

WYOMING PUBLIC SCHOOLS
REPORT ON FINANCIAL STATEMENTS
(with required supplementary and
additional supplementary information)
YEAR ENDED JUNE 30, 2016

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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, 2016, 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, 2016, 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.

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 the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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 September 9, 2016 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.

Maney Costeiran PC

September 9, 2016

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, 2016. Please read it in conjunction with the District’s financial statements which immediately follow this section.

FINANCIAL OVERVIEW

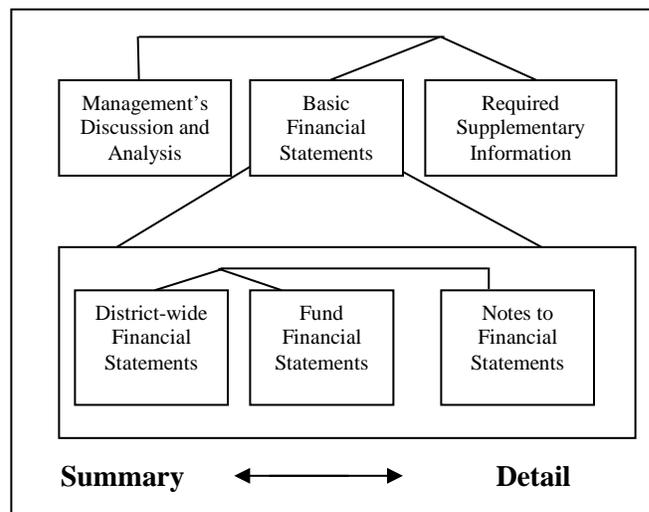
- The District’s general fund financial situation improved from the 2015 fiscal year to 2016.
- For the 2015-2016 school year, fund balance in the general fund was increased by \$442,495.
- During the 2015-2016 school year compared to 2014-2015, general fund revenues increased by \$1,349,005 (2.89 percent), while expenditures increased by \$935,060 (2.00 percent).
- Enrollment increased by 83 students over the 2014-15 year. This represents an increase of approximately 1.90 percent from the October 2014 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 is 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 - During the fiscal year ended June 30, 2016, the District's net position increased by \$693,827. The following is a summary of the District's combined net position at June 30, 2016.

Table A-3		
Wyoming Public Schools Net Position		
	2016	2015
Assets:		
Current and other assets	\$ 12,911,784	\$ 11,646,529
Capital assets	37,683,556	39,023,255
Total assets	50,595,340	50,669,784
Deferred outflows of resources	7,625,715	6,708,556
Liabilities:		
Other liabilities	10,244,211	9,629,589
Noncurrent liabilities	28,590,197	31,081,542
Net pension liability	64,927,901	58,432,793
Total liabilities	103,762,309	99,143,924
Deferred inflows of resources	1,990,272	6,459,769
Net position:		
Net investment in capital assets	8,544,491	5,869,554
Restricted for debt service	450,444	96,897
Unrestricted	(56,526,461)	(54,191,804)
Total net position	\$ (47,531,526)	\$ (48,225,353)

Table A-4		
Changes in Wyoming Public Schools' Net Position		
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 696,727	\$ 706,880
Federal and state categorical grants	15,547,892	16,257,783
General revenues:		
Property taxes	11,315,632	10,998,028
Investment	7,685	8,763
State aid - unrestricted	25,684,812	25,395,545
Other	1,459,424	1,391,111
Total revenues	54,712,172	54,758,110
Expenses:		
Instruction	32,160,453	31,040,184
Support services	15,986,911	15,201,411
Community services	112,936	148,554
Outgoing transfers and other transactions	1,713,605	1,731,777
Food services	2,670,603	2,563,563
Interest on long-term debt	1,373,837	1,254,465
Total expenses	54,018,345	51,939,954
Change in net position	\$ 693,827	\$ 2,818,156

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For the District as a whole its *combined* fund balance, is \$6,853,720 compared to \$5,846,120 in 2015. The fund balance increased by \$1,007,600 for the year, primarily due to an increase of \$442,495 in the general fund, increase of \$309,343 in the debt service fund, increase of \$158,987 in the capital projects fund, and increase of \$96,775 in the food service fund.

General Fund and Budget Highlights

During the 2015-2016 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 \$5,053,165 while the actual fund balance for the year was \$5,176,076. 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, 2016, the District's fund balance in the general fund was \$5,176,076. Remaining fund balance represented 10.86 percent of 2015-2016 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				
	2016			2015
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 708,581	\$ -	\$ 708,581	\$ 708,581
Land improvements	3,835,886	3,375,707	460,179	585,303
Buildings and additions	71,281,729	35,406,737	35,874,992	37,072,393
Furniture and equipment	5,375,613	5,159,944	215,669	281,927
Transportation equipment	2,086,129	1,661,994	424,135	375,051
Total	<u>\$ 83,287,938</u>	<u>\$ 45,604,382</u>	<u>\$ 37,683,556</u>	<u>\$ 39,023,255</u>

LONG-TERM DEBT

At June 30, 2016, the District had approximately \$32.9 million in long-term obligations which included \$29,437,074 in outstanding bonded debt. The bonded debt obligation was reduced during the year as \$4,058,786 of previously outstanding bonds were redeemed. In addition to the bonded debt, the District has obligations for accumulated compensated absences and termination benefits estimated at roughly \$3.4 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 continues to work on a long-term strategy for facilities updates that would minimize any millage increase.
- The District experienced its first enrollment increase in 14 years in the fall of 2015. While promising, this one year does not establish an anticipated trend. Enrollment has declined by over 1,200 students in the past ten years. The recent uptick provides hope that the decline has finally slowed; however, based on regional and statewide demographics the District still anticipates some ongoing student losses. 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 to Assistant Superintendent for Finance and Administrative Services' office at Wyoming Public Schools, 3575 Gladiola Avenue SW, Wyoming, MI 49519.

BASIC FINANCIAL STATEMENTS

**WYOMING PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2016**

	<u>Governmental activities</u>
ASSETS:	
Cash and cash equivalents	\$ 4,895,002
Receivables:	
Accounts receivable	6,993
Intergovernmental	7,157,843
Inventories	35,336
Prepays	516,552
Land contract receivable	300,058
Capital assets not being depreciated	708,581
Capital assets, net of accumulated depreciation	<u>36,974,975</u>
TOTAL ASSETS	<u>50,595,340</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding	298,009
Related to pensions	<u>7,327,706</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,625,715</u>
LIABILITIES:	
Accounts payable	187,209
Accrued salaries and related items	2,881,686
Accrued retirement	1,108,501
Intergovernmental	810,476
Accrued interest	202,486
Unearned revenue	770,134
Noncurrent liabilities:	
Due within one year	4,283,719
Due in more than one year	28,590,197
Net pension liability	<u>64,927,901</u>
TOTAL LIABILITIES	<u>103,762,309</u>
DEFERRED INFLOWS OF RESOURCES:	
Related to pensions	220,252
Related to state aid funding for pension	<u>1,770,020</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,990,272</u>
NET POSITION:	
Net investment in capital assets	8,544,491
Restricted for:	
Restricted for debt service	450,444
Unrestricted	<u>(56,526,461)</u>
TOTAL NET POSITION	<u><u>\$ (47,531,526)</u></u>

See notes to financial statements.

**WYOMING PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program revenues</u>		<u>Governmental activities</u>
		<u>Charges for services</u>	<u>Operating grants</u>	<u>Net (expense) revenue and changes in net position</u>
Governmental activities:				
Instruction	\$ 32,160,453	\$ 37,124	\$ 11,139,911	\$ (20,983,418)
Support services	15,986,911	320,111	1,912,658	(13,754,142)
Community services	112,936	-	-	(112,936)
Outgoing transfers and other transactions	1,713,605	-	98,786	(1,614,819)
Food services	2,670,603	339,492	2,396,537	65,426
Interest on long-term debt	1,373,837	-	-	(1,373,837)
Total governmental activities	<u>\$ 54,018,345</u>	<u>\$ 696,727</u>	<u>\$ 15,547,892</u>	<u>(37,773,726)</u>
General revenues:				
Property taxes, levied for general purposes				5,939,792
Property taxes, levied for debt service				5,375,840
Investment earnings				7,685
State sources - unrestricted				25,684,812
Other				<u>1,459,424</u>
Total general revenues				<u>38,467,553</u>
CHANGE IN NET POSITION				693,827
NET POSITION, beginning of year				<u>(48,225,353)</u>
NET POSITION, end of year				<u>\$ (47,531,526)</u>

**WYOMING PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	Total nonmajor funds	Total governmental funds
ASSETS			
ASSETS:			
Cash and cash equivalents	\$ 3,287,795	\$ 1,607,207	\$ 4,895,002
Receivables:			
Accounts receivable	2,164	4,829	6,993
Land contract receivable	-	300,058	300,058
Intergovernmental receivables	7,092,514	65,329	7,157,843
Due from other funds	90,027	-	90,027
Inventories	12,122	23,214	35,336
Prepays	366,552	150,000	516,552
	\$ 10,851,174	\$ 2,150,637	\$ 13,001,811
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 118,379	\$ 68,830	\$ 187,209
Accrued salaries and related items	2,876,871	4,815	2,881,686
Accrued retirement	1,108,197	304	1,108,501
Intergovernmental payables	810,476	-	810,476
Due to other funds	-	90,027	90,027
Unearned revenue	761,175	8,959	770,134
	5,675,098	172,935	5,848,033
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - land contract	-	300,058	300,058

See notes to financial statements.

	<u>General Fund</u>	<u>Total nonmajor funds</u>	<u>Total governmental funds</u>
FUND BALANCES:			
Nonspendable:			
Inventories	\$ 12,122	\$ 23,214	\$ 35,336
Prepays	366,552	150,000	516,552
Restricted for:			
Debt service	-	652,930	652,930
Food service	-	315,457	315,457
Assigned for:			
Capital projects	-	469,828	469,828
Subsequent years expenditures	253,798	66,215	320,013
Unassigned	4,543,604	-	4,543,604
TOTAL FUND BALANCES	<u>5,176,076</u>	<u>1,677,644</u>	<u>6,853,720</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 10,851,174</u>	<u>\$ 2,150,637</u>	<u>\$ 13,001,811</u>
Total governmental fund balances			\$ 6,853,720
Amounts reported for governmental activities in the statement of net position are different because:			
Deferred charge on refunding, net of amortization			298,009
Deferred outflows of resources - related to pensions			7,327,706
Deferred inflows of resources - related to pensions			(220,252)
Deferred inflows of resources - related to state pension funding			(1,770,020)
The land contract receivable generated from the sale of property is recognized as revenue on the Statement of Activities in the year of sale.			300,058
Capital assets used in governmental activities are not financial resources and are not reported in the funds:			
The cost of the capital assets is		\$ 83,287,938	
Accumulated depreciation is		<u>(45,604,382)</u>	
			37,683,556
Long-term liabilities are not due and payable in the current period and are not reported in the funds:			
Bonds payable			(29,437,074)
Compensated absences and termination benefits			(3,436,842)
Accrued interest is not included as a liability in government funds, it is recorded when paid			(202,486)
Net pension liability			(64,927,901)
Net position of governmental activities			<u>\$ (47,531,526)</u>

See notes to financial statements.

WYOMING PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Total nonmajor funds</u>	<u>Total governmental funds</u>
REVENUES:			
Local sources:			
Property taxes	\$ 5,939,792	\$ 5,375,840	\$ 11,315,632
Tuition	108,224	-	108,224
Investment earnings	2,778	4,907	7,685
Food sales, athletics, and community service	49,785	339,492	389,277
Other	978,835	275,465	1,254,300
Total local sources	7,079,414	5,995,704	13,075,118
State sources	32,248,769	98,786	32,347,555
Federal sources	4,755,353	2,396,537	7,151,890
Incoming transfers and other	3,941,300	-	3,941,300
Total revenues	48,024,836	8,491,027	56,515,863
EXPENDITURES:			
Current:			
Instruction	29,915,925	-	29,915,925
Supporting services	15,802,673	-	15,802,673
Food service activities	-	2,406,006	2,406,006
Community service activities	96,788	-	96,788
Outgoing transfers and other transactions	1,713,855	-	1,713,855
Capital outlay	-	338,802	338,802

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	\$ 3,745,000	\$ 3,815,000
Interest expense	73,100	1,343,728	1,416,828
Other	-	2,386	2,386
Total expenditures	<u>47,672,341</u>	<u>7,835,922</u>	<u>55,508,263</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>352,495</u>	<u>655,105</u>	<u>1,007,600</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	90,000	-	90,000
Transfers out	-	(90,000)	(90,000)
Total other financing sources (uses)	<u>90,000</u>	<u>(90,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	442,495	565,105	1,007,600
FUND BALANCES:			
Beginning of year	<u>4,733,581</u>	<u>1,112,539</u>	<u>5,846,120</u>
End of year	<u>\$ 5,176,076</u>	<u>\$ 1,677,644</u>	<u>\$ 6,853,720</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, 2016**

Net change in fund balances total governmental funds	\$ 1,007,600
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	(1,614,818)
Capital outlay	275,119
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	246,690
Accrued interest payable, end of the year	(202,486)
Collections on the land contract receivable are revenues in the governmental funds, but decrease assets in the Statement of Net Position.	
	(33,671)
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 in the treatment of long-term debt and related items are as follows:	
Payments on debt	3,815,000
Amortization of deferred loss on refunding	(44,150)
Amortization of bond premium	248,972
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	1,501,901
Accrued compensated absences and termination benefits, end of the year	(3,436,842)
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	705,718
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period.	
State aid funding for pension	(1,770,020)
Change in net position of governmental activities	\$ 693,827

**WYOMING PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2016**

	<u>Agency fund</u>
ASSETS:	
Cash and cash equivalents	\$ 281,918
Accounts receivable	<u>2,560</u>
TOTAL ASSETS	<u><u>\$ 284,478</u></u>
LIABILITES	
LIABILITIES:	
Accounts payable	\$ 659
Due to student and other groups	<u>283,819</u>
TOTAL LIABILITIES	<u><u>\$ 284,478</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, 2016. The District does not consider these amendments to be significant.

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.

**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)

2. Investments (Concluded)

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.

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.

**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 (Concluded)

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.

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.

**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 (Concluded)

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 three items that qualifies for reporting in this category. The first 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. The second is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The third arises only under the 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.

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.

**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

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.

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, 2016, the District levied the following amounts per \$1,000 of assessed valuation:

Fund	Mills
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.

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.

**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 (Concluded)

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, 2016.

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, 2016, 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.

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, 2016, \$4,826,695 of the District's bank balance of \$5,076,695 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying amount is \$5,176,920.

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.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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.

Fair value measurement. The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District does not have any investments subject to the fair value measurement.

At June 30, 2016, the carrying amount is as follows:

Deposits - including fiduciary funds of \$281,918	<u><u>\$ 5,176,920</u></u>
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**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (Concluded)

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

Fiduciary fund	\$ 281,918
Government wide:	
Cash	4,895,002
	<u>\$ 5,176,920</u>

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2015	Additions	Deletions (Reclassifications)	Balance June 30, 2016
Assets not being depreciated:				
Land	\$ 708,581	\$ -	\$ -	\$ 708,581
Other capital assets:				
Land improvements	3,758,321	77,565	-	3,835,886
Buildings and additions	71,281,729	-	-	71,281,729
Furniture and equipment	5,358,824	16,789	-	5,375,613
Transportation equipment	1,905,364	180,765	-	2,086,129
Subtotal	82,304,238	275,119	-	82,579,357
Accumulated depreciation:				
Land improvements	3,173,018	202,689	-	3,375,707
Buildings and additions	34,209,336	1,197,401	-	35,406,737
Furniture and equipment	5,076,897	83,047	-	5,159,944
Transportation equipment	1,530,313	131,681	-	1,661,994
Total accumulated depreciation	43,989,564	1,614,818	-	45,604,382
Net capital assets being depreciated	38,314,674	(1,339,699)	-	36,974,975
Net governmental capital assets	\$ 39,023,255	\$ (1,339,699)	\$ -	\$ 37,683,556

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

Governmental activities:	
Food service	\$ 80,741
Community service	16,148
Support services	387,556
Instruction	1,130,373
Total governmental activities	\$ 1,614,818

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2016, consist of the following:

	Governmental funds
Other intergovernmental units:	
State aid	\$ 5,865,482
Federal revenue	642,310
ISD and other	650,051
	\$ 7,157,843

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, 2016:

	Accumulated compensated absences and termination benefits	Bonds and other debt	Total
Balance July 1, 2015	\$ 1,501,901	\$ 33,495,860	\$ 34,997,761
Additions	1,934,941	-	1,934,941
Deletions	-	(4,058,786)	(4,058,786)
Balance June 30, 2016	3,436,842	29,437,074	32,873,916
Due within one year	663,719	3,620,000	4,283,719
Total due in more than one year	\$ 2,773,123	\$ 25,817,074	\$ 28,590,197

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM DEBT (Continued)

Bonds payable at June 30, 2016 is comprised of the following issues:

2007 building and site bonds due in annual installments of \$1,200,000 to \$1,950,000 through May 1, 2022 with interest from 4.00% to 5.00%.	\$ 9,400,000
2009 refunding bonds due in annual installments of \$655,000 to \$815,000 through May 1, 2022 with interest from 3.25% to 3.75%.	4,440,000
2013 building and site bonds due in annual installments of \$75,000 to \$150,000 through May 1, 2034 with interest from 2.00% to 4.50%.	1,960,000
2015 refunding bonds due in annual installments of \$1,660,000 to \$1,895,000 through May 1, 2023 with interest from 4.00% to 5.00%.	11,965,000
Less: unamortized discount	(54,331)
Plus: unamortized premium	<u>1,726,405</u>
Total general obligation debt	29,437,074
Obligation under contract for compensated absences and termination benefits	<u>3,436,842</u>
Total general long-term debt	<u><u>\$ 32,873,916</u></u>

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, 2016, \$36,360,000 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, 2016, including interest payments of \$5,341,154 are as follows:

Year ending June 30,	Principal	Interest	Amounts payable
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	4,330,000	548,783	4,878,783
2022 - 2026	6,830,000	662,405	7,492,405
2027 - 2031	625,000	166,118	791,118
2032 - 2034	435,000	29,813	464,813
	27,765,000	5,341,154	33,106,154
Discounts on bond refunding	(54,331)	-	(54,331)
Premium on bond refunding	1,726,405	-	1,726,405
Accumulated compensated absences and termination benefits	3,436,842	-	3,436,842
	<u>\$ 32,873,916</u>	<u>\$ 5,341,154</u>	<u>\$ 38,215,070</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2016 are as follows:

Receivable fund	Payable fund
General fund	Special revenue
<u>\$ 90,027</u>	<u>\$ 90,027</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/mpsers-cafr>.

Benefits Provided

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPSERS is as follows:

<u>Plan name</u>	<u>Plan Type</u>	<u>Plan status</u>
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Open
Defined Contribution	Defined Contribution	Open

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.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

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.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

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

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. Members who elected under option 1 to increase their level of contribution contribute 4% (Basic Plan) or 7% (MIP).

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). As a DC participant they receive a 4% employer contribution to a tax - deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS.

Employees who first work on or after September 4, 2012 choose between two retirement plans: the Pension Plus plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

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

Final Average Compensation (FAC) - 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

Depending on the plan selected, member contributions range from 0% - 7%. Plan members electing the defined contribution plan are not required to make additional contributions.

Employer Contributions

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.

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.

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

March 10, 2015 - September 30, 2015	18.76% - 23.07%
October 1, 2015 - September 30, 2016	14.56% - 18.95%

The District's pension contributions for the year ended June 30, 2016 were equal to the required contribution total. Pension contributions were approximately \$5,931,000, with \$5,749,000 specifically for the Defined Benefit Plan. These amounts include contributions funded from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate. (69.45% for pension and 30.55% for OPEB).

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

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

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

Pension Liabilities

At June 30, 2016, the District reported a liability of \$64,927,901 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2014 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, 2015 and 2014, the District's proportion was 0.26583 and 0.26528 percent.

<u>MPERS (Plan) Non-University employers:</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Total pension liability	\$ 66,312,041,902	\$ 65,160,887,182
Plan fiduciary net position	\$ 41,887,015,147	\$ 43,134,384,072
Net pension liability	\$ 24,425,026,755	\$ 22,026,503,110
Proportionate share	0.26583%	0.26528%
Net pension liability for the District	\$ 64,927,901	\$ 58,432,793

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

For the year ended June 30, 2016, the District recognized pension expense of \$3,273,577. This amount excludes contributions funded from state revenue Section 147c restricted to fund the MPERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate. These amounts have been recorded as a deferred outflow as of June 30, 2016.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

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

At June 30, 2016, 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	\$ 1,598,662	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	100,972	(5,192)
Net difference between projected and actual plan investment earnings	331,405	-
Difference between expected and actual experience	-	(215,060)
Reporting Unit's contributions subsequent to the measurement date	5,296,667	-
	\$ 7,327,706	\$ (220,252)

\$5,296,667, 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 September 30,	Amount
2017	\$ 207,982
2018	207,982
2019	121,292
2020	1,273,531

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).

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

Inflation - 2.5%

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

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

Mortality assumptions - RP2000 Combined Healthy Life Mortality table, adjusted for mortality improvements to 2020 using projection scale AA for men and women were used.

Experience study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2014. 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.

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%	5.90%
Alternate Investment Pools	18.00%	9.20%
International Equity	16.00%	7.20%
Fixed Income Pools	10.50%	0.90%
Real Estate and Infrastructure Pools	10.00%	4.30%
Absolute Return Pools	15.50%	6.00%
Short Term Investment Pools	2.00%	0.00%
	<u>100.00%</u>	

* Long term rate of return does not include 2.1% inflation.

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.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

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

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 (7% for Pension Plus Plan), 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 or 1 percentage point higher than the current rate:

	<u>1% Lower (6.0% - 7.0%)</u>	<u>Discount Rate (7.0% - 8.0%)</u>	<u>1% Higher (8.0% - 9.0%)</u>
Reporting Unit's proportionate share of the net pension liability	<u>\$ 83,708,708</u>	<u>\$ 64,927,901</u>	<u>\$ 49,094,911</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 2015 Comprehensive Annual Financial Report.

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

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 employer contribution rate ranged from 5.52% - 6.45% of covered payroll for the period October 1, 2013 to March 9, 2015, 2.2% to 2.71% of covered payroll for the period from March 10, 2015 to September 30, 2015, and from 6.4% to 6.83% of covered payroll for the period from October 1, 2015 through June 30, 2016 dependent upon the employee's date of hire and plan election.

The District postemployment healthcare contributions to MPSERS for the years ended June 30, 2016, 2015 and 2014 were approximately \$2,268,000, \$2,531,000 and \$1,454,000.

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 29 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 \$1,204,000, 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 16 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 \$1,971,000 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 \$90,000 to the general fund. The transfer from the food service fund was made to allocate indirect costs between the funds. The 2003 and 2005 debt service funds transferred \$5,544 and \$113,959, respectively, to the 2015 debt service fund. The transfer from the 2003 and 2005 debt service funds was made to close out those 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 - 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.

**WYOMING PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - UPCOMING ACCOUNTING PRONOUNCEMENT (Concluded)

Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, was issued by the GASB in August 2015 and will be effective for the District's 2017 year end. The Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements in the footnotes of the financial statements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatements recipients.
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

This Statement will improve the user's ability on how tax abatements affect the reporting unit's financial positions and results of operations, including their ability to raise resources in the future.

REQUIRED SUPPLEMENTARY INFORMATION

**WYOMING PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Local sources	\$ 6,728,012	\$ 6,994,202	\$ 7,079,414	\$ 85,212
State sources	30,892,693	32,318,219	32,248,769	(69,450)
Federal sources	4,913,027	4,947,463	4,755,353	(192,110)
Incoming transfers and other	4,039,678	3,934,688	3,941,300	6,612
Total revenues	<u>46,573,410</u>	<u>48,194,572</u>	<u>48,024,836</u>	<u>(169,736)</u>
EXPENDITURES:				
Current:				
Instruction:				
Basic programs	21,472,655	22,404,965	22,478,665	(73,700)
Added needs	7,409,448	7,027,666	6,973,730	53,936
Adult education	461,492	469,066	463,530	5,536
Total instruction	<u>29,343,595</u>	<u>29,901,697</u>	<u>29,915,925</u>	<u>(14,228)</u>
Supporting services:				
Pupil	2,981,044	2,940,914	2,831,826	109,088
Instructional staff	1,542,056	1,998,852	1,853,518	145,334
General administration	414,875	426,138	419,191	6,947
School administration	1,946,334	2,005,955	2,012,003	(6,048)
Business	326,426	363,974	361,878	2,096
Operation/maintenance	3,167,317	3,204,189	3,187,695	16,494
Pupil transportation	2,770,734	2,745,778	2,770,877	(25,099)
Central	1,543,132	1,758,368	1,753,585	4,783
Athletics	670,880	615,658	612,100	3,558
Total supporting services	<u>15,362,798</u>	<u>16,059,826</u>	<u>15,802,673</u>	<u>257,153</u>
Community services	160,614	118,075	96,788	21,287
Debt service	-	143,100	143,100	-
Outgoing transfers and other transactions	1,706,403	1,742,290	1,713,855	28,435
Total expenditures	<u>46,573,410</u>	<u>47,964,988</u>	<u>47,672,341</u>	<u>292,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>229,584</u>	<u>352,495</u>	<u>122,911</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	90,000	90,000	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 319,584</u>	<u>442,495</u>	<u>\$ 122,911</u>
FUND BALANCE:				
Beginning of year			<u>4,733,581</u>	
End of year			<u>\$ 5,176,076</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>2015</u>	<u>2014</u>
Reporting unit's proportion of net pension liability (%)	0.26583%	0.26528%
Reporting unit's proportionate share of net pension liability	\$ 64,927,901	\$ 58,432,793
Reporting unit's covered-employee payroll	\$ 22,148,043	\$ 22,570,604
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	293.15%	258.89%
Plan fiduciary net position as a percentage of total pension liability	63.17%	66.20%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, 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>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 5,749,314	\$ 4,594,441
Contributions in relation to statutorily required contributions	<u>5,749,314</u>	<u>4,594,441</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Reporting unit's covered-employee payroll	\$ 21,823,717	\$ 22,309,478
Contributions as a percentage of covered-employee payroll	26.34%	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, 2016**

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

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

ADDITIONAL SUPPLEMENTARY INFORMATION

**WYOMING PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
YEAR ENDED JUNE 30, 2016**

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
LOCAL SOURCES:			
Property taxes	\$ 5,906,601	\$ 5,939,792	\$ 33,191
Tuition	103,924	108,224	4,300
Investment earnings	2,400	2,778	378
Athletics	49,285	49,785	500
Other local revenue	931,992	978,835	46,843
TOTAL LOCAL SOURCES	<u>6,994,202</u>	<u>7,079,414</u>	<u>85,212</u>
STATE SOURCES:			
Foundation grant	25,655,308	25,650,002	(5,306)
Categorical	6,573,822	6,503,549	(70,273)
Other state revenue	89,089	95,218	6,129
TOTAL STATE SOURCES	<u>32,318,219</u>	<u>32,248,769</u>	<u>(69,450)</u>
FEDERAL SOURCES:			
Title I	1,242,166	1,230,036	(12,130)
Title II - improving teacher quality	251,982	127,885	(124,097)
IDEA special education	1,090,892	1,090,892	-
21st century	2,025,000	1,989,224	(35,776)
Other federal revenue	337,423	317,316	(20,107)
TOTAL FEDERAL SOURCES	<u>4,947,463</u>	<u>4,755,353</u>	<u>(192,110)</u>
INCOMING TRANSFERS AND OTHER TRANSACTIONS:			
Special education	3,269,777	3,269,777	-
Other	664,911	671,523	6,612
TOTAL INCOMING TRANSFERS AND OTHER TRANSACTIONS	<u>3,934,688</u>	<u>3,941,300</u>	<u>6,612</u>
TOTAL REVENUES	<u>48,194,572</u>	<u>48,024,836</u>	<u>(169,736)</u>
OTHER FINANCING SOURCES:			
Transfers in	90,000	90,000	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$48,284,572</u>	<u>\$48,114,836</u>	<u>\$ (169,736)</u>

**WYOMING PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2016
(with comparative totals for the year ended June 30, 2015)**

	Salaries	Employee benefits	Purchased services	Supplies and materials	Capital outlay	Other expenses	Totals	
							2016	2015
Instruction:								
Elementary	\$ 7,047,383	\$ 4,303,189	\$ 301,482	\$ 317,218	\$ -	\$ -	\$ 11,969,272	\$ 11,682,086
Middle school	3,078,982	1,850,642	82,955	139,302	2,548	2,115	5,156,544	4,922,145
High school	2,842,345	1,710,552	477,939	157,918	6,503	7,150	5,202,407	4,877,357
Preschool	31,604	20,876	29,616	252	-	-	82,348	42,251
Summer school	52,261	15,444	389	-	-	-	68,094	14,668
Special education	2,199,089	1,416,338	80,128	25,792	-	1,255,885	4,977,232	5,026,460
Compensatory education	1,113,283	679,164	40,938	44,323	-	61,923	1,939,631	2,775,101
Vocational education	-	-	95	52,361	-	4,411	56,867	52,489
Adult education	279,628	167,584	13,548	2,770	-	-	463,530	472,969
Total instruction	<u>16,644,575</u>	<u>10,163,789</u>	<u>1,027,090</u>	<u>739,936</u>	<u>9,051</u>	<u>1,331,484</u>	<u>29,915,925</u>	<u>29,865,526</u>
Supporting services:								
Pupil services	411,073	233,531	55,422	9,822	-	2,121,978	2,831,826	2,952,017
Instructional staff services	950,345	570,646	85,870	88,664	153,573	4,420	1,853,518	1,564,025
General administration	216,364	101,675	91,526	5,243	-	4,383	419,191	494,218
School administration	1,219,007	773,124	5,298	14,574	-	-	2,012,003	1,791,206
Business services	220,655	136,006	2,237	918	-	2,062	361,878	303,591
Operations and maintenance	803,348	595,768	886,728	797,803	101,409	2,639	3,187,695	3,092,919
Transportation	565,904	385,669	230,469	171,421	116,073	1,301,341	2,770,877	2,499,520
Central services	610,183	372,412	403,419	51,009	315,686	876	1,753,585	1,551,139
Athletics	235,130	144,371	151,712	5,198	37,152	38,537	612,100	613,867
Total supporting services	<u>5,232,009</u>	<u>3,313,202</u>	<u>1,912,681</u>	<u>1,144,652</u>	<u>723,893</u>	<u>3,476,236</u>	<u>15,802,673</u>	<u>14,862,502</u>
Community services	<u>6,457</u>	<u>3,021</u>	<u>71,438</u>	<u>6,986</u>	<u>-</u>	<u>8,886</u>	<u>96,788</u>	<u>132,726</u>
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,100</u>	<u>143,100</u>	<u>144,500</u>
Outgoing transfers and other transactions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>1,713,605</u>	<u>1,713,855</u>	<u>1,732,027</u>
Total expenditures	<u>\$ 21,883,041</u>	<u>\$ 13,480,012</u>	<u>\$ 3,011,209</u>	<u>\$ 1,891,574</u>	<u>\$ 733,194</u>	<u>\$ 6,673,311</u>	<u>\$ 47,672,341</u>	<u>\$ 46,737,281</u>

**WYOMING PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2016**

	<u>Special revenue</u>		<u>Capital projects</u>	<u>Total nonmajor funds</u>
	<u>Food service</u>	<u>Debt service</u>		
ASSETS:				
Cash and cash equivalents	\$ 448,711	\$ 652,930	\$ 505,566	\$ 1,607,207
Accounts receivable	-	-	4,829	4,829
Land contract receivable	-	-	300,058	300,058
Intergovernmental	59,281	-	6,048	65,329
Prepays	150,000	-	-	150,000
Inventories	23,214	-	-	23,214
TOTAL ASSETS	<u>\$ 681,206</u>	<u>\$ 652,930</u>	<u>\$ 816,501</u>	<u>\$ 2,150,637</u>
LIABILITIES:				
Accounts payable	\$ 22,215	\$ -	\$ 46,615	\$ 68,830
Accrued salaries and related items	4,815	-	-	4,815
Accrued retirement	304	-	-	304
Due to other funds	90,027	-	-	90,027
Unearned revenue	8,959	-	-	8,959
TOTAL LIABILITIES	<u>126,320</u>	<u>-</u>	<u>46,615</u>	<u>172,935</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - land contract	-	-	300,058	300,058
FUND BALANCES:				
Nonspendable:				
Inventories	23,214	-	-	23,214
Prepays	150,000	-	-	150,000
Restricted for:				
Debt service	-	652,930	-	652,930
Food service	315,457	-	-	315,457
Assigned for:				
Capital projects	-	-	469,828	469,828
Subsequent years expenditures	66,215	-	-	66,215
TOTAL FUND BALANCES	<u>554,886</u>	<u>652,930</u>	<u>469,828</u>	<u>1,677,644</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 681,206</u>	<u>\$ 652,930</u>	<u>\$ 816,501</u>	<u>\$ 2,150,637</u>

**WYOMING PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2016**

	<u>Special revenue</u>		<u>Capital projects</u>	<u>Total nonmajor funds</u>
	<u>Food service</u>	<u>Debt service</u>		
REVENUES:				
Local sources:				
Property taxes	\$ -	\$ 5,375,840	\$ -	\$ 5,375,840
Investment earnings	294	4,426	187	4,907
Food sales	339,492	-	-	339,492
Other	1,500	20,191	253,774	275,465
Total local sources	<u>341,286</u>	<u>5,400,457</u>	<u>253,961</u>	<u>5,995,704</u>
State sources	98,786	-	-	98,786
Federal sources	2,396,537	-	-	2,396,537
Total revenues	<u>2,836,609</u>	<u>5,400,457</u>	<u>253,961</u>	<u>8,491,027</u>
EXPENDITURES:				
Current:				
Food service activities	2,406,006	-	-	2,406,006
Capital outlay	243,828	-	94,974	338,802
Debt service:				
Principal repayment	-	3,745,000	-	3,745,000
Interest expense	-	1,343,728	-	1,343,728
Other expense	-	2,386	-	2,386
Total expenditures	<u>2,649,834</u>	<u>5,091,114</u>	<u>94,974</u>	<u>7,835,922</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>186,775</u>	<u>309,343</u>	<u>158,987</u>	<u>655,105</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(90,000)	-	-	(90,000)
NET CHANGE IN FUND BALANCES	96,775	309,343	158,987	565,105
FUND BALANCES:				
Beginning of year	458,111	343,587	310,841	1,112,539
End of year	<u>\$ 554,886</u>	<u>\$ 652,930</u>	<u>\$ 469,828</u>	<u>\$ 1,677,644</u>

**WYOMING PUBLIC SCHOOLS
COMBINING DEBT SERVICE FUNDS
BALANCE SHEET
JUNE 30, 2016**

	<u>2007</u>	<u>2009</u>	<u>2015</u>	<u>Total Nonmajor</u>
ASSETS:				
Cash and cash equivalents	<u>\$ 238,350</u>	<u>\$ 120,834</u>	<u>\$ 293,746</u>	<u>\$ 652,930</u>
FUND BALANCES:				
Restricted for debt service	<u>\$ 238,350</u>	<u>\$ 120,834</u>	<u>\$ 293,746</u>	<u>\$ 652,930</u>

**WYOMING PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2016**

	<u>2003</u>	<u>2005</u>	<u>2007</u>	<u>2009</u>	<u>2015</u>	<u>Total Nonmajor</u>
REVENUES:						
Local sources:						
Property taxes	\$ -	\$ -	\$ 1,617,241	\$ 854,803	\$ 2,903,796	\$ 5,375,840
Interest	-	-	508	274	3,644	4,426
Other	-	-	-	3,466	16,725	20,191
Total local revenue	<u>-</u>	<u>-</u>	<u>1,617,749</u>	<u>858,543</u>	<u>2,924,165</u>	<u>5,400,457</u>
EXPENDITURES:						
Principal repayments	-	-	1,050,000	635,000	2,060,000	3,745,000
Interest expense	-	-	480,869	174,150	688,709	1,343,728
Other	-	-	615	558	1,213	2,386
Total expenditures	<u>-</u>	<u>-</u>	<u>1,531,484</u>	<u>809,708</u>	<u>2,749,922</u>	<u>5,091,114</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>86,265</u>	<u>48,835</u>	<u>174,243</u>	<u>309,343</u>
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	<u>(5,544)</u>	<u>(113,959)</u>	<u>-</u>	<u>-</u>	<u>119,503</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(5,544)</u>	<u>(113,959)</u>	<u>86,265</u>	<u>48,835</u>	<u>293,746</u>	<u>309,343</u>
FUND BALANCES:						
Beginning of year	<u>5,544</u>	<u>113,959</u>	<u>152,085</u>	<u>71,999</u>	<u>-</u>	<u>343,587</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,350</u>	<u>\$ 120,834</u>	<u>\$ 293,746</u>	<u>\$ 652,930</u>

**WYOMING PUBLIC SCHOOLS
LONG TERM DEBT
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2016**

2007 School Building and Site Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
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>\$ 9,400,000</u>	<u>\$ 794,089</u>	<u>\$ 794,089</u>	<u>\$ 10,988,178</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, 2016**

2009 Refunding Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
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>\$ 4,440,000</u>	<u>\$ 288,913</u>	<u>\$ 288,913</u>	<u>\$ 5,017,826</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, 2016**

2013 School Building and Site Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
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>\$ 1,960,000</u>	<u>\$ 385,350</u>	<u>\$ 421,550</u>	<u>\$ 2,766,900</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, 2016**

2015 Refunding Bonds

Fiscal year	Interest rate	Principal due May 1,	Interest due		Total due annually
			May 1	November 1	
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>\$ 11,965,000</u>	<u>\$ 1,184,125</u>	<u>\$ 1,184,125</u>	<u>\$ 14,333,250</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, 2016**

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue July 1, 2015	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2016	Current Year Cash Transferred to Subrecipient
<u>U.S. Department of Agriculture:</u>									
Passed through Michigan Department of Education:									
Child Nutrition Cluster:									
Non-Cash Assistance (Donated Foods):									
Entitlement	10.555		\$ 128,821	\$ -	\$ -	\$ 128,821	\$ 128,821	\$ -	\$ -
Non-Cash Assistance Subtotal			128,821	-	-	128,821	128,821	-	-
Cash Assistance:									
National School Lunch Program - Breakfast	10.553	151970	64,204	-	-	64,204	64,204	-	-
National School Lunch Program - Breakfast	10.553	161970	603,310	-	-	603,310	592,233	11,077	-
			667,514	-	-	667,514	656,437	11,077	-
National School Lunch Program - Section 11	10.555	151960	136,967	-	-	136,967	136,967	-	-
National School Lunch Program - Section 11	10.555	161960	1,220,683	-	-	1,220,683	1,204,437	16,246	-
			1,357,650	-	-	1,357,650	1,341,404	16,246	-
Summer Food Service Program - Meals	10.559	150900-15	61,504	16,390	-	61,504	77,894	-	-
Summer Food Service Program - Meals	10.559	160900-16	16,434	-	-	16,434	-	16,434	-
Summer Food Service Program - Sponsor Administration	10.559	151900-15	5,183	1,408	-	5,183	6,591	-	-
Summer Food Service Program - Sponsor Administration	10.559	161900-16	1,413	-	-	1,413	-	1,413	-
			84,534	17,798	-	84,534	84,485	17,847	-
Cash Assistance Subtotal			2,109,698	17,798	-	2,109,698	2,082,326	45,170	-
Total Child Nutrition Cluster			2,238,519	17,798	-	2,238,519	2,211,147	45,170	-

The accompanying notes are an integral part of this schedule.

**WYOMING PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue July 1, 2015	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2016	Current Year Cash Transferred to Subrecipient
U.S. Department of Agriculture (Concluded):									
Passed through Michigan Department of Education:									
Cash Assistance (Concluded):									
Child Care Food Program	10.558	151920	\$ 14,567	\$ -	\$ -	\$ 14,567	\$ 14,567	\$ -	\$ -
Child Care Food Program	10.558	161920	134,749	-	-	134,749	134,749	-	-
Child Care Food Program	10.558	152010	883	-	-	883	883	-	-
Child Care Food Program	10.558	162010	7,819	-	-	7,819	7,819	-	-
			158,018	-	-	158,018	158,018	-	-
Total U.S. Department of Agriculture			2,396,537	17,798	-	2,396,537	2,369,165	45,170	-
U.S. Department of Education:									
Passed through Michigan Department of Education:									
Title I	84.010	151530-1415	1,128,675	113,106	1,128,675	-	113,106	-	-
Title I	84.010	161530-1516	1,230,036	-	-	1,230,036	1,082,306	147,730	-
			2,358,711	113,106	1,128,675	1,230,036	1,195,412	147,730	-
Title IIA	84.367	150520-1415	174,945	19,398	174,945	-	19,398	-	-
Title IIA	84.367	160520-1516	187,330	-	-	127,885	118,056	9,829	-
			362,275	19,398	174,945	127,885	137,454	9,829	-
Title III - Limited English Proficient Students	84.365A	150580-1415	80,736	11,293	80,736	-	11,293	-	-
Title III - Limited English Proficient Students	84.365A	160580-1516	87,104	-	-	82,559	74,277	8,282	-
			167,840	11,293	80,736	82,559	85,570	8,282	-
21st Century Community Learning Center - Other	84.287C	152110-I14033	666,660	145,881	666,660	-	145,881	-	-
21st Century Community Learning Center - Other	84.287C	152110-I14058	663,609	155,314	663,609	-	155,314	-	-
21st Century Community Learning Center - Other	84.287C	152110-H13066	398,872	66,974	398,872	-	66,974	-	-
21st Century Community Learning Center - Other	84.287C	152110-G12065	265,525	50,709	265,525	-	50,709	-	-
21st Century Community Learning Center - Other	84.287C	162110-G12065	270,000	-	-	264,220	237,339	26,881	-
21st Century Community Learning Center - Other	84.287C	162110-H13066	405,000	-	-	396,276	344,626	51,650	81,295
21st Century Community Learning Center - Other	84.287C	162110-I14033	675,000	-	-	665,735	599,200	66,535	77,429
21st Century Community Learning Center - Other	84.287C	162110-I14058	675,000	-	-	662,993	596,337	66,656	78,159
			4,019,666	418,878	1,994,666	1,989,224	2,196,380	211,722	236,883

The accompanying notes are an integral part of this schedule.

**WYOMING PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass-through grantor's number	Approved grant award amount	Accrued revenue July 1, 2015	Prior year expenditures (memo only)	Current year expenditures	Current year cash receipts	Accrued revenue June 30, 2016	Current Year Cash Transferred to Subrecipient
U.S. Department of Education (Concluded):									
Passed through Michigan Department of Education (Concluded):									
Federal General Instr - Adult Education	84.002A	151130-151267	\$ 133,836	\$ 27,950	\$ 133,836	\$ -	\$ 27,950	\$ -	\$ -
Federal General Instr - Adult Education	84.002A	161130-161267	174,500	-	-	174,372	149,339	25,033	-
English Literature	84.002A	151120-155667	50,000	9,746	50,000	-	9,746	-	-
English Literature	84.002A	161120-165667	51,998	-	-	51,998	44,790	7,208	-
			410,334	37,696	183,836	226,370	231,825	32,241	-
Total passed through Michigan Department of Education			7,318,826	600,371	3,562,858	3,656,074	3,846,641	409,804	236,883
Passed through Kent Intermediate School District (KISD):									
Special Education Cluster:									
I.D.E.A. - Flow Through	84.027	150450-1415	1,060,317	174,660	1,060,317	-	174,660	-	-
I.D.E.A. - Flow Through	84.027	160450-1516	1,043,815	-	-	1,043,815	874,224	169,591	-
			2,104,132	174,660	1,060,317	1,043,815	1,048,884	169,591	-
I.D.E.A. - Preschool	84.173	150460-1415	45,651	7,992	45,651	-	7,992	-	-
I.D.E.A. - Preschool	84.173	160460-1516	47,077	-	-	47,077	37,719	9,358	-
			92,728	7,992	45,651	47,077	45,711	9,358	-
Total Special Education Cluster			2,196,860	182,652	1,105,968	1,090,892	1,094,595	178,949	-
Total passed through Kent Intermediate School District			2,196,860	182,652	1,105,968	1,090,892	1,094,595	178,949	-
Total U.S. Department of Education			9,515,686	783,023	4,668,826	4,746,966	4,941,236	588,753	236,883
U.S. Department of Health and Human Services:									
Passed through Kent Intermediate School District (KISD):									
Medicaid Outreach	93.778	1516	8,387	-	-	8,387	-	8,387	-
Total U.S. Department of Health and Human Services			8,387	-	-	8,387	-	8,387	-
TOTAL FEDERAL AWARDS			\$ 11,920,610	\$ 800,821	\$ 4,668,826	\$ 7,151,890	\$ 7,310,401	\$ 642,310	\$ 236,883

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, 2016**

1. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Wyoming Public Schools under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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 financial 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 the Uniform Guidance and 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. Wyoming Public Schools has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. Management has utilized the Grant Audit Report in preparing the Schedule of Expenditures of Federal Awards.
4. Federal expenditures are reported as revenue in the following funds in the financial statements: □

General fund	\$ 4,755,353
Other nonmajor governmental fund	2,396,537
Total federal expenditures	\$ 7,151,890
5. Of the Federal expenditures presented in the schedule of expenditures of federal awards, Wyoming Public Schools provided federal awards to subrecipients reported below.

	Federal CFDA number	Pass-through grantor's number	Subrecipient award/contract amount	Subrecipient current year expenditures	Current year cash transferred to subrecipient
U.S. Department of Education:					
Passed through the Michigan Department of Education:					
21st Century Community Learning Center -					
Passed through to:					
Godwin Heights Public Schools	84.287C	162110-H13066	\$ 27,998	\$ 27,998	\$ 27,998
		162110-I14033	28,860	28,860	28,860
		162110-I14058	31,181	31,181	31,181
Kelloggsville Public Schools	84.287C	162110-H13066	29,764	29,764	29,764
		162110-I14033	28,717	28,717	28,717
		162110-I14058	25,818	25,818	25,818
Godfree Lee Public Schools	84.287C	162110-H13066	23,533	23,533	23,533
		162110-I14033	19,852	19,852	19,852
		162110-I14058	21,160	21,160	21,160
Total passed through to subrecipients			\$ 236,883	\$ 236,883	\$ 236,883

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

To the Board of Education
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, 2016, 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 September 9, 2016.

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 purposes.

Maney Costeiran PC

September 9, 2016

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

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maney Costeiran PC

September 9, 2016

**WYOMING PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

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 None reported

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 None reported

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I, Part A
84.027 & 84.173	IDEA Flowthrough and Preschool

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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, 2016**

There were no audit findings in either of the prior two years.