015**

	Final budget	Actual	Variance with final budget
LOCAL SOURCES:			
Property taxes	\$ 5,745,960	\$ 5,767,664	\$ 21,704
Tuition	52,015	53,415	1,400
Investment earnings	4,167	4,272	105
Athletics	51,820	51,820	-
Other local revenue	897,144	970,161	73,017
TOTAL LOCAL SOURCES	6,751,106	6,847,332	96,226
STATE SOURCES:			
Foundation grant	24,640,533	24,622,298	(18,235)
Categorical	6,765,259	6,762,633	(2,626)
Other state revenue	61,782	61,782	-
TOTAL STATE SOURCES	31,467,574	31,446,713	(20,861)
FEDERAL SOURCES:			
Title I	1,279,753	1,128,675	(151,078)
Title II - improving teacher quality	219,457	174,945	(44,512)
IDEA special education	1,105,968	1,105,968	-
21st century	2,025,000	1,994,666	(30,334)
Other federal revenue	303,308	277,759	(25,549)
TOTAL FEDERAL SOURCES	4,933,486	4,682,013	(251,473)
INCOMING TRANSFERS AND OTHER TRANSACTIONS:			
Special education	3,239,312	3,239,313	1
Other	441,009	460,460	19,451
TOTAL INCOMING TRANSFERS AND OTHER TRANSACTIONS	3,680,321	3,699,773	19,452
TOTAL REVENUES	46,832,487	46,675,831	(156,656)
OTHER FINANCING SOURCES:			
Transfers in	100,000	100,000	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 46,932,487	\$ 46,775,831	\$ (156,656)

**WYOMING PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2015
(with comparative totals for the year ended June 30, 2014)**

	Salaries	Employee benefits	Purchased services	Supplies and materials	Capital outlay	Other expenses	Totals	
							2015	2014
Instruction:								
Elementary	\$ 7,100,807	\$ 4,119,721	\$ 223,467	\$ 238,091	\$ -	\$ -	\$ 11,682,086	\$ 11,709,139
Middle school	3,050,889	1,747,520	54,767	67,447	-	1,522	4,922,145	4,950,493
High school	2,790,674	1,607,438	338,137	113,440	10,570	17,098	4,877,357	4,802,577
Preschool	30,982	10,969	-	300	-	-	42,251	44,337
Summer school	11,780	2,888	-	-	-	-	14,668	51,314
Special education	2,271,187	1,359,773	53,301	23,262	-	1,318,937	5,026,460	4,453,407
Compensatory education	1,460,476	793,308	347,024	120,111	-	54,774	2,775,693	2,501,340
Vocational education	-	-	289	47,022	-	5,178	52,489	52,834
Adult education	292,530	169,108	4,117	7,214	-	-	472,969	415,298
Total instruction	17,009,325	9,810,725	1,021,102	616,887	10,570	1,397,509	29,866,118	28,980,739
Supporting services:								
Pupil services	443,144	216,764	52,554	8,714	-	2,230,841	2,952,017	2,795,672
Instructional staff services	731,909	375,321	187,068	113,333	152,455	3,939	1,564,025	1,897,556
General administration	280,348	133,618	66,729	3,641	799	9,083	494,218	475,634
School administration	1,115,311	657,721	7,776	10,058	-	340	1,791,206	1,726,879
Business services	182,800	112,889	1,468	2,346	937	3,151	303,591	342,136
Operations and maintenance	786,312	576,304	875,503	826,780	25,234	2,194	3,092,327	3,259,427
Transportation	553,053	338,579	258,820	123,922	-	1,225,146	2,499,520	2,593,743
Central services	589,869	363,550	329,784	41,756	223,107	3,073	1,551,139	1,508,465
Athletics	240,060	137,358	165,807	7,710	37,637	25,295	613,867	633,261
Total supporting services	4,922,806	2,912,104	1,945,509	1,138,260	440,169	3,503,062	14,861,910	15,232,773
Community services	2,869	1,209	117,957	1,985	-	8,706	132,726	104,882
Debt service	-	-	-	-	-	144,500	144,500	55,147
Outgoing transfers and other transactions	-	-	-	-	107,810	1,624,217	1,732,027	835,350
Total expenditures	\$ 21,935,000	\$ 12,724,038	\$ 3,084,568	\$ 1,757,132	\$ 558,549	\$ 6,677,994	\$ 46,737,281	\$ 45,208,891

**WYOMING PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2015**

	<u>Special revenue</u>			
	<u>Food service</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total nonmajor funds</u>
ASSETS:				
Cash and cash equivalents	\$ 390,696	\$ 343,587	\$ 298,063	\$ 1,032,346
Accounts receivable	-	-	11,938	11,938
Land contract receivable	-	-	333,729	333,729
Intergovernmental	30,926	-	-	30,926
Due from other funds	-	-	840	840
Prepays	150,000	-	-	150,000
Inventories	28,979	-	-	28,979
TOTAL ASSETS	<u><u>\$ 600,601</u></u>	<u><u>\$ 343,587</u></u>	<u><u>\$ 644,570</u></u>	<u><u>\$ 1,588,758</u></u>
LIABILITIES:				
Accounts payable	\$ 27,226	\$ -	\$ -	\$ 27,226
Accrued salaries and related items	6,228	-	-	6,228
Due to other funds	100,000	-	-	100,000
Unearned revenue	9,036	-	-	9,036
TOTAL LIABILITIES	<u>142,490</u>	<u>-</u>	<u>-</u>	<u>142,490</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - land contract	<u>-</u>	<u>-</u>	<u>333,729</u>	<u>333,729</u>
FUND BALANCES:				
Nonspendable:				
Inventories	28,979	-	-	28,979
Prepays	150,000	-	-	150,000
Restricted for:				
Debt service	-	343,587	-	343,587
Food service	240,535	-	-	240,535
Assigned for:				
Capital projects			310,841	310,841
Subsequent years expenditures	38,597		-	38,597
TOTAL FUND BALANCES	<u>458,111</u>	<u>343,587</u>	<u>310,841</u>	<u>1,112,539</u>
TOTAL DEFERRED INFLOWS OF RESOURCES, LIABILITIES AND FUND BALANCES	<u><u>\$ 600,601</u></u>	<u><u>\$ 343,587</u></u>	<u><u>\$ 644,570</u></u>	<u><u>\$ 1,588,758</u></u>

WYOMING PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2015

	<u>Special revenue</u>			
	<u>Food service</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total nonmajor funds</u>
REVENUES:				
Local sources:				
Property taxes	\$ -	\$ 5,230,364	\$ -	\$ 5,230,364
Investment earnings	1,587	2,598	306	4,491
Food sales	362,036	-	-	362,036
Other	-	20,191	238,499	258,690
Total local sources	363,623	5,253,153	238,805	5,855,581
State sources	83,749	-	-	83,749
Federal sources	2,175,791	-	-	2,175,791
Total revenues	2,623,163	5,253,153	238,805	8,115,121
EXPENDITURES:				
Current:				
Food service activities	2,473,733	-	-	2,473,733
Capital outlay	24,722	-	502,448	527,170
Debt service:				
Principal repayment	-	3,495,000	-	3,495,000
Interest expense	-	1,213,377	-	1,213,377
Bond issuance costs	-	160,873	-	160,873
Other expense	-	411	-	411
Total expenditures	2,498,455	4,869,661	502,448	7,870,564
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	124,708	383,492	(263,643)	244,557
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	14,025,000	-	14,025,000
Premium on issuance of debt	-	1,796,578	-	1,796,578
Payment to refunded bond escrows	-	(16,181,705)	-	(16,181,705)
Transfers out	(100,000)	-	-	(100,000)
Total other financing uses	(100,000)	(360,127)	-	(460,127)
NET CHANGE IN FUND BALANCES	24,708	23,365	(263,643)	(215,570)
FUND BALANCES:				
Beginning of year	433,403	320,222	574,484	1,328,109
End of year	<u>\$ 458,111</u>	<u>\$ 343,587</u>	<u>\$ 310,841</u>	<u>\$ 1,112,539</u>

**WYOMING PUBLIC SCHOOLS
COMBINING DEBT SERVICE FUNDS
BALANCE SHEET
JUNE 30, 2015**

	<u>2003</u>	<u>2005</u>	<u>2007</u>	<u>2009</u>	<u>Total Nonmajor</u>
ASSETS:					
Cash and cash equivalents	<u>\$ 5,544</u>	<u>\$ 113,959</u>	<u>\$ 152,085</u>	<u>\$ 71,999</u>	<u>\$ 343,587</u>
FUND BALANCES:					
Restricted for debt service	<u>\$ 5,544</u>	<u>\$ 113,959</u>	<u>\$ 152,085</u>	<u>\$ 71,999</u>	<u>\$ 343,587</u>

**WYOMING PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015**

	<u>2003</u>	<u>2005</u>	<u>2007</u>	<u>2009</u>	<u>2015</u>	<u>Total Nonmajor</u>
REVENUES:						
Local sources:						
Property taxes	\$ 105,825	\$ 2,828,680	\$ 1,476,976	\$ 818,883	\$ -	\$ 5,230,364
Interest	53	1,346	770	429	-	2,598
Other	408	10,880	5,767	3,136	-	20,191
Total local revenue	<u>106,286</u>	<u>2,840,906</u>	<u>1,483,513</u>	<u>822,448</u>	<u>-</u>	<u>5,253,153</u>
EXPENDITURES:						
Principal repayments	75,000	1,895,000	925,000	600,000	-	3,495,000
Interest expense	15,358	474,125	531,744	192,150	-	1,213,377
Bond issuance costs	-	-	-	-	160,873	160,873
Other	9	221	118	63	-	411
Total expenditures	<u>90,367</u>	<u>2,369,346</u>	<u>1,456,862</u>	<u>792,213</u>	<u>160,873</u>	<u>4,869,661</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,919</u>	<u>471,560</u>	<u>26,651</u>	<u>30,235</u>	<u>(160,873)</u>	<u>383,492</u>
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	-	-	-	14,025,000	14,025,000
Premium on issuance of debt	-	-	-	-	1,796,578	1,796,578
Payment to refunded bond escrows	(17,000)	(504,000)	-	-	(15,660,705)	(16,181,705)
Total other financing sources (uses)	<u>(17,000)</u>	<u>(504,000)</u>	<u>-</u>	<u>-</u>	<u>160,873</u>	<u>(360,127)</u>
NET CHANGE IN FUND BALANCES	<u>(1,081)</u>	<u>(32,440)</u>	<u>26,651</u>	<u>30,235</u>	<u>-</u>	<u>23,365</u>
FUND BALANCES:						
Beginning of year	<u>6,625</u>	<u>146,399</u>	<u>125,434</u>	<u>41,764</u>	<u>-</u>	<u>320,222</u>
End of year	<u>\$ 5,544</u>	<u>\$ 113,959</u>	<u>\$ 152,085</u>	<u>\$ 71,999</u>	<u>\$ -</u>	<u>\$ 343,587</u>

**WYOMING PUBLIC SCHOOLS
LONG TERM DEBT
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2015**

2007 School Building and Site Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
2016	5.500%	\$ 1,050,000	\$ 240,434	\$ 240,434	\$ 1,530,868
2017	5.000%	1,200,000	211,559	211,559	1,623,118
2018	4.000%	1,350,000	181,559	181,559	1,713,118
2019	4.500%	1,500,000	154,559	154,559	1,809,118
2020	4.750%	1,625,000	120,809	120,809	1,866,618
2021	4.375%	1,775,000	82,216	82,216	1,939,432
2022	4.450%	1,950,000	43,387	43,387	2,036,774
Total 2007 bonded debt		<u>\$ 10,450,000</u>	<u>\$ 1,034,523</u>	<u>\$ 1,034,523</u>	<u>\$ 12,519,046</u>

The above bonds dated May 1, 2007 were issued to be used for school building and site purposes. The amount of the original bond issue was \$14,865,000.

**WYOMING PUBLIC SCHOOLS
LONG TERM DEBT
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2015**

2009 Refunding Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
2016	3.000%	\$ 635,000	\$ 87,075	\$ 87,075	\$ 809,150
2017	3.250%	655,000	77,550	77,550	810,100
2018	3.250%	685,000	66,906	66,906	818,812
2019	3.500%	705,000	55,775	55,775	816,550
2020	3.500%	770,000	43,438	43,438	856,876
2021	3.625%	810,000	29,963	29,963	869,926
2022	3.750%	815,000	15,281	15,281	845,562
Total 2009 bonded debt		<u>\$ 5,075,000</u>	<u>\$ 375,988</u>	<u>\$ 375,988</u>	<u>\$ 5,826,976</u>

The above bonds dated February 11, 2009 were issued for the purpose of refunding a portion of the School District's outstanding 1999 refunding bonds. The amount of the original bond issue was \$8,330,000.

**WYOMING PUBLIC SCHOOLS
LONG TERM DEBT
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2015**

2013 School Building and Site Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
2016	2.000%	\$ 70,000	\$ 36,200	\$ 36,900	\$ 143,100
2017	2.000%	75,000	35,450	36,200	146,650
2018	2.000%	75,000	34,700	35,450	145,150
2019	3.000%	80,000	33,500	34,700	148,200
2020	3.000%	85,000	32,225	33,500	150,725
2021	3.000%	85,000	30,950	32,225	148,175
2022	3.000%	90,000	29,600	30,950	150,550
2023	3.000%	95,000	28,175	29,600	152,775
2024	3.250%	100,000	26,550	28,175	154,725
2025	3.250%	105,000	24,844	26,550	156,394
2026	3.750%	110,000	22,781	24,844	157,625
2027	3.750%	115,000	20,625	22,781	158,406
2028	4.250%	120,000	18,075	20,625	158,700
2029	4.250%	125,000	15,419	18,075	158,494
2030	4.250%	130,000	12,656	15,419	158,075
2031	4.250%	135,000	9,787	12,656	157,443
2032	4.500%	140,000	6,638	9,787	156,425
2033	4.500%	145,000	3,375	6,638	155,013
2034	4.500%	150,000	-	3,375	153,375
Total 2013 bonded debt		<u>\$ 2,030,000</u>	<u>\$ 421,550</u>	<u>\$ 458,450</u>	<u>\$ 2,910,000</u>

The above bonds dated August 7, 2013 were issued for the purpose of constructing new band and choir rooms, restrooms and concession areas; and developing and improving the site related to the new construction. The amount of the original bond issue was \$2,100,000.

**WYOMING PUBLIC SCHOOLS
LONG TERM DEBT
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2015**

2015 Refunding Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
2016	3.000%	\$ 2,060,000	\$ 313,050	\$ 375,660	\$ 2,748,710
2017	4.000%	1,690,000	282,150	282,150	2,254,300
2018	4.000%	1,705,000	248,350	248,350	2,201,700
2019	5.000%	1,680,000	214,250	214,250	2,108,500
2020	5.000%	1,665,000	172,250	172,250	2,009,500
2021	5.000%	1,660,000	130,625	130,625	1,921,250
2022	5.000%	1,670,000	89,125	89,125	1,848,250
2023	5.000%	1,895,000	47,375	47,375	1,989,750
Total 2015 bonded debt		<u>\$ 14,025,000</u>	<u>\$ 1,497,175</u>	<u>\$ 1,559,785</u>	<u>\$ 17,081,960</u>

The above bonds dated March 25, 2015 were issued for the purpose of refunding a portion of the School District's outstanding school building and site bonds. The amount of the original bond issue was \$14,025,000.

WYOMING PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

<u>Federal grantor/pass-through grantor program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Approved grant award amount</u>	<u>Accrued revenue July 1, 2014</u>	<u>Prior year expenditures (memo only)</u>	<u>Current year expenditures</u>	<u>Current year cash receipts</u>	<u>Accrued revenue June 30, 2015</u>
<u>U.S. Department of Agriculture:</u>								
Passed through Michigan Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Donated Foods):								
Entitlement	10.555		\$ 130,689	\$ -	\$ -	\$ 130,689	\$ 130,689	\$ -
Non-Cash Assistance Subtotal			130,689	-	-	130,689	130,689	-
Cash Assistance:								
National School Lunch Program - Breakfast	10.553	141970	73,626	-	-	73,626	73,626	-
National School Lunch Program - Breakfast	10.553	151970	542,168	-	-	542,168	542,168	-
			615,794	-	-	615,794	615,794	-
National School Lunch Program - Section 11	10.555	141960	160,609	-	-	160,609	160,609	-
National School Lunch Program - Section 11	10.555	151960	1,108,246	-	-	1,108,246	1,108,246	-
			1,268,855	-	-	1,268,855	1,268,855	-
Summer Food Service Program - Meals	10.559	140900-14	17,312	32,240	57,962	17,312	49,552	-
Summer Food Service Program - Meals	10.559	150900-15	16,390	-	-	16,390	-	16,390
Summer Food Service Program - Sponsor Administration	10.559	141900-14	1,460	2,731	4,904	1,460	4,191	-
Summer Food Service Program - Sponsor Administration	10.559	151900-15	1,408	-	-	1,408	-	1,408
			36,570	34,971	62,866	36,570	53,743	17,798
Cash Assistance Subtotal			1,921,219	34,971	62,866	1,921,219	1,938,392	17,798
Total Child Nutrition Cluster			2,051,908	34,971	62,866	2,051,908	2,069,081	17,798

The accompanying notes are an integral part of this schedule.

WYOMING PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue July 1, 2014	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2015
<u>U.S. Department of Agriculture (Concluded):</u>								
Child Care Food Program	10.558	141920	\$ 10,790	\$ -	\$ -	\$ 10,790	\$ 10,790	\$ -
Child Care Food Program	10.558	151920	105,561	-	-	105,561	105,561	-
Child Care Food Program	10.558	142010	708	-	-	708	708	-
Child Care Food Program	10.558	152010	6,824	-	-	6,824	6,824	-
			<u>123,883</u>	<u>-</u>	<u>-</u>	<u>123,883</u>	<u>123,883</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>2,175,791</u>	<u>34,971</u>	<u>62,866</u>	<u>2,175,791</u>	<u>2,192,964</u>	<u>17,798</u>
<u>U.S. Department of Education:</u>								
Passed through Michigan Department of Education:								
Title I	84.010	141530-1314	1,477,118	290,009	1,404,412	-	290,009	-
Title I	84.010	151530-1415	1,304,753	-	-	1,128,675	1,015,569	113,106
			<u>2,781,871</u>	<u>290,009</u>	<u>1,404,412</u>	<u>1,128,675</u>	<u>1,305,578</u>	<u>113,106</u>
Total Title I			<u>2,781,871</u>	<u>290,009</u>	<u>1,404,412</u>	<u>1,128,675</u>	<u>1,305,578</u>	<u>113,106</u>

The accompanying notes are an integral part of this schedule.

WYOMING PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue July 1, 2014	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2015
<u>U.S. Department of Education (Continued):</u>								
Passed through Michigan Department of Education (Continued):								
Title IIA	84.367	140520-1314	\$ 289,023	\$ 44,495	\$ 257,454	\$ -	\$ 44,495	\$ -
Title IIA	84.367	150520-1415	239,596	-	-	174,945	155,547	19,398
			528,619	44,495	257,454	174,945	200,042	19,398
Title III - Limited English Proficient Students	84.365A	140580-1314	90,748	16,243	81,617	-	16,243	-
Title III - Limited English Proficient Students	84.365A	150580-1415	91,172	-	-	80,736	69,443	11,293
			181,920	16,243	81,617	80,736	85,686	11,293
21st Century Community Learning Center - Other	84.287C	142110-F09069	269,470	72,613	262,576	-	72,613	-
21st Century Community Learning Center - Other	84.287C	142110-G12065	270,000	73,707	269,857	-	73,707	-
21st Century Community Learning Center - Other	84.287C	142110-H13066	405,000	97,476	393,139	-	97,476	-
21st Century Community Learning Center - Other	84.287C	152110-G12065	270,000	-	-	265,525	214,816	50,709
21st Century Community Learning Center - Other	84.287C	152110-H13066	405,000	-	-	398,872	331,898	66,974
21st Century Community Learning Center - Other	84.287C	152110-I14033	675,000	-	-	666,660	520,779	145,881
21st Century Community Learning Center - Other	84.287C	152110-I14058	675,000	-	-	663,609	508,295	155,314
			2,969,470	243,796	925,572	1,994,666	1,819,584	418,878

The accompanying notes are an integral part of this schedule.

WYOMING PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

<u>Federal grantor/pass-through grantor program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Approved grant award amount</u>	<u>Accrued revenue July 1, 2014</u>	<u>Prior year expenditures (memo only)</u>	<u>Current year expenditures</u>	<u>Current year cash receipts</u>	<u>Accrued revenue June 30, 2015</u>
<u>U.S. Department of Education (Concluded):</u>								
Passed through Michigan Department of Education (Concluded):								
Federal General Instr - Adult Education	84.002A	141130-141267	\$ 150,000	\$ 38,744	\$ 148,836	\$ -	\$ 38,744	\$ -
Federal General Instr - Adult Education	84.002A	151130-151267	134,231	-	-	133,836	105,886	27,950
English Literature	84.002A	151120-155667	50,000	-	-	50,000	40,254	9,746
			<u>334,231</u>	<u>38,744</u>	<u>148,836</u>	<u>183,836</u>	<u>184,884</u>	<u>37,696</u>
Total passed through Michigan Department of Education			<u>6,796,111</u>	<u>633,287</u>	<u>2,817,891</u>	<u>3,562,858</u>	<u>3,595,774</u>	<u>600,371</u>
Passed through Kent Intermediate School District (KISD):								
Special Education Cluster:								
I.D.E.A. - Flow Through	84.027	140450-1314	1,178,099	347,680	1,178,099	-	347,680	-
I.D.E.A. - Flow Through	84.027	150450-1415	1,060,317	-	-	1,060,317	885,657	174,660
			<u>2,238,416</u>	<u>347,680</u>	<u>1,178,099</u>	<u>1,060,317</u>	<u>1,233,337</u>	<u>174,660</u>
I.D.E.A. - Preschool	84.173	140460-1314	45,050	12,597	45,050	-	12,597	-
I.D.E.A. - Preschool	84.173	150460-1415	45,651	-	-	45,651	37,659	7,992
			<u>90,701</u>	<u>12,597</u>	<u>45,050</u>	<u>45,651</u>	<u>50,256</u>	<u>7,992</u>
Total Special Education Cluster			<u>2,329,117</u>	<u>360,277</u>	<u>1,223,149</u>	<u>1,105,968</u>	<u>1,283,593</u>	<u>182,652</u>
Total passed through Kent Intermediate School District			<u>2,329,117</u>	<u>360,277</u>	<u>1,223,149</u>	<u>1,105,968</u>	<u>1,283,593</u>	<u>182,652</u>
Total U.S. Department of Education			<u>9,125,228</u>	<u>993,564</u>	<u>4,041,040</u>	<u>4,668,826</u>	<u>4,879,367</u>	<u>783,023</u>

The accompanying notes are an integral part of this schedule.

WYOMING PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

<u>Federal grantor/pass-through grantor program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Approved grant award amount</u>	<u>Accrued revenue July 1, 2014</u>	<u>Prior year expenditures (memo only)</u>	<u>Current year expenditures</u>	<u>Current year cash receipts</u>	<u>Accrued revenue June 30, 2015</u>
<u>U.S. Department of Health and Human Services:</u>								
Passed through Kent Intermediate School District (KISD):								
Medicaid Outreach	93.778	1415	\$ 13,187	\$ -	\$ -	\$ 13,187	\$ 13,187	\$ -
Total U.S. Department of Health and Human Services			<u>13,187</u>	<u>-</u>	<u>-</u>	<u>13,187</u>	<u>13,187</u>	<u>-</u>
 TOTAL FEDERAL AWARDS			<u><u>\$ 11,314,206</u></u>	<u><u>\$ 1,028,535</u></u>	<u><u>\$ 4,103,906</u></u>	<u><u>\$ 6,857,804</u></u>	<u><u>\$ 7,085,518</u></u>	<u><u>\$ 800,821</u></u>

The accompanying notes are an integral part of this schedule.

WYOMING PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

1. Basis of presentation - The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Wyoming Public Schools under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Wyoming Public Schools, it is not intended to and does not present the net position or changes in net position of Wyoming Public Schools.
2. Summary of significant accounting policies - Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for States, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.
3. The child nutrition cluster (CFDA #10.553, #10.555, and #10.559) and 21st Century (CFDA #84.287C) were audited as the major programs, representing 59% of expenditures.
4. The threshold for distinguishing Type A and Type B programs was \$300,000.
5. Management has utilized the Cash Management System (CMS) Grant Audit Report in preparing the Schedule of Expenditures of Federal Awards.
6. Federal expenditures are reported as revenue in the following funds in the financial statements:

General fund	\$ 4,682,013
Other nonmajor governmental fund	2,175,791
	<u>\$ 6,857,804</u>

**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 the Board of Education
Wyoming Public Schools

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wyoming Public Schools as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Wyoming Public Schools basic financial statements and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Maney Costeiran PC

October 26, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Wyoming Public Schools

Report on Compliance for Each Major Federal Program

We have audited Wyoming Public Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wyoming Public Schools' major federal programs for the year ended June 30, 2015. Wyoming Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Wyoming Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Wyoming Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wyoming Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wyoming Public Schools' internal control over compliance.

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

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

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

Maney Costeiran PC

October 26, 2015

**WYOMING PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

➤ Material weakness(es) identified? Yes X No

➤ Significant deficiency(ies) identified? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

➤ Material weakness(es) identified? Yes X No

➤ Significant deficiency(ies) identified? Yes X No

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

Unmodified

Any audit findings disclosed that are required to be reported with Section 510(a) of Circular A-133?

 Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, & 10.559 84.287C	Child Nutrition Cluster 21st Century

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

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

None noted

Section III - Federal Award Findings and Questioned Costs

None noted

**WYOMING PUBLIC SCHOOLS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

There were no audit findings in the year ended June 30, 2014.

October 26, 2015

To the Board of Education
Wyoming Public Schools

In planning and performing our audit of the financial statements of Wyoming Public Schools as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Wyoming Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 26, 2015 on the financial statements of Wyoming Public Schools. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows.

REPEAT COMMENTS

Recommendations for Using Password Access

The District requires employees to use passwords to log into the network; however, password protocol has not been revised since passwords were introduced. We have the following recommendations for using passwords:

- Passwords should be at least six characters, preferably a combination of letters, numbers, and a symbol (such as a \$ or #). At least one character should be in uppercase.
- Passwords should not be obvious. For example, if the user name is the last name, the password should not be the person's first name.
- Every 90 days, the system should automatically request that the user reset the password.
- Passwords must not be reused within an 18 month-period.
- Users should be locked out after three consecutive failed login attempts.

The District changed its financial and student management software for the 2012 - 13 fiscal year. The District is in the process of reviewing the password recommendations.

Disaster Recovery Plan

The District does not have well defined, written disaster recovery procedures. The time to make contingency plans is before disaster strikes, so that all personnel will be aware of their responsibilities in the event of an emergency situation that precludes the use of the existing EDP facilities. We suggest that management develop a disaster recovery plan that includes, but is not limited to, the following matters:

- Location of, and access to, off-site storage.
- A listing of all data files that would have to be obtained from the off-site storage location.

- Identification of a back-up location (name and telephone number) with similar or compatible equipment for emergency processing (management should make arrangements for such back-up with another company, a computer vendor, or a service center; the agreement should be in writing).
- Responsibilities of various personnel in an emergency.
- Priority of critical applications and reporting requirements during the emergency period.

The District is still in the process of developing a detailed disaster recovery plan.

This report is intended solely for the information and use of management, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Manes Costeiran PC

October 26, 2015

To the Board of Education
Wyoming Public Schools

We have audited the financial statements of Wyoming Public Schools for the year ended June 30, 2015, and have issued our report thereon dated October 26, 2015. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Wyoming Public Schools' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirement that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Wyoming Public Schools' financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Wyoming Public Schools' compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Wyoming Public Schools' compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Wyoming Public Schools' compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

Significant Audit Findings

1. Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Wyoming Public Schools are described in Note 1 to the financial statements. During 2015 the District implemented Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The application of existing policies was not changed during 2015. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

Estimates have been used to calculate the net pension liability:

The estimated liability is approximately \$58,400,000. We evaluated the key factors and assumptions used to develop the balance of the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate in calculating the liability for employee compensated absences:

The estimated liability is approximately \$1,500,000. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

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

We evaluated the key factors and assumptions used to develop the key factors and assumptions used by management in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, certain amounts included in capital assets have been estimated based on an outside appraisal company.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

We did not identify any sensitive disclosures.

2. *Difficulties Encountered in Performing the Audit*

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

3. *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements and any decisions of accounting have been communicated in accordance with professional standards. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

4. *Disagreements with Management*

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

5. *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 26, 2015.

6. *Management Consultations with Other Independent Accountants*

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

7. *Other Audit Findings or Issues*

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

8. *Other Matters*

We applied certain limited procedures to the required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

This information is intended solely for the use of the Board of Education and management of Wyoming Public Schools and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Manes Costeiran PC