

**Woodhaven-Brownstown School District
Brownstown, Michigan**

FINANCIAL STATEMENTS

June 30, 2012

Woodhaven-Brownstown School District

Brownstown, Michigan

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June 30, 2012

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Woodhaven-Brownstown School District

TABLE OF CONTENTS

June 30, 2012

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	i-ii
MANAGEMENT'S DISCUSSION AND ANALYSIS	iii-x
BASIC FINANCIAL STATEMENTS	
District-wide Financial Statements:	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Fiduciary Fund:	
Statement of Assets and Liabilities - Fiduciary Fund	7
Notes to Financial Statements	8-21
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	22
Note to Required Supplementary Information	23
OTHER SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	24-25
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	26-27

Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



2601 Cambridge Court
Suite 201
Auburn Hills, MI 48326
(248) 844-2550
FAX: (248) 844-2551

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Woodhaven-Brownstown School District
Brownstown, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodhaven-Brownstown School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Woodhaven-Brownstown School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Woodhaven-Brownstown School District as of June 30, 2012, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2012 on our consideration of Woodhaven-Brownstown School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control and financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified on 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Woodhaven-Brownstown School District's financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

October 8, 2012

This section of Woodhaven-Brownstown School District's annual report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2012. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Woodhaven-Brownstown School District, a K-12 school district located in Wayne County, Michigan, is in its eighth year of the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the Woodhaven-Brownstown School District Management's discussion and analysis of the financial results for the fiscal year ended June 30, 2012.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Woodhaven-Brownstown School District financially as a whole. The *District-wide Financial Statements* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and longer-term view of the finances. The *Fund Financial Statements* provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds - the General Fund and Sinking Fund, and the remaining Special Revenue Funds, Capital Project Fund and Debt Service Funds collectively as other non-major governmental funds. The remaining statement, the Statement of Assets and Liabilities - Fiduciary Fund, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

District-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the basic financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. These statements are prepared to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

The Statement of Net Assets and Statement of Activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, supporting services, community services, athletics, and food services. Property taxes, unrestricted State Aid (foundation allowance revenue), and State and federal grants finance most of these activities.

The District-wide financial statements are full accrual basis statements. They report all the District's assets and liabilities, both short and long-term, regardless if they are "currently available" or not. For example, assets that are restricted for use in the Debt Service Funds solely for the payment of long-term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Assets of the District-wide financial statements.

Fund Financial Statements

The fund level financial statements are reported on the modified accrual basis. Only those assets that are "measurable" and "available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Debt Service Funds and the Special Revenue (School Service) Funds, which are comprised of: Cafeteria, Funded Programs and Special Education.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No capital assets are reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

Summary of Net Assets:

The following summarizes the net assets as of June 30, 2012 and 2011:

Condensed Statement of Net Assets
as of June 30, 2012 and 2011

	Governmental Activities 2012	Governmental Activities 2011
Assets		
Current Assets	\$ 12,674,467	\$ 15,551,637
Capital Assets	<u>93,565,279</u>	<u>94,986,753</u>
Total Assets	106,239,746	110,538,390
Liabilities		
Current Liabilities	12,629,028	11,486,953
Noncurrent Liabilities	<u>61,476,257</u>	<u>65,660,201</u>
Total Liabilities	74,105,285	77,147,154
Net Assets		
Invested in capital assets, net of related debt	28,685,167	25,922,786
Restricted	1,620,525	5,147,444
Unrestricted	<u>1,828,769</u>	<u>2,321,006</u>
Total Net Assets	<u>\$ 32,134,461</u>	<u>\$ 33,391,236</u>

Analysis of Financial Position:

The \$1,828,769 in unrestricted net assets of governmental activities represents district funds that have not been committed contractually or for debt obligations and are available for future use. As detailed above, the District shows a positive total net asset value of \$32,134,461 for the fiscal year ended June 30, 2012. This statement can be explained by the following factors:

- The passing of a 90 million dollar construction millage in 2002. Construction projects in order to upgrade facilities and technology continued through the 2009-2010 year. This represents a significant portion of the District's total capital assets of approximately 95 million dollars, which is net of accumulated depreciation.
- Significant debt, (\$90 million) was incurred by the District in 2002 to pay for the facility projects. There have been several refundings of the bonded debt. The District's current debt outstanding related to these projects is approximately 66 million dollars.
- The District currently has approximately 1.5 million dollars of Capital Project and Sinking funds and 0.5 million dollars of Debt Service funds on hand that are restricted to be used for those purposes.

Results of Operations:

For the fiscal years ended June 30, 2012 and 2011, the District-wide results of operations were:

Condensed Statement of Activities
Years Ended June 30, 2012 and 2011

	Governmental Activities 2012	Governmental Activities 2011
Revenues:		
Program Revenues		
Charges for Service	\$ 1,285,028	\$ 994,304
Operating Grants	8,730,508	10,075,458
Capital Grants	-	381,290
General Revenues		
Property Taxes	15,414,868	15,904,916
State School Aid-unrestricted	27,898,811	28,862,453
Other	405,363	682,161
Total Revenues	53,734,578	56,900,582
Functions/Program Expenses		
Instruction	27,253,761	27,430,176
Supporting services	17,298,807	18,244,838
Community services	19,750	10,558
Cafeteria	1,635,453	1,606,333
Interest on long-term debt	3,221,687	3,402,006
Unallocated depreciation	5,561,895	5,720,604
Total Expenses	54,991,353	56,414,515
Increase (Decrease) in Net Assets	\$ (1,256,775)	\$ 486,067

Analysis of Results of Operations:

During fiscal year ended June 30, 2012, the District's net assets decreased by (\$1,256,775). Several factors which helped cause the decrease are discussed in the following sections.

A. Governmental Fund Operating Results

The District's expenditures and other financing uses from governmental fund operations exceeded revenues and other financing sources by (\$3,621,151) for the fiscal year ended June 30, 2012. Further discussion of the district's operating results is available in the section entitled "Results of 2011-2012 Operations" located on the following page.

B. Capital Outlay in Excess of Depreciation Expense

The cost of capital assets is allocated over the useful lives of the assets as depreciation expense. During 2011-2012, the District's investment in new or replacement assets was less than the current year depreciation and loss on disposal of assets, causing a decrease in net district assets. The District's overall net assets were decreased by \$1,421,474 calculated as the difference between new capital investments \$4,140,421 and depreciation allocated against the useful lives of district assets \$5,561,895.

C. Long-Term Debt Activities

The District decreased its long-term debt obligations during 2011-2012 by making principal payments amounting to \$4,305,000; reduction in accrued interest cost of \$31,126 on outstanding debt was incurred by the District during the fiscal year; amortization of premium/discount costs increased liability by \$121,145. Also, compensated absences, early retirement incentives and accrued vacation liabilities increased by \$60,554. As a result of these activities, net district long-term debt liabilities decreased by \$4,123,301.

Results of 2011-2012 Operations

During fiscal year ended June 30, 2012, the District net assets decreased by (\$1,256,775). A few additional significant factors affecting net assets during the year are discussed below:

A. General Fund Operations

The General Fund is the main fund for the District and includes all the costs related to educating and providing athletic activities for the students of the Woodhaven-Brownstown School District such as: Salaries and benefits for Teachers, Classroom Aides, Administrators, Secretaries, Custodians, Maintenance staff, Aides, Librarians, Counselors, Bus Drivers and other miscellaneous positions; teaching supplies, employee training, utilities, building maintenance supplies and other.

The District's General Fund revenues exceeded expenditures by (\$47,474) for the fiscal year ended June 30, 2012. The General Fund as of June 30, 2012, has a fund balance of \$3,262,100, or 8.4% of expenditures for the 2011-2012 fiscal year. The School District continues to seek ways in which to become more efficient in order to continue to build fund equity and allow for increased expenditures to meet student needs and to meet the fluctuations that result from State of Michigan funding.

B. Debt Service Fund Operations

The Debt Service Funds consist of seven (7) separate debt funds as follows: 2002 Debt, 2003 Debt, 2004 Debt, 2006 Debt, 2006B Debt, 2009 Debt and 2009B Debt. The Debt Service Funds are set up to collect taxes and pay annual debt payments. At June 30, 2012, the Debt Service Funds had \$562,895 in fund equity available for future bond payments.

Woodhaven-Brownstown School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2012

The School District levies taxes to make debt payment obligations. If taxes levied are not sufficient the School District will borrow funds from the Michigan School Bond Loan Fund. Any funds borrowed from the Michigan School Bond Loan Fund will be paid back toward the end of the bond obligations. The District had no School Bond Loan Fund obligations in 2011-2012. The School District had compensated absences, accrued vacation and early retirement incentives outstanding at June 30, 2012, which totaled \$1,444,054.

The District made principal payments on bonded, long-term debt obligations that reduced the amount of the District's long-term liabilities as follows:

	Principal Balance June 30, 2011	Additions and New Debt	Principal Payments	Principal Balance June 30, 2012
2002 Bonds	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -
2003 Bonds	1,525,000	-	400,000	1,125,000
2004 Bonds	4,500,000	-	1,125,000	3,375,000
2006 Bonds	43,380,000	-	145,000	43,235,000
2006 B Bonds	14,270,000	-	-	14,270,000
2009 Bonds	4,165,000	-	890,000	3,275,000
2009 B Bonds	1,420,000	-	245,000	1,175,000
Total long-term bond obligations	<u>\$ 70,760,000</u>	<u>\$ -0-</u>	<u>\$ 4,305,000</u>	<u>\$ 66,455,000</u>

C. School Service Funds

The Woodhaven-Brownstown School District also has school service funds that include the following: Cafeteria Fund, Funded Projects Fund and the Special Education Fund.

The Cafeteria Fund is a fund that reports the food service program. In 2011-2012, the Cafeteria Fund had revenues of \$1,598,876 and expenditures of \$1,629,490. At June 30, 2012, the Cafeteria Fund had a fund balance of \$10,723.

The Funded Projects Fund is a fund that reports all activities related to the Federal and State grant programs. In 2011-2012, the Funded Projects Fund had revenues and expenditures of \$2,903,957. The Funded Projects Fund maintains a zero fund balance.

The Special Education TOTE Fund is a fund that reports all activities related to services provided to Special Education TOTE students. In 2011-2012, the Special Education TOTE Fund had revenues (including transfers and payments from other districts) and expenditures of \$2,430,167. The Special Education TOTE Fund maintains a zero fund balance.

D. Net Investment in Capital Assets

The District's net investment in capital assets decreased by \$1,421,474 during the fiscal year. This can be summarized as follows:

	Balance June 30, 2011	Net Additions	Balance June 30, 2012
Capital assets	\$ 152,036,079	\$ 4,035,228	\$ 156,071,307
Less: accumulated depreciation	<u>(57,049,326)</u>	<u>(5,456,702)</u>	<u>(62,506,028)</u>
Net investment in capital outlay	<u>\$ 94,986,753</u>	<u>\$ (1,421,474)</u>	<u>\$ 93,565,279</u>

IMPORTANT ECONOMIC FACTORS

1. State of Michigan Unrestricted Aid (Net State Foundation Grant)

The State of Michigan aid, unrestricted, is determined with the following variables:

- a. State of Michigan State Aid Act per student foundation allowance
- b. Student Enrollment - Blended at 90 percent of current year's fall count and 10 percent of prior year's winter count
- c. The District's non-homestead property valuation

Per Student, Foundation Allowance:

Annually, the State of Michigan establishes the per student foundation allowance. The Woodhaven-Brownstown School District foundation allowance was \$7,252 per student for the 2011-2012 school year.

Student Enrollment:

The District's blended student enrollment for 2011-2012 was 4,907 students. The District's enrollment decreased by students from the prior school year's student count. The following summarizes blended student enrollments in the past five years:

	<u>Student FTE</u>	<u>FTE Change from Prior Year</u>
2011 - 2012	4,907	(66)
2010 - 2011	4,973	(153)
2009 - 2010	5,126	(178)
2008 - 2009	5,304	(20)
2007 - 2008	5,324	31

Subsequent to year end June 30, 2012, preliminary student enrollments for 2012-2013 indicate that enrollments may increase slightly.

2. Property Taxes levied for General Operations (General Fund Non-Homestead Taxes)

The District levies 17.6778 mills of property taxes for operations (General Fund) on Non-Homestead properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or five (5) percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value. The District's non-homestead property tax levy for 2011-2012 fiscal year was \$7,013,704. The non-homestead tax levy decreased by approximately 8% from the prior year.

Subsequent to year end June 30, 2012, the District was successful in a Headlee override to restore to the maximum 18 mill of property taxes for operation on Non-Homestead properties.

3. Debt Fund Property Taxes

The District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2011-2012, the District's debt millage levy was 7 mills that generated revenue of \$7,371,388.

4. Sinking Fund Property Taxes

The voters of Woodhaven-Brownstown School District approved a Sinking Fund millage to fund capital improvements and related activities. The District's Sinking Fund levy, which is used to pay the capital related costs, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2011-2012, the District Sinking Fund millage levy was .9778 mills that generated revenue of \$1,029,776.

GENERAL FUND BUDGET & ACTUAL REVENUES & EXPENDITURES

Listed below is an analysis of the original budget and final budget to the final actual.

General Fund Expenditures Budget vs. Actual

Fiscal Year	Original Budget	Final Budget	Actual	Variances	
				Actual & Original Budget	Actual & Final Budget
2011 - 2012	\$ 39,610,726	\$ 39,081,015	\$ 38,673,428	2.36%	1.04%

General Fund Revenues Budget vs. Actual

Fiscal Year	Original Budget	Final Budget	Actual	Variances	
				Actual & Original Budget	Actual & Final Budget
2011 - 2012	\$ 37,143,319	\$ 37,571,742	\$ 37,419,251	0.07%	0.04%

Original vs. Final Budget:

The Uniform Budget Act of the State of Michigan requires that the Board of Education approve the original budget for the upcoming year prior to July 1, the start of the fiscal year.

As a matter of practice, Woodhaven-Brownstown School District amends its budget periodically during the school year. The June 2012 budget amendment was the final budget for the fiscal year.

Revenue Change from Original to Final Budget:

		Percent
Total Revenues Original Budget	\$ 37,143,319	100.00
Total Revenues Final Budget	<u>37,571,742</u>	<u>100.07</u>
Increase in Budget Revenues	<u>\$ 428,423</u>	<u>0.07</u>

The District's actual General Fund revenues were less than the final budget by \$161,491, a negative variance of 0.4% from the final budget.

General Fund Expenditures:

The District's budget for expenditures changed as follows during the year:

		<u>Percent</u>
Total Expenditures Original Budget	\$ 39,610,726	100.00
Total Expenditures Final Budget	<u>39,081,015</u>	<u>97.64</u>
Decrease in Budget Expenditures	<u>\$ (529,711)</u>	<u>2.36</u>

The District's actual expenditures were less than the final budget by \$529,711; a positive variance of 2.36% from the final budget.

Additional Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration considered many factors when setting the School District's 2013 fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2013 fiscal year is 10 percent and 90 percent of the February 2012 and September 2012 student counts, respectively. The 2013 fiscal year budget was adopted in June 2012, based on an estimate of students that will be enrolled in September 2012. Approximately 80 percent to 85 percent of total General Fund revenues are from the foundation allowance. Under State law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2012-2013 school year, we anticipated that the fall student count will be increased slightly. This was above the anticipated student count used in creating the 2013 fiscal year budget. Once the final student count and related per pupil funding is validated, appropriate budget amendments will be adopted.

Since the School District's revenue is heavily dependent on State Funding and the status of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts.

In fiscal year 2012, for those hired before July 1, 2010, the health and pension charge to employers in the District's retirement plan had been 24.46 percent of payroll, which was comprised of 8.5 percent for health and 15.96 percent for pension. The contribution rate for fiscal year 2013 is capped at 24.46 percent of payroll (based upon Senate Bill 7), which is comprised of 8.75 percent for health and 18.62 percent for pension. In fiscal year 2012, for those hired on or after July 1, 2010, the health and pension charge to employers in the District's retirement plan had been 23.23 percent of payroll, which was comprised of 8.5 percent for health and 14.73 percent for pension. The contribution rate for fiscal year 2013 is set at 26.14 percent of payroll, which is comprised of 8.75 percent for health and 17.39 percent for pension.

Contacting the District's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or need additional information, it can be obtained by contacting the following person:

Mr. Thomas S. Wall, CPA, CFO
Assistant Superintendent, Business and Support Services
Woodhaven-Brownstown School District
24821 Hall Road
Woodhaven, MI 48183
Phone: (734) 783-3300

BASIC FINANCIAL STATEMENTS

Woodhaven-Brownstown School District

STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 4,752,284
Accounts receivable	36,141
Taxes receivable	695,212
Due from other governmental units	7,155,251
Prepays	17,431
Inventories	<u>18,148</u>
Total current assets	12,674,467
Noncurrent assets	
Capital assets not being depreciated	1,338,208
Capital assets, net of accumulated depreciation	<u>92,227,071</u>
Total noncurrent assets	<u>93,565,279</u>
TOTAL ASSETS	106,239,746
LIABILITIES	
Current liabilities	
Accounts payable	643,760
Accrued payroll	3,169,547
Accrued interest payable	490,588
Other accrued liabilities	1,892,186
Due to other governmental units	1,278,455
Unearned revenue	306,583
Current portion of compensated absences and early retirement liabilities	479,054
Current portion of long-term debt	<u>4,368,855</u>
Total current liabilities	12,629,028
Noncurrent liabilities	
Noncurrent portion of compensated absences and early retirement liabilities	965,000
Noncurrent portion of long-term debt	<u>60,511,257</u>
Total noncurrent liabilities	<u>61,476,257</u>
TOTAL LIABILITIES	<u>74,105,285</u>
NET ASSETS	
Invested in capital assets, net of related debt	28,685,167
Restricted	
Capital projects	1,548,218
Debt service	72,307
Unrestricted	<u>1,828,769</u>
TOTAL NET ASSETS	<u>\$ 32,134,461</u>

See accompanying notes to financial statements.

Woodhaven-Brownstown School District

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

Governmental Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
Functions/Programs		Charges for Services	Operating Grants	Governmental Activities
Instruction	\$ 27,253,761	\$ 108,884	\$ 4,313,874	\$ (22,831,003)
Supporting services	17,298,807	529,688	3,464,214	(13,304,905)
Community services	19,750	-	-	(19,750)
Food services	1,635,453	646,456	952,420	(36,577)
Interest on long-term debt	3,221,687	-	-	(3,221,687)
Unallocated depreciation	5,561,895	-	-	(5,561,895)
TOTAL EXPENSES	<u>\$ 54,991,353</u>	<u>\$ 1,285,028</u>	<u>\$ 8,730,508</u>	(44,975,817)
General Revenues				
				7,013,704
				7,371,388
				1,029,776
				27,898,811
				1,768
				45,653
				<u>357,942</u>
				43,719,042
				(1,256,775)
				<u>33,391,236</u>
				<u>\$ 32,134,461</u>

See accompanying notes to financial statements.

Woodhaven-Brownstown School District
 GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2012

	General	Sinking Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 3,483,732	\$ 441,234	\$ 827,318	\$ 4,752,284
Accounts receivable	36,141	-	-	36,141
Taxes receivable	425,106	33,155	236,951	695,212
Due from other funds	-	956,078	636,879	1,592,957
Due from other governmental units	7,132,362	2,754	20,135	7,155,251
Prepays	17,431	-	-	17,431
Inventories	-	-	18,148	18,148
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 11,094,772</u>	<u>\$ 1,433,221</u>	<u>\$ 1,739,431</u>	<u>\$ 14,267,424</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 311,063	\$ 211,265	\$ 121,432	\$ 643,760
Accrued payroll	3,169,547	-	-	3,169,547
Other accrued liabilities	1,891,865	-	321	1,892,186
Due to other funds	1,377,880	-	215,077	1,592,957
Due to other governmental units	775,734	-	502,721	1,278,455
Deferred revenue	306,583	-	-	306,583
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	7,832,672	211,265	839,551	8,883,488
FUND BALANCES				
Nonspendable				
Prepays and inventories	17,431	-	18,148	35,579
Restricted				
Capital projects	-	1,221,956	326,262	1,548,218
Debt service	-	-	562,895	562,895
Assigned				
Subsequent year's expenditures	873,856	-	-	873,856
Technology replacement	75,074	-	-	75,074
Building and site maintenance	20,208	-	-	20,208
Curriculum	185,000	-	-	185,000
Unassigned				
General Fund	2,090,531	-	-	2,090,531
Food service	-	-	(7,425)	(7,425)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>3,262,100</u>	<u>1,221,956</u>	<u>899,880</u>	<u>5,383,936</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,094,772</u>	<u>\$ 1,433,221</u>	<u>\$ 1,739,431</u>	<u>\$ 14,267,424</u>

See accompanying notes to financial statements.

Woodhaven-Brownstown School District

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET ASSETS

June 30, 2012

Total fund balance - governmental funds \$ 5,383,936

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

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

The cost of capital assets is	\$ 156,071,307	
Accumulated depreciation is	<u>(62,506,028)</u>	
		93,565,279

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Unamortized discount on bonds payable	1,574,888	
Bonds payable	(66,455,000)	
Accrued interest payable	(490,588)	
Compensated absences and early retirement incentives	<u>(1,444,054)</u>	
		<u>(66,814,754)</u>

Net assets of governmental activities \$ 32,134,461

Woodhaven-Brownstown School District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS

Year Ended June 30, 2012

	General	Sinking Fund	Nonmajor Governmental Funds	Total
REVENUES				
Local sources	\$ 7,469,670	\$ 1,037,548	\$ 8,152,174	\$ 16,659,392
State sources	29,847,113	3,000	1,545,656	31,395,769
Federal sources	93,468	-	3,094,574	3,188,042
TOTAL REVENUES	37,410,251	1,040,548	12,792,404	51,243,203
EXPENDITURES				
Current				
Instruction	24,701,581	-	2,452,813	27,154,394
Supporting services	13,938,232	91,364	3,206,136	17,235,732
Community services	-	-	19,750	19,750
Food service activities	-	-	1,629,490	1,629,490
Capital outlay	33,615	3,541,203	673,460	4,248,278
Debt service				
Principal retirement	-	-	4,305,000	4,305,000
Interest, fiscal and other charges	-	-	3,131,668	3,131,668
TOTAL EXPENDITURES	38,673,428	3,632,567	15,418,317	57,724,312
EXCESS OF REVENUES (UNDER) EXPENDITURES	(1,263,177)	(2,592,019)	(2,625,913)	(6,481,109)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	318,582	-	26,980	345,562
Transfers to other funds	-	-	(345,562)	(345,562)
Payments from other districts	876,376	-	1,962,837	2,839,213
Other	20,745	-	-	20,745
TOTAL OTHER FINANCING SOURCES (USES)	1,215,703	-0-	1,644,255	2,859,958
NET CHANGE IN FUND BALANCES	(47,474)	(2,592,019)	(981,658)	(3,621,151)
Fund balances, beginning of year	3,309,574	3,813,975	1,881,538	9,005,087
Fund balances, end of year	<u>\$ 3,262,100</u>	<u>\$ 1,221,956</u>	<u>\$ 899,880</u>	<u>\$ 5,383,936</u>

See accompanying notes to financial statements.

Woodhaven-Brownstown School District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$(3,621,151)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 4,140,421	
Depreciation expense	<u>(5,561,895)</u>	
		(1,421,474)

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Bond and note principal retirement	4,305,000	
Amortization of bond discount	<u>(121,145)</u>	
		4,183,855

Some revenues reported in the statement of activities are reported as earned, and do not meet the criteria of being current financial resources as required to be reported in the governmental funds. In the current period, these amounts consist of:

Decrease in deferred revenue		(368,577)
------------------------------	--	-----------

Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. In the current period, these amounts consist of:

Decrease in accrued interest payable	31,126	
(Increase) in compensated absences, early retirement, and accrued vacation liabilities	<u>(60,554)</u>	
		<u>(29,428)</u>

Change in net assets of governmental activities \$(1,256,775)

Woodhaven-Brownstown School District

Fiduciary Fund

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2012

	<u>Student Activities</u>
ASSETS	
Cash and cash equivalents	<u>\$ 377,581</u>
LIABILITIES	
Due to student groups and activities	<u>\$ 377,581</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America; GASB Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 39); and *Statement on Michigan Governmental Accounting and Auditing No. 4*, these financial statements present the financial activities of Woodhaven-Brownstown School District. The District has no activities that would be classified as component units.

Based upon the application of these criteria, the financial statements contain all the funds controlled by the District.

2. Basis of Presentation

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities (the district-wide statements) present information for the district as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the district-wide statements). Interfund activity has been eliminated in the preparation of the district-wide financial statements.

The statement of activities presents the direct functional expenses of the District and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State aid payments and other general revenues and shows how governmental functions are either self-financing or supported by the general revenues of the District.

FUND FINANCIAL STATEMENTS

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District utilizes governmental and fiduciary funds.

The governmental fund financial statements present the District's individual major funds and aggregated nonmajor funds. A separate column is shown for each major fund on the balance sheet and statement of revenues, expenditures, and changes in fund balances. Nonmajor funds are combined and shown in a single column. The fiduciary funds are reported by type.

The major funds of the District are:

- a. General Fund - The General Fund is used to account for money or other resources provided to the District to support the educational programs and general operations of the District, except those required to be accounted for in another fund.
- b. Sinking Fund - The Sinking Fund is used to record taxes and other revenue and the disbursement of monies specifically designated for capital improvements for the District. This fund is kept open for as long as there are funds unspent from the Sinking Fund millage.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus

The district-wide and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

There is no measurement focus for fiduciary agency fund since assets equal liabilities.

4. Basis of Accounting

Basis of accounting refers to the timing under which transactions are recognized for financial reporting purposes. Governmental fund financial statements use the modified accrual basis of accounting. The district-wide and fiduciary fund financial statements are prepared using the accrual basis of accounting.

Under the accrual basis of accounting, revenue is recorded in the period in which it is earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property tax revenue is recognized in the fiscal year for which it is levied. Revenues for grants, entitlements, and donations are recognized when all eligibility requirements imposed by the provider have been met. Deferred revenue is recorded when resources are received by the District before it has legal claim to them, such as when grant monies are received prior to the incurrence of qualified expenditures.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is defined as expected to be received within 60 days of the end of the current period. Revenues susceptible to accrual include property taxes, state and federal aid, and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

The District reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Resources are considered available if they are collected during the current fiscal year or soon enough afterward to be used in payment of current year liabilities - defined as expected to be received within sixty days of year-end. Deferred revenues also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

If/when both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources if they are needed.

5. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The District maintains a formalized encumbrance accounting system.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Budgets and Budgetary Accounting - continued

Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as committed fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year-end; the commitments will be reappropriated and honored during the subsequent year. All annual appropriations lapse at fiscal year-end.

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

- a. 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 for financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). 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 not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amounts appropriated.
- d. The budgets are legally adopted at the functional level; however, they are maintained at the object level for control purposes. Any revisions that alter the total expenditures at the functional level must be approved by the School Board.
- e. The Superintendent is authorized to transfer budgeted amounts for purposes of meeting emergency needs of the District; however, these transfers must be approved subsequently by the Board of Education.
- f. Formal budgetary integration is employed as a management control device during the year for the General Fund and all Special Revenue Funds.
- g. The budget, as presented, has been amended in a legally permissible manner.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of checking and savings accounts, pooled investment funds, short-term investments, and imprest cash with an original maturity of 90 days or less. Cash equivalents are recorded at market value.

7. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the governmental funds balance sheet.

8. Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Inventories

Inventories are stated at cost on a first in/first out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. The Cafeteria Fund inventory consists of food and paper goods. Inventory amounts are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

10. Due from Other Governmental Units

Due from other governmental units consists of various amounts owed to the District for grant programs and State Aid payments. The State of Michigan's funding stream of State Aid payments results in the final two (2) payments for the fiscal year ended June 30, 2012 to be paid in July and August 2012. Of the total amount of \$7,155,251 due from other governmental units, \$5,946,609 consists of State Aid and the remaining \$1,208,642 from other governmental grants.

11. Capital Assets

Capital assets include land and improvements, buildings and additions, equipment, furniture, and other assets, and buses and other vehicles and are recorded (net of accumulated depreciation, if applicable) in the district-wide financial statements. Capital assets are those with an initial individual cost greater than \$5,000 and an estimated useful life of more than one (1) year. Capital assets also include individual cost items that are less than \$5,000 if the items were part of a large purchase to equip buildings. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the district-wide financial statements. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the half-year convention method over the following useful lives:

Land improvements	20 years
Buildings and additions	20 - 50 years
Equipment, furniture, and other assets	5 - 20 years
Buses and other vehicles	8 years

The District has no assets that would be classified as infrastructure assets.

12. Compensated Absences

Based on the requirements of GASB Statement No. 16, *Accounting for Compensated Absences*, the District has recorded all liabilities associated with compensated absences. Compensated absences consist of earned but unused accumulated vacation and sick leave benefits, early retirement incentives, and other severance benefits. Accumulated vested severance amounts and nonvested severance amounts that are probable to vest and be paid at termination are considered payable from future resources and are recorded along with the related payroll taxes as a long-term liability in the district-wide financial statements.

13. Accrued Interest Payable

Accrued interest is presented for long-term obligations in the district-wide financial statements related to interest payable on general obligation bonds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

14. Deferred/Unearned Revenues

Governmental funds report deferred revenues in connection with receivables for revenue that is not considered available to liquidate liabilities of the current period and the unexpended balance of various local grants until the period in which eligible expenditures are incurred. Amounts shown as unearned revenue on the Statement of Net Assets relate to the same receivables and local grants but are shown here because they are not earned.

15. Long-term Obligations

Long-term debt is recognized as a liability in the district-wide financial statements when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Long-term debt is reported net of the applicable bond premium or discount. Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

16. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are assessed as of December 31 and the related property taxes are levied and become a lien on July 1 of the following year for 100 percent of the taxes that are due September 30. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls. School District property tax revenues are recognized when levied to the extent that they result in current revenue (collected as of year-end). Amounts received subsequent to June 30 are recognized as revenue when collected.

The District levies taxes of \$17.6778 per \$1,000 of taxable valuation on nonhomestead property for general governmental services. The District also levies a total of \$7.0000 per \$1,000 of taxable valuation for debt service and a total of \$0.9778 per \$1,000 of taxable valuation of all property for sinking fund purposes.

17. State Foundation Revenue

Beginning with the fiscal year ended June 30, 1995, the State of Michigan adopted a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. Prior to the fiscal year ended June 30, 1995, the State utilized a district power equalizing approach. 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 year ended June 30, 2012, the foundation allowance was based on the average of pupil membership counts taken in September 2011 and February 2011. The average calculation was weighted 90% for the September 2011 count and 10% for the February 2011 count.

The State portion of the foundation is provided primarily by a State education property tax millage of 6 mills and an allocated portion of State sales and other taxes. The local portion of the foundation is funded primarily by nonhomestead property taxes, which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period (currently the fiscal year) and is funded through nine (9) payments made during the fiscal year and two (2) payments made subsequent to year-end. The local revenue is recognized as outlined above under Property Taxes.

18. State Categorical Revenue

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

19. Interfund Transactions

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers on the governmental fund financial statements. Transfers are netted as part of the reconciliation to the district-wide financial statements.

20. Restrictions of Net Assets

Restrictions of net assets shown in the district-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes.

21. Federal Programs

Federal programs are accounted for in the specific governmental fund to which they relate. The District has not integrated its Single Audit reports and financial data as part of the financial statements. The Single Audit reports and financial data will be issued under separate cover as supplementary information to the financial statements.

22. Comparative Data

Comparative data for the prior year has not been presented in the basic financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE B: CASH AND CASH EQUIVALENTS

In accordance with Michigan Public Act 451 of 1976, Section 1223(1), as amended, the District is authorized to invest its surplus funds in the following types of investments:

1. Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
2. Certificates of deposit issued by a State or National bank, savings accounts of a State or Federal savings and loan association, or certificates of deposit or share certificates of a State or Federal credit union organized and authorized to operate in this State.
3. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
4. Securities issued or guaranteed by agencies or instrumentalities of the United States government.
5. United States government or federal agency obligation repurchase agreements.
6. Bankers' acceptances issued by a bank that is a member of the Federal Depository Insurance Corporation (FDIC).
7. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a School District.
8. Investment pools, as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.111 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a School District.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED

Michigan Public Acts authorize school districts in Michigan to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations. Deposits of the District are at federally insured banks and credit unions in the State of Michigan in the name of the School District.

Deposits

There is custodial credit risk as it relates to 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, 2012, the carrying amount of the District's deposits was \$320,582 and the bank balance was \$347,278, of which \$324,489 was covered by federal depository insurance. The balance of \$22,789 was uninsured and uncollateralized. The District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

Investments

As of June 30, 2012, the carrying amounts and market values for each type of investment as reported in the cash and cash equivalents captions on the combined balance sheet are as follows:

<u>Investment Type</u>	<u>Carrying Amount/ Market Value</u>	<u>Weighted Average Maturity</u>	<u>Rating</u>
Uncategorized - Pooled investment funds			
Cash management funds	\$ 4,808,833	N/A	None

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The District holds no rated investments as of June 30, 2012.

Interest rate risk

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.

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

The District will minimize custodial 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 authorized by the Board and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business in accordance with the Board approved policy. The District does not hold any investments subject to custodial credit risk of investments at year end.

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED

As of June 30, 2012, the District's deposits and investments were reported in financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	<u>\$ 4,752,284</u>	<u>\$ 377,581</u>	<u>\$ 5,129,865</u>

The District had \$450 of cash on hand at June 30, 2012.

Due to significantly higher cash flows at certain periods during the year, the amount the District held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at those peak periods than at year-end.

NOTE C: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 879,837	\$ -	\$ -	\$ 879,837
Construction in progress	108,183	458,371	(108,183)	458,371
Total capital assets not being depreciated	988,020	458,371	(108,183)	1,338,208
Capital assets being depreciated				
Land improvements	8,977,814	525,738	-	9,503,552
Buildings and additions	125,132,723	3,082,474	-	128,215,197
Equipment, furniture, and other assets	14,595,273	149,420	-	14,744,693
Buses and other vehicles	2,342,249	32,601	(105,193)	2,269,657
Total capital assets being depreciated	151,048,059	3,790,233	(105,193)	154,733,099
Less accumulated depreciation for:				
Land improvements	(2,545,956)	(460,584)	-	(3,006,540)
Building and additions	(41,835,845)	(3,772,742)	-	(45,608,587)
Equipment, furniture, and other assets	(10,602,572)	(1,203,051)	-	(11,805,623)
Buses and other vehicles	(2,064,953)	(125,518)	105,193	(2,085,278)
Total accumulated depreciation	(57,049,326)	(5,561,895)	105,193	(62,506,028)
Net capital assets being depreciated	93,998,733	(1,771,662)	-0-	92,227,071
Total net capital assets	<u>\$ 94,986,753</u>	<u>\$ (1,313,291)</u>	<u>\$ (108,183)</u>	<u>\$ 93,565,279</u>

Total depreciation expense of \$5,561,895 was not allocated to governmental functions. It appears on the statement of activities as "unallocated".

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE D: LONG-TERM DEBT

The following is a summary of changes in long-term debt obligations of the District for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Amounts Due within One Year
Bonds	\$ 70,760,000	\$ -	\$ 4,305,000	\$ 66,455,000	\$ 4,490,000
Other obligations	1,383,500	91,095	30,541	1,444,054	479,054
	72,143,500	91,095	4,335,541	67,899,054	4,969,054
Less: amounts deferred on refunding	(1,696,033)	-	121,145	(1,574,888)	121,145
Total	<u>\$ 70,447,467</u>	<u>\$ 91,095</u>	<u>\$ 4,456,686</u>	<u>\$ 66,324,166</u>	<u>\$ 5,090,199</u>

Significant details regarding outstanding long-term debt (including current portions) are presented below:

General Obligation Bonds

\$7,985,000 Refunding Bonds dated March 19, 2003, due in annual installments of \$365,000 to \$1,855,000 through May 2015; interest at 2.00% to 3.80%.	\$ 1,125,000
\$10,745,000 Serial Bonds dated May 20, 2004, due in annual installments of \$670,000 to \$1,125,000 through May 2015; interest at 2.00% to 5.00%.	3,375,000
\$44,615,000 Refunding Bonds dated February 22, 2006, due in annual installments of \$125,000 to \$2,295,000 through May 2032; interest at 3.25% to 5.00%.	43,235,000
\$14,270,000 Refunding Bonds dated October 18, 2006, due in annual installments of \$1,125,000 to \$1,210,000 beginning in May 2016 through May 2027; interest-only payments through May 2015; interest at 4.00% to 5.00%.	14,270,000
\$6,690,000 Refunding Bonds dated June 15, 2009, due in annual installments of \$890,000 to \$1,415,000 through May 2015; interest at 3.94%.	3,275,000
\$1,915,000 Refunding Bonds dated September 1, 2009, due in annual installments of \$230,000 to \$250,000 through May 2017; interest ranging from 3.00% to 5.00%.	<u>1,175,000</u>
	<u>\$ 66,455,000</u>

Advance Refunding - Prior

On September 1, 2009, the District defeased the balance of the 1999 Refunding Bonds, which were due and payable May 1, 2011 through May 1, 2017. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. Government securities sufficient to meet the applicable principal and interest obligations. The funds maintained in the trust will be used to pay the annual debt requirements and the outstanding balance of the bonds when they are callable on May 1, 2014. The District issued General Obligation 2009B Refunding Bonds in the amount of \$1,915,000 and also used \$37,648 of funds on hand in the 1999 Debt Service Fund to fund escrow amounts and pay the costs of issuance of the refunding bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2012, bonds due and payable May 1, 2013 through May 1, 2017 for the 1999 Refunding Bonds in the amount of \$1,225,000 are considered defeased.

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE D: LONG-TERM DEBT - CONTINUED

Other Obligations

Other long-term obligations include the following:

Employee compensated absences	\$ 1,378,572
Accrued vacation	63,796
Early retirement incentive	<u>1,686</u>
	<u><u>\$ 1,444,054</u></u>

Annual Requirements for Bonded Debt

The annual requirements to pay the debt principal and interest outstanding for the long-term debt are as follows.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 4,490,000	\$ 2,943,530	\$ 7,433,530
2014	4,810,000	2,712,000	7,522,000
2015	5,070,000	2,477,295	7,547,295
2016	3,665,000	2,253,440	5,918,440
2017	3,645,000	2,093,290	5,738,290
2018-2022	17,280,000	8,141,244	25,421,244
2023-2027	16,930,000	4,454,401	21,384,401
2028-2032	<u>10,565,000</u>	<u>1,420,425</u>	<u>11,985,425</u>
	<u><u>\$ 66,455,000</u></u>	<u><u>\$ 26,495,625</u></u>	<u><u>\$ 92,950,625</u></u>

The 2002 Serial Bonds of \$56,540,000 were paid in full during the year ended June 30, 2012.

NOTE E: INTERFUND RECEIVABLES AND PAYABLES

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

Woodhaven-Brownstown School District

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE E: INTERFUND RECEIVABLES AND PAYABLES - CONTINUED

The amount of interfund receivables and payables at June 30, 2012, are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund		
Sinking Fund	\$ -	\$ 741,001
Nonmajor governmental funds	-	636,879
 Sinking Fund		
General Fund	741,001	-
Nonmajor governmental funds	215,077	-
 Nonmajor governmental funds		
General Fund	636,879	-
Sinking Fund	-	215,077
	<u>\$ 1,592,957</u>	<u>\$ 1,592,957</u>

NOTE F: INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfers to General Fund from:	
Nonmajor governmental funds	<u>\$ 318,582</u>
 Transfers to nonmajor governmental funds from:	
Nonmajor governmental funds	<u>\$ 26,980</u>

The transfer to the General Fund from the Special Education Fund was to fund special education expenses. The transfer from the Funded Projects Fund to the Cafeteria Fund was to fund-at-risk cafeteria expenses.

NOTE G: OPERATING LEASE

The District entered into a lease with a third-party in June 2010 for office equipment for a period of 48 months with monthly payments of \$6,709 per month. The District's future minimum lease payments for the office equipment, accounted for as operating leases at June 30, 2012, are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2013	\$ 80,505
2014	80,505
	<u>\$ 161,010</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE H: EMPLOYEE PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

All of the District's employees, except students, are eligible to participate in the State-wide Michigan Public School Employees' Retirement System (MPSERS), a multiple-employer, cost-sharing, State-wide public employee retirement system. The MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report for the fiscal year-end September 30, 2011, the last year available, may be obtained by contacting the State of Michigan Department of Management and Budget.

Effective January 1, 1987, Act 91 of the Public Acts of 1985 established a voluntary contribution to the Member Investment Plan (MIP). Employees first hired before January 1, 1990, made a one-time irrevocable election to contribute to the tax deferred MIP. For a limited period ended January 1, 1993, an active Basic Plan member may have enrolled in MIP by repaying the contributions and interest that would have been made had MIP enrollment occurred initially prior to January 1, 1990. Employees first hired on or after January 1, 1990, will automatically be included in MIP.

Employees who did not elect the MIP option fall under the MPSERS Basic Plan and may retire after attaining age sixty with ten (10) years or more of credited service; or attaining age fifty-five with thirty or more years of credited service; or attaining age fifty-five while still working with at least fifteen (15) but fewer than thirty years of credited service, and performed service credit in each of the five (5) school fiscal years immediately preceding the retirement allowance effective date. The retirement allowance is computed using a formula of 1.5% of the average of the highest total earnings during a period of sixty consecutive months (five (5) years) multiplied by the total years to the nearest tenth of a year of credited service.

The MPSERS also provides death and disability benefits and health and medical, dental, vision, and hearing insurance coverage. Benefits are established by State statute.

Employees who selected MIP on or before December 31, 1989, contributed 4% from January 1, 1987 to December 31, 1989 and 3.9% thereafter. Employees first hired on or after January 1, 1990 through June 30, 2008 are required to contribute based on a graduated rate: 3% of the first \$5,000 (up to \$150); \$150 plus 3.6% of \$5,001 through \$15,000 (up to \$510 total); and \$510 plus 4.3% of all wages over \$15,000. Employees first hired on or after July 1, 2008 are required to contribute based on a graduated rate: 3% of the first \$5,000 (up to \$150); \$150 plus 3.6% of \$5,001 through \$15,000 (up to \$510 total); and \$510 plus 6.4% of all wages over \$15,000. In addition, employees first hired on or after July 1, 2010, are required to contribute 3% of all wages to a retiree health care fund and 2% to a hybrid defined contribution pension plan.

Pension Benefits

Employer contributions to the pension system result from implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits. For employees first hired before July 1, 2010, the employer contribution rate was 12.16 percent of covered payroll for the period from July 1, 2011 through September 30, 2011, and 15.96 percent of covered payroll for the period from October 1, 2011 through June 30, 2012. For employees first hired after July 1, 2010, the employer contribution rate was 10.66 percent of covered payroll for the period from July 1, 2011 through September 30, 2011, and 14.736 percent of covered payroll for the period from October 1, 2011 through June 30, 2012. Basic plan members make no contributions, but the MIP members contribute at rates ranging from 3.0 percent to 6.4 percent of gross wages. The District's required and actual contributions to the Plan for the years ended June 30, 2012, 2011, and 2010 were \$4,490,389, \$4,934,124, and \$4,833,505.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE H: EMPLOYEE PENSION AND OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Other Postemployment Benefits

Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10.0 percent of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate was 8.5 percent of covered payroll for the period from July 1, 2011 through September 30, 2012. The District's required and actual contributions to the plan for retiree healthcare benefits are included in the above required contributions.

NOTE I: RISK MANAGEMENT

The District participates in a pool, the MASB-SEG Property and Casualty Pool with other school districts for property, fleet, liability, in-land marine, equipment breakdown, builder's risk, employee dishonesty, crime, and errors and omissions. The pool is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self-insurance pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The District has not been informed of any special assessments being required.

The District also participates in a pool, the SEG Self-Insured Workers' Disability Compensation Fund, with other school districts for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The District has not been informed of any special assessments being required.

NOTE J: SINKING FUND

The Sinking Fund of the District is funded by a voted millage as well as other local dollars (i.e., interest, etc.). For expenditures recorded within the Sinking Fund, the District has complied with the applicable provisions of Section 1212(1) of the Revised School Code in current and prior years.

NOTE K: DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance under this standard:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE K: DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS - CONTINUED

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, Woodhaven-Brownstown School District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment has not been determined by Woodhaven-Brownstown School District.

For assigned fund balance, the District has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained by the Board of Education.

The District has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned. In the absence of such a policy, resources with the highest level of restriction will be used first.

NOTE L: UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement will be effective for the District's 2012-2013 fiscal year. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Once implemented, this statement will impact the format and reporting of the balance sheet at the government-wide level and also at the fund level.

REQUIRED SUPPLEMENTARY INFORMATION

Woodhaven-Brownstown School District

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 7,233,012	\$ 7,596,562	\$ 7,469,670	\$ (126,892)
State sources	29,558,307	29,281,944	29,847,113	565,169
Federal sources	352,000	693,236	93,468	(599,768)
TOTAL REVENUES	37,143,319	37,571,742	37,410,251	(161,491)
EXPENDITURES				
Current				
Instruction				
Basic programs	21,936,694	21,118,891	21,084,849	34,042
Added needs	3,762,008	3,773,447	3,616,732	156,715
Total instruction	25,698,702	24,892,338	24,701,581	190,757
Supporting services				
Pupil	2,401,230	2,411,765	2,395,290	16,475
Instructional staff	1,313,121	1,275,341	1,218,360	56,981
General administration	591,876	494,038	405,582	88,456
School administration	2,758,140	2,533,389	2,474,519	58,870
Business	1,002,998	974,707	1,293,415	(318,708)
Central	1,012,008	1,018,963	837,837	181,126
Pupil transportation	1,671,768	1,704,576	1,736,294	(31,718)
Athletic activities	-	526,239	522,881	3,358
Operations and maintenance	3,160,883	3,249,659	3,054,054	195,605
Total supporting services	13,912,024	14,188,677	13,938,232	250,445
Capital outlay	-	-	33,615	(33,615)
TOTAL EXPENDITURES	39,610,726	39,081,015	38,673,428	407,587
EXCESS OF REVENUES (UNDER) EXPENDITURES	(2,467,407)	(1,509,273)	(1,263,177)	246,096
OTHER FINANCING SOURCES				
Payments from other districts	157,500	163,422	876,376	712,954
Transfers in (out)	(102,815)	338,582	318,582	(20,000)
Other	-	-	20,745	20,745
TOTAL OTHER FINANCING SOURCES	54,685	502,004	1,215,703	713,699
NET CHANGE IN FUND BALANCE	(2,412,722)	(1,007,269)	(47,474)	959,795
Fund balance, beginning of year	3,309,574	3,309,574	3,309,574	-0-
Fund balance, end of year	<u>\$ 896,852</u>	<u>\$ 2,302,305</u>	<u>\$ 3,262,100</u>	<u>\$ 959,795</u>

Woodhaven-Brownstown School District

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2012

NOTE A: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Section 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amount appropriated.

During the year ended June 30, 2012, the District incurred expenditures in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Current			
Business	\$ 974,707	\$ 1,293,415	\$ 318,708
Pupil transportation	1,704,576	1,736,294	31,718
Capital outlay	-	33,615	33,615

OTHER SUPPLEMENTARY INFORMATION

Woodhaven-Brownstown School District

Nonmajor Governmental Funds

COMBINING BALANCE SHEET

June 30, 2012

	<u>Special Revenue Funds</u>			
	<u>Special Education</u>	<u>Funded Projects</u>	<u>Cafeteria</u>	<u>Capital Project Fund</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 79,487	\$ 226,945
Taxes receivable	-	-	-	-
Due from other governmental units	-	-	-	-
Due from other funds	510,573	25,716	1,273	99,317
Inventories	-	-	18,148	-
TOTAL ASSETS	<u>\$ 510,573</u>	<u>\$ 25,716</u>	<u>\$ 98,908</u>	<u>\$ 326,262</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 7,852	\$ 25,716	\$ 87,864	\$ -
Other accrued liabilities	-	-	321	-
Due to other funds	-	-	-	-
Due to other governmental units	502,721	-	-	-
TOTAL LIABILITIES	510,573	25,716	88,185	-0-
FUND BALANCES (DEFICIT)				
Nonspendable				
Inventories	-	-	18,148	-
Restricted				
Capital projects	-	-	-	326,262
Debt service	-	-	-	-
Unassigned	-	-	(7,425)	-
TOTAL FUND BALANCES	<u>-0-</u>	<u>-0-</u>	<u>10,723</u>	<u>326,262</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 510,573</u>	<u>\$ 25,716</u>	<u>\$ 98,908</u>	<u>\$ 326,262</u>

Debt Service Funds

2002 Debt	2003 Debt	2004 Debt	2006 Debt	2006B Debt	2009 Debt	2009B Debt	Total
\$ 78,736	\$ 36,061	\$ 86,116	\$ 136,498	\$ 53,518	\$ 114,568	\$ 15,389	\$ 827,318
49,785	14,554	41,976	64,628	22,680	34,527	8,801	236,951
4,229	1,231	3,554	5,531	1,923	2,931	736	20,135
-	-	-	-	-	-	-	636,879
-	-	-	-	-	-	-	18,148
<u>\$ 132,750</u>	<u>\$ 51,846</u>	<u>\$ 131,646</u>	<u>\$ 206,657</u>	<u>\$ 78,121</u>	<u>\$ 152,026</u>	<u>\$ 24,926</u>	<u>\$ 1,739,431</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,432
-	-	-	-	-	-	-	321
29,117	13,414	31,583	54,512	18,985	43,328	24,138	215,077
-	-	-	-	-	-	-	502,721
29,117	13,414	31,583	54,512	18,985	43,328	24,138	839,551
-	-	-	-	-	-	-	18,148
-	-	-	-	-	-	-	326,262
103,633	38,432	100,063	152,145	59,136	108,698	788	562,895
-	-	-	-	-	-	-	(7,425)
<u>103,633</u>	<u>38,432</u>	<u>100,063</u>	<u>152,145</u>	<u>59,136</u>	<u>108,698</u>	<u>788</u>	<u>899,880</u>
<u>\$ 132,750</u>	<u>\$ 51,846</u>	<u>\$ 131,646</u>	<u>\$ 206,657</u>	<u>\$ 78,121</u>	<u>\$ 152,026</u>	<u>\$ 24,926</u>	<u>\$ 1,739,431</u>

Woodhaven-Brownstown School District

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2012

	<u>Special Revenue Funds</u>			
	<u>Special Education</u>	<u>Funded Projects</u>	<u>Cafeteria</u>	<u>Capital Project Fund</u>
REVENUES				
Local sources	\$ -	\$ 2,059	\$ 646,456	\$ 131,942
State sources	785,912	706,330	53,414	-
Federal sources	-	2,195,568	899,006	-
TOTAL REVENUES	785,912	2,903,957	1,598,876	131,942
EXPENDITURES				
Current				
Instruction	-	2,452,813	-	-
Support services	2,430,167	416,414	-	-
Food service activities	-	-	1,629,490	-
Community services	-	19,750	-	-
Capital outlay	-	-	-	673,460
Debt service				
Principal retirement	-	-	-	-
Interest, fiscal and other charges	-	-	-	-
TOTAL EXPENDITURES	2,430,167	2,888,977	1,629,490	673,460
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,644,255)	14,980	(30,614)	(541,518)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	14,980	-
Transfers to other funds	(318,582)	(14,980)	-	-
Payments from other districts	1,962,837	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,644,255	(14,980)	14,980	-0-
NET CHANGE IN FUND BALANCES	-0-	-0-	(15,634)	(541,518)
Fund balances, beginning of year	-	-	26,357	867,780
Fund balances, end of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 10,723</u>	<u>\$ 326,262</u>

Debt Service Funds

2002 Debt	2003 Debt	2004 Debt	2006 Debt	2006B Debt	2009 Debt	2009B Debt	Total
\$ 1,549,185	\$ 452,580	\$ 1,304,622	\$ 2,006,320	\$ 702,256	\$ 1,083,475	\$ 273,279	\$ 8,152,174
-	-	-	-	-	-	-	1,545,656
-	-	-	-	-	-	-	3,094,574
1,549,185	452,580	1,304,622	2,006,320	702,256	1,083,475	273,279	12,792,404
-	-	-	-	-	-	-	2,452,813
78,532	22,065	56,004	89,587	29,794	72,527	11,046	3,206,136
-	-	-	-	-	-	-	1,629,490
-	-	-	-	-	-	-	19,750
-	-	-	-	-	-	-	673,460
1,500,000	400,000	1,125,000	145,000	-	890,000	245,000	4,305,000
75,250	55,873	213,991	1,901,653	652,000	164,201	68,700	3,131,668
1,653,782	477,938	1,394,995	2,136,240	681,794	1,126,728	324,746	15,418,317
(104,597)	(25,358)	(90,373)	(129,920)	20,462	(43,253)	(51,467)	(2,625,913)
-	-	-	-	-	-	12,000	26,980
(12,000)	-	-	-	-	-	-	(345,562)
-	-	-	-	-	-	-	1,962,837
(12,000)	-0-	-0-	-0-	-0-	-0-	12,000	1,644,255
(116,597)	(25,358)	(90,373)	(129,920)	20,462	(43,253)	(39,467)	(981,658)
220,230	63,790	190,436	282,065	38,674	151,951	40,255	1,881,538
<u>\$ 103,633</u>	<u>\$ 38,432</u>	<u>\$ 100,063</u>	<u>\$ 152,145</u>	<u>\$ 59,136</u>	<u>\$ 108,698</u>	<u>\$ 788</u>	<u>\$ 899,880</u>