

# Comprehensive Annual Financial Report



For the  
Fiscal Year Ended  
June 30, 2017

Wayne-Westland Community School District  
Westland, Michigan 48185



# COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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**Wayne-Westland Community Schools**  
36745 Marquette  
Westland, Michigan 48185

## BOARD OF EDUCATION

Shawna Walker, President  
Term expires 12/31/2020

Carol Middel., Vice President  
Term expires 12/31/2020

Melandie Hines, Secretary  
Term expires 12/31/2020

Tom Buckalew, Treasurer  
Term expires 12/31/2022

David R. Cox, Trustee  
Term expires 12/31/2022

Sally Madison, Trustee  
Term expires 12/31/2018

Frederick L. Weaver, Th.D., Trustee  
Term expires 12/31/2018

## SUPERINTENDENT OF SCHOOLS

Michele A. Harmala, Ph.D.

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John Albrecht, Assistant Superintendent of Educational Services  
Kelly L. Bohl, Assistant Superintendent of Human Resources  
James Larson-Shidler, Deputy Superintendent of  
Administrative and Business Services

-  
*Report prepared by the Department of Business Services  
James Larson-Shidler, Deputy Superintendent of Administrative and Business Services*

# Wayne-Westland Community Schools

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October 20, 2017

To the Citizens and Board Members  
Wayne-Westland Community Schools

36745 Marquette  
Westland, Michigan 48185  
(734) 419-2042  
Fax (734) 595-2058

**Michele A. Harmala, Ph.D.**  
*Superintendent*

**James D. Larson-Shidler**  
*Deputy Superintendent of  
Administrative and Business Services*

**BUSINESS & FINANCE  
DEPARTMENT**

**David L. Kaumeyer, Ed.D.**  
*Senior Executive Director  
of Business and Operations*

The Comprehensive Annual Financial Report (CAFR) of Wayne-Westland Community Schools (the "School District") as of and for the fiscal year ended June 30, 2017 is submitted herewith. This report was prepared by the Department of Business Services and contains all activities under the control of the Board of Education. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary for the public understanding of the School District's financial status have been incorporated within this report.

The School District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance. Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on the internal control structure and on compliance with applicable laws and regulations, is included under separate cover.

Report Organization

The CAFR includes all funds of the School District and is presented in three major sections: introductory, financial, and statistical. A list of principal officers and elected officials and their terms of office is included on the cover page. The introductory section includes this letter of transmittal, the School District's organizational chart, ASBO Certificate of Excellence for the year ended June 30, 2016, and GFOA Certificate of Achievement for the year ended June 30, 2016. The financial section includes the independent auditor's report on financial statements and schedules, the management's discussion, and analysis (MD&A), basic financial statements, and required supplemental information, such as the major funds budgetary comparison schedules, the schedules of proportionate share and contributions, and the other supplemental information. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.



Accredited by the  
North Central Association  
of Colleges and Schools



## History of the School District

Wayne-Westland Community Schools humbly began in an unused section of a blacksmith shop located in the Village of Wayne in 1834. It has since grown into a school district educating 11,372 students from the cities of Wayne, Westland, Canton, Inkster, Dearborn Heights, and Romulus. In terms of student count, the School District currently ranks in the top 2 percent of the more than 700 public schools and academies in the state of Michigan. The projected student count for fiscal year 2017-2018 is 11,072.

## The School District

Wayne-Westland Community Schools is an independent reporting entity established under the laws of the State of Michigan and governed by an elected, seven-member Board of Education and fully meets criteria established by the Governmental Accounting Standards Board (GASB). There are no other organizations or agencies whose financial statements should be combined with the basic financial statements of the School District.

Wayne-Westland Community Schools is a suburban school district located in western Wayne County, Michigan. The School District encompasses 27.4 square miles with a population of approximately 101,700. All of the City of Wayne and the majority of the City of Westland lie within the School District boundaries with a small portion of Canton Township and the cities of Inkster, Dearborn Heights, and Romulus also within the School District boundaries. Due to its proximity to I-275, I-96, and the Detroit Metropolitan Airport, the School District has a significant commercial and industrial base to support community services.

The School District provides a full range of educational services for grade levels pre-kindergarten to 12th grade, adult education, and career technical training. In fiscal year 2010-2011, six buildings were closed due to declining enrollment and the significant financial challenges placed upon school districts by reduced funding for schools by the State of Michigan. The closings resulted in a reconfiguration grade plan that included one early childhood center, eleven K-4 lower elementary schools, two 5-6 upper elementary schools, two 7-8 middle schools, two 9-12 high schools, one 9-12 alternative high school, and one career technical center. The School District's school buildings range in age from 34.5 to 72.5 years old.

These basic programs are supplemented by a wide variety of offerings in the fine arts and athletics. The School District's services include regular and enriched academic education, special education for handicapped students, full-day kindergarten programs, a Headstart program, occupational and technical career education, limited English proficiency instruction, advanced placement opportunities, online courses and dual enrollment college opportunities, Army Junior Reserve Officers Training Corps (JROTC), and community and adult education programs.

## Accounting Systems and Budgetary Control

In developing and evaluating the School District's accounting system, consideration is given to the adequacy of the internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. We believe that the School District's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial data.

Budgetary control is maintained at line item levels within each program and/or cost center before being combined to form totals by fund. The board utilizes a functional budget that is prepared according to the guidelines and requirements set forth in State law and the *Michigan Public School Accounting Manual*.

During the fiscal year, variance reports are generated for all governmental funds and are presented to the Board of Education. At least semiannually, the Board of Education revises the budget to reflect currently available data.

As part of the budgetary cycle, financial reports are prepared periodically for the governmental fund types and are distributed to the board and administration. Reports are available to the administration through real time access to the financial reporting system, and each budget administrator has the capability to run their own reports as needed. The reports detail the daily transactions and summarize the remaining balances to be spent from the appropriations for goods and services among the programs managed.

The report of the School District's independent certified public accountants, Plante & Moran, PLLC, appears on pages 1-3 of this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and, accordingly, included consideration of the board's system of budgetary and accounting controls.



## Economic Condition

The School District has now operated for more than 20 years under Proposal A, approved by Michigan voters in 1994. Under this proposal, revenue has not kept pace with inflation. The per-pupil foundation allowance, as provided by the State, increased \$120 per pupil from 2015-2016. Proposal A shifted the responsibility for school funding from a local property tax to a combination of state sales tax, local property tax, and state income tax. The School District is now dependent upon the state legislature for not only the majority of its funds, but also its funding level. Under the new plan, responsibility for contributions to the Michigan Public Schools Employees' Retirement System (MPERS) and for Social Security taxes (FICA) was shifted from the State to local districts. Contributions to the MPERS pension plan as well as premiums for employee healthcare plans have increased at a rate much higher than inflation while per-pupil revenue allocated by the legislature has not kept pace with inflation. The School District is anticipating a \$120 increase in per-pupil funding and a 300 student decrease in enrollment for the 2017-2018 fiscal year from the 2016-2017 fiscal year level, as the State of Michigan continues to struggle with its own budget. Furthermore, property values have stabilized, but did decline slightly, which impacts state revenue and local debt levies. Although the economy in Michigan is showing signs of improvement, the effect of property foreclosures, and loss of industry, business, and jobs, continues to impact the State's ability to fund local schools. The losses in employment led to the decline of student population as families left the state, further eroding the financial situation of the state and the School District. The School District expects the financial outlook in the state of Michigan to continue to show gradual overall improvement over time. The Wayne-Westland Community Schools' Board of Education is committed to facing the current economic issues while ensuring that its schools remain educationally and financially strong.

## Major Initiatives

The School District launched a voluntary program of energy conservation in 2008 titled I-SAVE (Individuals Save and Vie for Efficiency). The goal of I-SAVE is to change the habits of all building occupants to reduce utility consumption in an effort to conserve natural resources and re-direct financial resources back into the classroom. As of June 30, 2017, it is estimated that the program-induced reduction in gas, electricity, and water consumption saves the School District approximately 15 percent annually in utility fees.

Gas and electric commodity purchases for the School District are made as part of a consortium of school districts called Michigan Schools Energy Cooperative (MISEC). The cooperative purchasing of gas and electric commodities has saved the School District between 5 percent and 10 percent in utility rates per year since the program's inception in 1999.

During 2012, the School District re-opened all employee union contracts to negotiate increased employee healthcare contributions, furlough days, and salary and step adjustments which reduced average salary and benefit costs for the School District through fiscal year 2012-2013. In March 2013, the School District renegotiated contract extensions through June 30, 2017 with all labor unions. The ratified contracts include 5 percent pay reductions, step freezes, and a change to high deductible health insurance plans coupled with health savings accounts. The School District has also elected to operate under the hard-cap healthcare provisions under Michigan law which limits school district healthcare expenditures per employee to no more than \$16,751.23 for family coverage, \$12,845.04 for two-person coverage, and \$6,142.11 for single coverage.

In an effort to attract students, the School District offers a “schools of choice” option for students in grades K-12 from other communities. The non-resident pupils attending the School District bring in additional revenue based upon the per-pupil state aid funding formula.

To keep the citizens of Wayne-Westland Community Schools informed about financial related topics, the School District continues to provide all pertinent financial data and reports on the School District’s website. Included is the School District’s Comprehensive Annual Financial Report (CAFR), all board adopted budget reports, expenditure summaries, collective bargaining agreements, health plan summaries, employee salary information, and accounts payable check registers. The School District continues to update the website with information to enhance communication. This information can be found at [www.wwcsd.net](http://www.wwcsd.net) under the icon “Budget and Salary/Compensation Transparency Reporting.”

#### Independent Audit

The School District’s financial statements were audited by Plante & Moran, PLLC. Their audit was made in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. The financial statements present fairly the financial position of Wayne-Westland Community Schools at June 30, 2017. Their audit also included the single audit on federal awards, a copy of which can be obtained from the School District’s Business Office.

#### Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Wayne-Westland Community Schools for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in governmental financial reporting.

#### Certificate of Excellence Award

The Association of School Business Officials (ASBO) also awarded a Certificate of Excellence in Financial Reporting to Wayne-Westland Community Schools for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. This is also a prestigious national award that signifies the highest form of recognition in school financial reporting.

In order to be awarded a Certificate of Achievement and a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

While a Certificate of Achievement and a Certificate of Excellence are valid for a period of one year only, the School District has received both awards for the past 18 consecutive fiscal years. We believe our current report continues to conform to both requirements, and we are submitting it to GFOA and ASBO to determine its eligibility for another certificate.

### Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Business Services. We would like to express appreciation to all members of this office who assisted in the timely closing of the School District's financial records and the preparation of the report. We also wish to express our appreciation to the Board of Education as well as other departments and individuals who assisted in the preparation of this report.

Sincerely,

A handwritten signature in cursive script, reading "Michele A. Harmala".

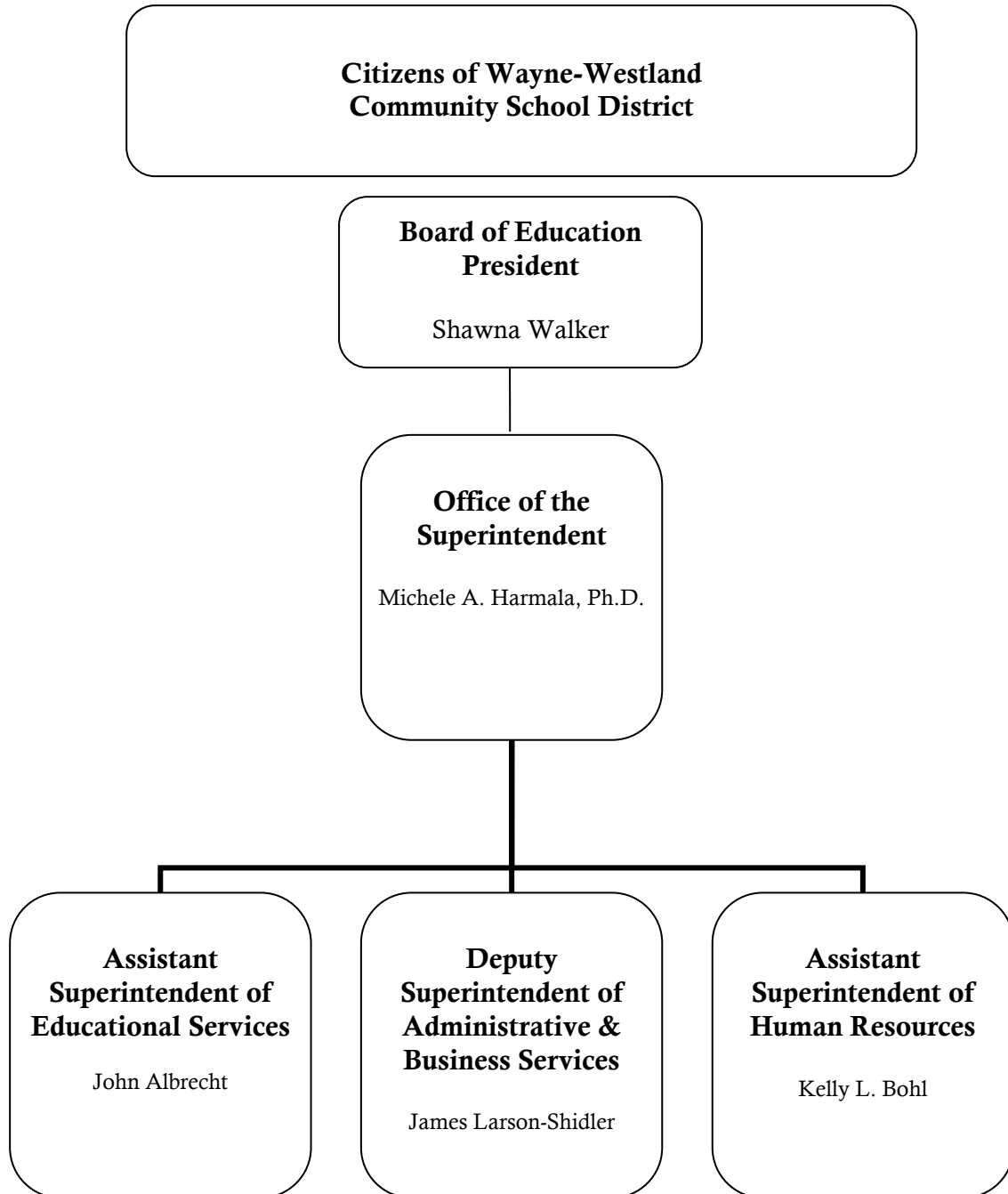
Michele A. Harmala, Ph.D.  
Superintendent of Schools

A handwritten signature in cursive script, reading "James Larson-Shidler".

James Larson-Shidler  
Deputy Superintendent of Administrative and  
Business Services



## 2016-2017 ORGANIZATIONAL CHART





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Wayne-Westland Community Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



**Anthony N. Dragona, Ed.D., RSBA**  
President

**John D. Musso, CAE, RSBA**  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Wayne-Westland  
Community School District  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

## Independent Auditor's Report

To the Board of Education  
Wayne-Westland Community Schools

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining information of Wayne-Westland Community Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Wayne-Westland Community Schools' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

To the Board of Education  
Wayne-Westland Community Schools

### ***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 information of Wayne-Westland Community Schools as of June 30, 2017 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major funds budgetary comparison schedules, and the schedules of proportionate share and contributions, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Wayne-Westland Community Schools' basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

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



To the Board of Education  
Wayne-Westland Community Schools

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October XX, 2017 on our consideration of Wayne-Westland Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne-Westland Community Schools' internal control over financial reporting and compliance.

October 28, 2017

Draft

# Wayne-Westland Community Schools

## Management's Discussion and Analysis

This section of the annual financial report presents our discussion and analysis of Wayne-Westland Community Schools' (the "School District") financial performance during the year ended June 30, 2017. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

### Using this Annual Report

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

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

#### Financial Statements

Government-wide Financial Statements    Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)

Budgetary Information for Major Funds

Schedule of the School District's Pension Plan Contributions

Schedule of Proportionate Share of the Net Pension Liability

Other Supplemental Information

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

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets 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 revenue and expenses are taken into account regardless of when cash is received or paid.

# Wayne-Westland Community Schools

## Management's Discussion and Analysis (Continued)

These two statements report the School District's net position - the difference between assets and deferred outflows of resources versus liabilities and deferred inflows of resources, as reported in the statement of net position - 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 position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

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

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

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

**Governmental Funds** - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

# Wayne-Westland Community Schools

## Management's Discussion and Analysis (Continued)

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

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

### **The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole. Table I provides a summary of the School District's net position as of June 30, 2017 and 2016:

Table I

	Governmental Activities	
	June 30	
	2017	2016
	(in millions)	
<b>Assets</b>		
Current and other assets	\$ 36.2	\$ 29.6
Capital assets	89.8	93.1
Total assets	126.0	122.7
<b>Deferred Outflows of Resources</b>	25.1	21.1
Total assets and deferred outflows of resources	151.1	143.8
<b>Liabilities</b>		
Current liabilities	25.4	29.8
Long-term liabilities	208.9	213.4
Total liabilities	234.3	243.2
<b>Deferred Inflows of Resources</b>	11.7	11.1
Total liabilities and deferred inflows of resources	246.0	254.3
<b>Net Position</b>		
Net investment in capital assets	75.4	69.6
Restricted	3.2	1.7
Unrestricted deficit	(173.5)	(181.8)
Total net position	<u>\$ (94.9)</u>	<u>\$ (110.5)</u>

# Wayne-Westland Community Schools

## Management's Discussion and Analysis (Continued)

The above analysis focuses on the net position (see Table 1). The change in net position (see Table 2) of the School District's governmental activities is discussed below. The School District's net deficit was \$94.9 million and \$110.5 million at June 30, 2017 and 2016, respectively. Capital assets, net of related debt totaling \$75.4 million, compares the original cost, less depreciation of the School District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net deficit, \$173.5 million, was unrestricted.

The unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net position balance is used to provide working capital and cash flow requirements as well as providing for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of operations for the School District as a whole are reported in the statement of activities (see Table 2), which shows the changes in net position for fiscal years ended June 30, 2017 and 2016:

Table 2

	Governmental Activities	
	Year Ended June 30	
	2017	2016
	(in millions)	
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 2.0	\$ 2.4
Operating grants and contributions	59.0	49.8
General revenue:		
Property taxes	27.5	27.7
State foundation allowance	63.1	63.5
Other	2.6	2.1
Total revenue	154.2	145.5

# Wayne-Westland Community Schools

## Management's Discussion and Analysis (Continued)

Table 2 (Continued)

	Governmental Activities	
	Year Ended June 30	
	2017	2016
	(in millions)	
<b>Functions/Program Expenses</b>		
Instruction	\$ 74.9	\$ 74.9
Support services	55.6	55.5
Food services	5.7	5.9
Athletics	1.4	1.4
Community services	0.1	0.1
Interest on long-term debt	0.9	3.1
Other	-	0.5
Total functions/program expenses	138.6	141.4
<b>Change in Net Position</b>	15.6	4.1
<b>Net Position</b> - Beginning of year	(110.5)	(114.6)
<b>Net Position</b> - End of year	<u>\$ (94.9)</u>	<u>\$ (110.5)</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$138.6 million. Certain activities were partially funded from those who benefited from the programs (\$2.0 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$59.0 million). We paid for the remaining "public benefit" portion of our governmental activities with \$27.5 million in taxes, \$63.1 million in state foundation allowance, and with our other revenue, i.e., interest and general entitlements.

The School District experienced an increase in net position of \$15.6 million, which is an increase of \$11.5 million from 2015-16. A major portion of this increase is the result of Wayne County voter approval of a 6-year enhancement levy in November 2017. The enhancement millage is \$365 per student, which is approximately \$4 million for the district. Additionally, increases in categorical state aid and the state retirement stabilization funding added to this increase. From an expenditure side, the district continues its cost containment efforts in the areas of district staffing and energy management. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

### The School District's Funds

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

# **Wayne-Westland Community Schools**

## **Management's Discussion and Analysis (Continued)**

As the School District completed this year, the governmental funds reported a combined fund balance of \$17.2 million, which is an increase of \$8.0 million from last year. The primary reasons for the increase are as follows:

### **General Fund**

In the General Fund, our principal operating fund, the fund balance experienced an increase from \$5.7 million to \$12.1 million. Revenue and transfers increased approximately \$4.0 million and expenditures decreased approximately \$1.0 million from fiscal year 2016. The revenue increase was primarily the result of the six-year enhancement millage passed in November 2016, an increase in categorical state aid and additional retirement stabilization funding. Expenditures decreased due to priority based budgeting (zero-based budgeting), salary and benefit savings resulting from staff turnover as well as cost containment efforts in the areas of district staffing (via negotiated salary reductions and the move to a high deductible insurance plan with district costs subject to state mandated annual cap on benefit expenditures), substitute costs, and supply/materials costs.

### **Special Education Fund**

The Special Education Fund tracks the expenditures of our Act 18 Center Program. This fund is supported by state revenue and a local Wayne County special education millage. Total expenditures for the current fiscal year were approximately \$12.0 million.

### **Milk and Hot Lunch Fund**

The Milk and Hot Lunch Fund receives revenue primarily from federal and state aid as well as sales to students. This fund experienced a decrease in fund balance of approximately \$177,000 during the 2016-2017 fiscal year.

### **Federal, State, and Local Grant Programs Fund**

The Federal, State, and Local Grant Programs Fund is self-supported through various local, state, and federal grants. In the current fiscal year, approximately \$16.3 million in grant expenditures were recorded in this fund.

### **Debt Service Funds**

The Debt Service Fund showed a fund balance increase of approximately \$1.5 million, resulting in a fund balance of approximately \$3.3 million. Millage rates are adjusted annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt Service Fund balances are restricted since they can only be used to pay debt service obligations.

# Wayne-Westland Community Schools

## Management's Discussion and Analysis (Continued)

### Sinking Fund

The Sinking Fund was established in 2003, when the voters in the School District approved a 1.0 mill, 10-year property tax millage to provide major repairs and renovations to existing school buildings. During 2012, this millage of .9922 mills was renewed for an additional 10 years. In the current year, revenue exceeded expenditures by approximately \$306,000, which resulted in an increase in the fund balance to approximately \$253,000. Current year projects included boiler room updates at Stevenson Middle School and Adams Upper Elementary School, kitchen upgrade at Wildwood Elementary, parking lot site work at Stevenson Middle School, and a bus curb cut at Franklin Middle School.

### General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2017 (a schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements).

Actual revenue was approximately \$0.8 million below final budget. Other financing sources (transfers in) were approximately \$0.2 higher than final budgeted amounts. Expenditures were approximately \$3.2 million lower than the final budget due to cost containment efforts in staffing and lower utility costs resulting from a warmer than normal winter.

### Capital Assets and Debt Administration

#### **Capital Assets**

At June 30, 2017, the School District had \$89.8 million invested in a broad range of capital assets, including land, buildings, furniture, and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of approximately \$3.4 million, or 3.6 percent, from last year. The decrease is primarily due to depreciation expense exceeding the amount of additions in the current year and the demolition of a vacant building.

	2017	2016
Land	\$ 1,248,087	\$ 1,248,087
Construction in progress	842,662	-
Land improvements	20,593,695	20,060,901
Buildings and improvements	168,199,102	168,118,183
Buses and other vehicles, furniture, and equipment	11,884,864	11,924,355
Total capital assets	<b>\$ 202,768,410</b>	<b>\$ 201,351,526</b>



# Wayne-Westland Community Schools

## Management's Discussion and Analysis (Continued)

This year's additions of approximately \$2.0 million included building renovations and infrastructure improvements.

A 10-year sinking fund was approved by voters in February 2003. During 2012, the sinking fund was renewed for an additional 10 years. These funds will be used for major repairs and to improve buildings and purchase real estate.

We present more information about our capital assets in Note 1 and Note 5 to the financial statements.

### Debt

At the end of this year, the School District had \$12,470,000 in general obligation bonds outstanding versus \$20,555,000 in the previous year - a change of 39 percent. Those bonds consisted of the following:

	2017	2016
General obligation bonds	<u>\$ 12,470,000</u>	<u>\$ 20,555,000</u>

The School District's general obligation bond rating is Baa1 by Moody's and BBB+ by Fitch. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. The School District's statutorily imposed limit is \$276,500,793 of unqualified debt. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District has no outstanding unqualified debt as of June 30, 2017.

Other obligations include accrued compensated absences, workers' compensation losses, and debt issuance premiums. We present more information about our long-term liabilities in Note 7.

# **Wayne-Westland Community Schools**

## **Management's Discussion and Analysis (Continued)**

### **Economic Factors and Next Year's Budgets and Rates**

Our elected officials and administration consider many factors when setting the School District's 2017-2018 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 2018 fiscal year is expected to be 90 percent and 10 percent of the October 2017 and February 2017 student counts, respectively. The fiscal year 2017-2018 budget was adopted in June 2017, based on an estimate of students that will be enrolled in September 2017. Approximately 90 percent of total General Fund revenue is due to the State per-pupil foundation allowance formula. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the fiscal 2017-2018 school year, we anticipate that the fall student count will be better than the estimates used in creating the fiscal year 2017-2018 budget. During the 2012-2013 fiscal year, the School District realized a reduction in General Fund equity of \$6.6 million. In March 2013, the School District successfully renegotiated contract extensions through June 30, 2017 with all labor unions, resulting in a significant reduction in 2013-2014 expenditures. These savings will be maintained in the 2016-2017 school year. The ratified contracts include 5 percent pay reductions, step freezes, and a change to high deductible health insurance plans coupled with health savings accounts. The School District has also elected to operate under the hard-cap healthcare provisions under Michigan law which limits school district healthcare expenditures per employee to no more than \$16,751 for family coverage, \$12,845 for two-person coverage, and \$6,142 for single coverage.

In an effort to attract students, the School District offers a "schools of choice" option for students in grades K-12 from other communities. The non-resident pupils attending the School District bring in additional revenue based upon the per-pupil State aid funding formula.

Once the final student count and related per-pupil funding are validated, state law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

The 2017 expiring negotiated agreements were negotiated in the spring of 2017. The District negotiated eight (8) successor collective bargaining agreements with the following labor groups: Wayne-Westland Education Association (W-WEA), Wayne-Westland Building Administrators Association (W-WBAA), Wayne-Westland Central Office Administrators Association (W-WCOAA), Wayne-Westland Educational Secretaries Association (W-WESA), Wayne-Westland Association of Paraprofessionals (W-WAP), Brotherhood of Specialized Skills (BOSS), Local 4 (Transportation, Custodial, Food Service), Wayne-Westland Education Association/Adult and Early Childhood Educators (W-WEA/AECE) at the end of the 2016-1017 school year.

The successor Agreements took effect with the 2017-18 school year and will expire at the end of the 2018-19 school year. The District increased employee compensation a combined total of \$2.2 mil over the two-year contractual period in an effort to attract employees. Additionally,

# **Wayne-Westland Community Schools**

## **Management's Discussion and Analysis (Continued)**

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the District provided a combined total of \$5.6 mil in off-schedule bonuses in an effort to retain employees and improve absenteeism rates.

The negotiated agreements will result in annual deficit spending in 2017-18 and 2018-19. The district intentionally capped compensation increases at the above levels to retain a minimum of a 5% General Fund balance at the expiration of the successor agreements.

The district completed a strategic plan covering 2016 – 2020, which is located on its website ([http://www.wwcsd.net/downloads/district/strategic\\_plan.pdf](http://www.wwcsd.net/downloads/district/strategic_plan.pdf)). The plan was developed through stakeholder dialogue and input to create a future roadmap for the district and student success. The document presents the district's goals and visions in the areas of:

- Instructional plan and programs and services
- Employee retention and attraction
- General Operations
- Properties and facilities
- Funding

During 2016-17, an instructional plan was developed and employee retention and attraction was the basis of labor negotiations. As part of the district's 2017-18 strategic plan, stakeholder forums, termed Choicework, will be conducted to discuss and gather input on what stakeholders believe the district should look like in the future. Using future enrollment estimates of 9,600 students in 2021, the forums will gather information on grade configuration, facilities, and operation of schools. This information will facilitate stakeholder forums to review the district's facilities and funding in relation to the grade configuration and future enrollment estimates.

# Wayne-Westland Community Schools

## Statement of Net Position June 30, 2017

	Primary Government Governmental Activities
<b>Assets</b>	
Cash and investments (Note 3)	\$ 11,799,571
Receivables (Note 4)	19,721,560
Inventory	76,861
Prepaid costs and other assets	662,400
Restricted assets (Note 3)	3,986,574
Capital assets: (Note 5)	
Capital assets not being depreciated	202,768,410
Capital assets being depreciated - Net	(112,999,715)
Total assets	126,015,661
<b>Deferred Outflows of Resources -</b>	
Deferred outflows related to pensions (Note 9)	25,119,747
Total assets and deferred outflows of resources	151,135,408
<b>Liabilities</b>	
Accounts payable	4,869,956
Accrued payroll-related liabilities	12,789,054
Other accrued liabilities	103,917
Due to other governmental units	29,099
Unearned revenue (Note 4)	663,415
Noncurrent liabilities: (Note 7)	
Due within one year	6,924,726
Due in more than one year:	
Workers' compensation	857,655
Compensated absences	1,934,864
Bonds payable	6,924,863
Net pension liability (Note 9)	199,209,317
Total liabilities	234,306,866
<b>Deferred Inflows of Resources</b>	
Deferred charges on bond refunding	632,374
Deferred inflows (Note 9)	11,064,159
Total deferred inflows of resources	11,696,533
Total liabilities and deferred inflows of resources	246,003,399
<b>Net Position</b>	
Net investment in capital assets	75,386,732
Restricted - debt service	3,207,051
Unrestricted	(173,461,774)
Total net position	\$ (94,867,991)

# Wayne-Westland Community Schools

## Statement of Activities Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenue		Governmental
		Charges for	Operating	Activities
		Services	Grants and	Net (Expense)
			Contributions	Revenue and
				Changes in Net
				Position
Primary government - Governmental activities:				
Instruction	\$ 74,851,778	\$ 1,111,722	\$ 24,368,401	\$ (49,371,655)
Support services	55,560,507	75,050	29,610,759	(25,874,698)
Athletics	1,376,512	-	-	(1,376,512)
Food services	5,743,016	839,759	5,036,551	133,294
Community services	135,364	-	-	(135,364)
Interest on long-term debt	960,375	-	-	(960,375)
Other	298	-	-	(298)
Total primary government	<b>\$ 138,627,850</b>	<b>\$ 2,026,531</b>	<b>\$ 59,015,711</b>	(77,585,608)
General revenue:				
Taxes:				
Property taxes, levied for general purposes				15,406,502
Property taxes, levied for debt service				10,256,768
Property taxes, levied for capital projects				1,829,950
State aid not restricted to specific purposes				63,057,724
Interest and investment earnings				4,525
Other				2,621,325
Total general revenues				93,176,794
<b>Change in Net Position</b>				15,591,186
<b>Net Position - Beginning of year</b>				(110,459,177)
<b>Net Position - End of year</b>				<b>\$ (94,867,991)</b>

# Wayne-Westland Community Schools

## Governmental Funds Balance Sheet June 30, 2017

	General Fund	Federal, State, and Local Grant Programs Fund	Special Education Fund	Non-Major Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents (Note 3)	\$ 11,799,571	\$ -	\$ -	\$ -	\$ 11,799,571
Receivables (Note 4)	17,416,173	2,080,825	-	224,562	19,721,560
Due from other funds (Note 6)	-	433,228	4,468,697	1,027,774	5,929,699
Inventory	18,474	-	-	58,387	76,861
Prepaid costs	381,546	-	-	280,854	662,400
Restricted assets (Notes 1 and 3)	-	-	-	3,986,574	3,986,574
<b>Total assets</b>	<b>\$ 29,615,764</b>	<b>\$ 2,514,053</b>	<b>\$ 4,468,697</b>	<b>\$ 5,578,151</b>	<b>\$ 42,176,665</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,170,982	\$ 70,515	\$ 3,553,463	\$ 74,996	\$ 4,869,956
Accrued payroll and other liabilities	10,711,792	1,063,127	897,072	117,063	12,789,054
Due to other governmental units	29,099	-	-	-	29,099
Due to other funds (Note 6)	5,581,528	-	-	348,171	5,929,699
Unearned revenue (Note 4)	-	645,253	18,162	-	663,415
<b>Total liabilities</b>	<b>17,493,401</b>	<b>1,778,895</b>	<b>4,468,697</b>	<b>540,230</b>	<b>24,281,223</b>
<b>Deferred Inflows of Resources -</b>					
Unavailable revenue (Note 4)	-	735,158	-	-	735,158
<b>Total liabilities and deferred inflows of resources</b>	<b>17,493,401</b>	<b>2,514,053</b>	<b>4,468,697</b>	<b>540,230</b>	<b>25,016,381</b>
<b>Fund Balances</b>					
Nonspendable					
Inventory	18,474	-	-	58,387	76,861
Prepaid costs	381,546	-	-	280,854	662,400
Restricted					
Capital projects	-	-	-	252,534	252,534
Debt service	-	-	-	3,310,968	3,310,968
Food service	-	-	-	1,135,178	1,135,178
Assigned - Budgeted use of fund balance in subsequent year	1,086,811	-	-	-	1,086,811
Unassigned	10,635,532	-	-	-	10,635,532
<b>Total fund balances</b>	<b>12,122,363</b>	<b>-</b>	<b>-</b>	<b>5,037,921</b>	<b>17,160,284</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,615,764</b>	<b>\$ 2,514,053</b>	<b>\$ 4,468,697</b>	<b>\$ 5,578,151</b>	<b>\$ 42,176,665</b>

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

# Wayne-Westland Community Schools

## Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2017

**Fund Balance Reported in Governmental Funds** \$ 17,160,284

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

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

Cost of capital assets	\$ 202,768,410	
Accumulated depreciation	(112,999,715)	89,768,695

Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds 735,158

Deferred outflows related to pension payments made subsequent to the measurement date 15,921,910

Deferred outflows related to pensions 9,197,837

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

Bonds payable including premium	(13,749,589)	
Compensated absences	(1,984,864)	
Workers' compensation	(907,655)	\$ (16,642,108)

Accrued interest payable is not included as a liability in governmental funds (103,917)

Deferred charges on bond refunding (632,374)

Net pension obligations do not present a claim on current financial resources and are not reported as fund liabilities (199,209,317)

Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds (11,064,159)

**Net Position of Governmental Activities** **\$ (94,867,991)**

# Wayne-Westland Community Schools

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2017

	General Fund	Federal, State, and Local Grant Programs Fund	Special Education	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>					
Local sources	\$ 18,059,412	\$ 104,050	\$ -	\$ 12,941,225	\$ 31,104,687
State sources	81,321,786	5,095,221	4,086,358	520,352	91,023,717
Federal sources	39,324	9,834,062	-	4,839,477	14,712,863
Interdistrict sources	7,717,913	787,074	7,857,482	-	16,362,469
Total revenue	107,138,435	15,820,407	11,943,840	18,301,054	153,203,736
<b>Expenditures</b>					
Current:					
Instruction	57,330,122	-	-	-	57,330,122
Support services	40,845,747	-	-	-	40,845,747
Athletics	1,389,223	-	-	-	1,389,223
Milk and hot lunch	-	-	-	5,612,892	5,612,892
Community services	79,864	-	-	-	79,864
Federal, state, and local grant programs	-	16,320,433	-	-	16,320,433
Special education center programs	-	-	12,004,014	-	12,004,014
Debt service:					
Principal	-	-	-	8,085,000	8,085,000
Interest	-	-	-	1,027,750	1,027,750
Other	-	-	-	298	298
Capital outlay	825,884	-	-	1,681,454	2,507,338
Total expenditures	100,470,840	16,320,433	12,004,014	16,407,394	145,202,681
<b>Excess of Revenue Over Expenditures</b>	6,667,595	(500,026)	(60,174)	1,893,660	8,001,055
<b>Other Financing Sources (Uses)</b>					
Transfers in	527,747	735,161	60,174	64,310	1,387,392
Transfers out	(795,335)	(235,135)	-	(356,922)	(1,387,392)
Total other financing (uses) sources	(267,588)	500,026	60,174	(292,612)	-
<b>Net Change in Fund Balances</b>	6,400,007	-	-	1,601,048	8,001,055
<b>Fund Balances - Beginning of year</b>	5,722,356	-	-	3,436,873	9,159,229
<b>Fund Balances - End of year</b>	<u>\$ 12,122,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,037,921</u>	<u>\$ 17,160,284</u>



# Wayne-Westland Community Schools

## **Governmental Funds** **Reconciliation of the Statement of Revenue, Expenditures,** **and Changes in Fund Balances of Governmental Funds** **to the Statement of Activities** **Year Ended June 30, 2017**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 8,001,055**

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

Governmental funds report capital outlays as

expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	\$ (5,408,828)	
Capitalized capital outlay	<u>2,041,243</u>	(3,367,585)

Revenue is reported in the statement of activities when earned, without regard to timeliness of collection	735,158
--	---------

Deferred charges/amortization of premium reported as revenue and expenditures in the funds and amortized in the statement of activities	1,040,914
---	-----------

Revenue in support of pension contributions made subsequent to measurement date	(760,772)
---	-----------

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	8,085,000
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Interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid	67,375
--	--------

Change in pension expense related to deferred items	1,436,143
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Compensated absences, as well as self-insured liability claims, are recorded when earned in the statement of activities. In the current year, more was earned than paid out	<u>353,898</u>
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**Change in Net Position of Governmental Activities** **\$ 15,591,186**

# Wayne-Westland Community Schools

## **Fiduciary Funds** **Statement of Fiduciary Assets and Liabilities** **June 30, 2017**

	<u>Agency Funds</u>
<b>Assets - Cash and cash equivalents (Note 3)</b>	<b><u>\$ 1,565,302</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 1,458
Due to student groups	1,391,226
Due to foundation	<u>172,618</u>
Total liabilities	<b><u>\$ 1,565,302</u></b>

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### **Note I - Nature of Business and Significant Accounting Policies**

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

#### **Reporting Entity**

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. Based on the application of the criteria, the School District does not contain any component units.

#### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenue are reported instead as general revenue.

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

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

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

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

As a general rule, the effect of interfund activity, other than interfund services provided and used, has been eliminated from the government-wide financial statements.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the School District's policy is to first apply restricted resources. When an expense is incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used, it is the School District's policy to spend funds in this order: committed, assigned, and unassigned.

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

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenue not meeting this definition is classified as a deferred inflow of resources. For this purpose, the School District considers revenue to be available if it is 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. Compensated absences are primarily paid out of the General Fund.

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

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

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

Fiduciary fund statements are reported using the accrual basis of accounting.

The School District reports the following major governmental funds:

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

**Federal, State, and Local Grant Programs Fund (Special Revenue Fund)** - The Federal, State, and Local Grant Programs Fund records all the revenue and expenditures of the local, state, and federal grants. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. Any operating deficit generated by these activities is the responsibility of the General Fund.

**Special Education Fund (Special Revenue Fund)** - The Special Education Fund is used to record all transactions associated with the special education center programs administered by the School District on behalf of the county. The Special Education Fund is funded primarily by property taxes from interdistrict sources and state aid, which is restricted to expenditures for specified purposes. Any operating deficit generated by these activities is the responsibility of the General Fund.

Additionally, the School District reports the following fund types:

**Milk and Hot Lunch Fund (Special Revenue Fund)** - The Milk and Hot Lunch Fund is used to record all transactions of food sales to pupils at all School District buildings. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Any operating deficit generated by these activities is the responsibility of the General Fund.

**Debt Service Fund** - The Debt Service Fund is used to record tax and interest revenue and transfers in from the General Fund and the payment of interest, principal, and other expenditures on bonded debt. This fund services the 2014 refunding bond payments.

**Capital Projects Fund** - The Capital Projects Fund is used to record revenue and the disbursement of monies specifically designated for major remodeling and repairs. The Sinking Fund is financed by support of a 0.9922 mill levy each year for 10 years beginning in 2013. The fund operates until the purpose for which it was created is accomplished.

**Agency Fund** - The School District maintains an Agency Fund to record the transactions of student groups and the Wayne-Westland Foundation. These funds are segregated and held for the students and the foundation.

# Wayne-Westland Community Schools

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## Notes to Financial Statements June 30, 2017

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

#### **Assets, Liabilities, and Net Position or Equity**

**Cash and Cash Equivalents** - Cash and cash equivalents include cash on hand and money market deposit accounts. Investments are stated at fair value.

**Receivables and Payables** - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

All accounts and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are levied on July 1 for taxes due August 15 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

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

**Restricted Assets** - The unspent property taxes levied in the Debt Service Fund and Sinking Fund are required to be set aside for future bond principal and interest and approved Sinking Fund projects, respectively. These amounts have been classified as restricted assets.

**Capital Assets** - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$16,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure-type assets.

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

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

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

Buildings (with 20 percent salvage value)	50 years
Building improvements (with 20 percent salvage value)	25 years
Land improvements	20 years
Buses and other vehicles	10 years
Furniture and other equipment	10 years

**Compensated Absences** - The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated annual sick leave benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

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

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

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District only has one item that qualifies for reporting in this category. The School District has deferred outflows of resources related to deferred pension plan expenses.

# Wayne-Westland Community Schools

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## Notes to Financial Statements June 30, 2017

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

In addition to liabilities, the statement of net position reports deferred inflows of resources, which represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School District has deferred inflows of resources related to unavailable revenue, deferred charges on bond refunding, and its pension plan and revenue in support of pension payments made subsequent to the measurement date.

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

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the Board of Education for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.
- **Assigned:** Intent to spend resources on specific purposes expressed by the Deputy Superintendent for Administrative and Business Services and the Senior Executive Director for Business and Operations, who are authorized by a resolution approved by the Board of Education to make assignments.
- **Unassigned:** Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

The Board of Education has adopted a fund balance policy. The fund balance policy prescribes the minimum fund balance between 5 percent and 10 percent of the School District's General Fund annual operating expenditures. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year. If a fund balance declines below the 5 percent to 10 percent range, it shall be recovered at a rate as directed by the Board of Education.



# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

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

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

### **Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary Information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund, Special Revenue, Debt Service, and Capital Project Funds. All annual appropriations lapse at fiscal year end. The basis of budgeting for statements found in the required supplemental information is consistent with accounting principles generally accepted in the United States of America and state law for the General Fund.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted for the General Fund and Special Revenue Funds are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. Amendments were made during the year to reflect actual student enrollments, changes in state grants, and instructional programming.

The General Fund budgetary comparison schedule, the Federal, State, and Local Grant Programs Fund budgetary comparison schedule, and the Special Education Fund budgetary comparison schedule have been presented with required supplemental information, as identified in the table of contents.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as restrictions, commitments, or assignments of 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. There were no outstanding encumbrances as of June 30, 2017.

# Wayne-Westland Community Schools

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## Notes to Financial Statements June 30, 2017

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

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

**Capital Projects Fund Compliance** - The Sinking Fund Capital Projects Fund records capital project activities funded with Sinking Fund millage. For this fund, authorized prior to March 16, 2017, the School District has complied with the applicable provisions of Section 1212 of the Revised School Code.

### **Note 3 - Deposits and Investments**

State statutes authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority. Details of the carrying value of the School District's deposits can be found on the schedule of cash and cash equivalents on page 53.

The School District has designated eight banks for the deposit of its funds.

The investment policy adopted by the board in accordance with state statutes has authorized investments as listed above.

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

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk. At year end, the School District's deposit balance of \$17,780,253 had \$17,280,253 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# Wayne-Westland Community Schools

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## Notes to Financial Statements June 30, 2017

### Note 3 - Deposits and Investments (Continued)

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

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring 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 School District's cash requirements.

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

**Concentration of Credit Risk** - The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

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

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 4 - Receivables and Unavailable/Unearned Revenue

Receivables as of year end for the School District's individual major funds and the nonmajor funds in the aggregate are expected to be fully collectible within one year and are as follows:

	General Fund	Federal, State, and Local Grant Programs Fund	Nonmajor Funds
Receivables:			
Accounts receivable	\$ 1,026,339	\$ -	\$ -
Due from other governmental units	16,389,834	2,080,825	224,562
Total receivables	<u>\$ 17,416,173</u>	<u>\$ 2,080,825</u>	<u>\$ 224,562</u>

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2017, the various components of unearned and unavailable revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Grant receivables unavailable for use in the current period	\$ 735,158	\$ -
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	663,415
Total	<u>\$ 735,158</u>	<u>\$ 663,415</u>

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 5 - Capital Assets

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

	Balance July 1, 2016	Additions	Disposals	Balance June 30, 2017
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,248,087	\$ -	\$ -	\$ 1,248,087
Construction in progress	-	842,662	-	842,662
Subtotal	1,248,087	842,662	-	2,090,749
Capital assets being depreciated:				
Land improvements	20,060,901	532,794	-	20,593,695
Buildings and improvements	168,118,183	80,919	-	168,199,102
Furniture and equipment	5,486,599	34,388	-	5,520,987
Buses and other vehicles	6,437,756	550,480	(624,359)	6,363,877
Subtotal	200,103,439	1,198,581	(624,359)	200,677,661
Accumulated depreciation:				
Land improvements	11,252,359	1,016,365	-	12,268,724
Buildings and improvements	86,685,964	3,958,096	-	90,644,060
Furniture and equipment	4,718,375	163,775	-	4,882,150
Buses and other vehicles	5,558,548	270,592	(624,359)	5,204,781
Subtotal	108,215,246	5,408,828	(624,359)	112,999,715
Net capital assets being depreciated	91,888,193	(4,210,247)	-	87,677,946
Net capital assets	\$ 93,136,280	\$ (3,367,585)	\$ -	\$ 89,768,695

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

<b>Governmental activities:</b>	
Instruction	\$ 3,461,650
Support services	1,784,913
Community services	162,265
Total governmental activities	<u>\$ 5,408,828</u>

**Construction Commitments** - The School District has active construction projects at year end. The projects are reported in the Sinking Fund. At year end, the School District has commitments of \$1,416,732 with contractors.

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
Special Education Fund	General Fund	\$ 4,468,697
Federal, State, and Local Grant	General Fund	\$ 433,228
Nonmajor funds	General Fund	679,603
	Total General Fund	5,581,528
Nonmajor funds	Nonmajor funds	348,171
	Total	<u>\$ 5,929,699</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are comprised of the following:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Nonmajor Funds	\$ 356,922
	Federal, State, and Local Grant	
	Programs Fund	170,825
	Total General Fund	527,747
Nonmajor Funds	Federal, State, and Local Grant	
	Programs Fund	64,310
Special Education	General	
	Fund	60,174
Federal, State, and Local Grant		
Programs Fund	General Fund	735,161
	Total Nonmajor Funds	859,645
	Total	<u>\$ 1,387,392</u>

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Transfers into the General Fund from the Milk and Hot Lunch Fund and Federal, State, and Local Grant Programs fund represent nonreciprocal activity between the funds. Transfers into the Milk and Hot Lunch Fund from the Federal, State, and Local Grant Programs Fund consist of nonreciprocal activity between funds.

### Note 7 - Long-term Debt

The School District issues bonds and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences and certain risk liabilities. Detail of individual debt issues can be found on the detail of bonded debt schedule on page 60.

Long-term debt activity can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds	\$ 20,555,000	\$ -	\$ 8,085,000	\$ 12,470,000	\$ 6,100,000
Issuance premiums	2,004,315	-	724,726	1,279,589	724,726
Total	22,559,315	-	8,809,726	13,749,589	6,824,726
Compensated absences	2,104,281	105,090	224,507	1,984,864	50,000
Workers' compensation self-insurance	1,142,136	-	234,481	907,655	50,000
Total governmental activities	\$ 25,805,732	\$ 105,090	\$ 9,268,714	\$ 16,642,108	\$ 6,924,726

Annual debt service requirements to maturity for the above bond obligations are as follows:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,100,000	\$ 623,500	\$ 6,723,500
2019	6,370,000	318,500	6,688,500
Total	\$ 12,470,000	\$ 942,000	\$ 13,412,000

### Governmental Activities

General obligation bonds consist of the following:

\$36,000,000 serial bonds due in annual installments of \$6,100,000 to  
\$6,370,000 through May 1, 2019, bearing interest at 5% \$ 12,470,000

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 7 - Long-term Debt (Continued)

The General Fund is used to satisfy compensated absences and workers' compensation obligations when due.

**Line of Credit** - On September 1, 2016, the School District obtained a line of credit for borrowings up to \$8,000,000 to assist with the cash flow needs of the School District. The line of credit expires on August 31, 2017. There was no amount outstanding on the line of credit as of June 30, 2017.

### Note 8 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for health claims and participates in the Metropolitan Association for Improved School Legislation risk pool for claims relating to property loss, torts, and errors and omissions; the School District is partially self-insured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

For risk retention situations (other than commercial coverage or risk-sharing pools), the School District estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in long-term debt.

	2017	2016
Estimated liability - Beginning of year	\$ 1,142,136	\$ 411,115
Estimated claims incurred - Including changes in estimates	(35,216)	1,261,970
Claim payments	(199,265)	(530,949)
Unpaid claims - End of year	<u>\$ 907,655</u>	<u>\$ 1,142,136</u>



# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 9 - Michigan Public School Employees' Retirement System

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

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

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

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

The range of rates are as follows:

**School District**

October 1, 2015 - September 30, 2016	14.56% - 18.95%
October 1, 2016 - June 30, 2017	15.27% - 19.03%

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

The School District's required and actual contributions to the plan for the years ended June 30, 2017 were \$19,424,082. The School District required and actual contributions include an allocation of \$6,136,255 of revenue received from the State of Michigan, and remitted to the system, to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate for the year ended June 30, 2017.

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 9 - Michigan Public School Employees' Retirement System (Continued)

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

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

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

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

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

**Net Pension Liability, Deferrals, and Pension Expense** - At June 30, 2017, the School District reported a liability of \$199,209,317 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2015, which used update procedures to roll forward the estimated liability to September 30, 2016. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2017, the School District's proportion was 0.798460 percent.

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 9 - Michigan Public School Employees' Retirement System (Continued)

For the year ended June 30, 2017, the School District recognized pension expense of \$17,589,191, inclusive of payments to fund the MPSERS UAAL Stabilization Rate. At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Difference between expected and actual experience	\$ 2,482,674	\$ 472,131
Changes of assumptions	3,114,482	-
Net difference between projected and actual earnings on pension plan assets	3,310,857	-
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	289,824	4,455,773
The School District's contributions subsequent to the measurement date	15,921,950	-
Total	<u>\$ 25,119,787</u>	<u>\$ 4,927,904</u>

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

Years Ending June 30	Amount
2018	\$ 170,815
2019	(89,405)
2020	3,676,293
2021	512,230
Total	<u>\$ 4,269,933</u>

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

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 9 - Michigan Public School Employees' Retirement System (Continued)

**Actuarial Assumptions** - The total pension liability as of September 30, 2016 is based on the results of an actuarial valuation date of September 30, 2015 and rolled forward:

Actuarial cost method	Entry age normal cost actuarial cost method
Investment rate of return	7.00 to 8.00 percent, net of investment expenses based on the groups
Salary increases	3.50 - 12.3%, including wage inflation of 3.5%
Mortality basis	RP2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB
Cost of living pension adjustments	3% annual non-compounded for MIP members

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.

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

# Wayne-Westland Community Schools

## Notes to Financial Statements June 30, 2017

### Note 9 - Michigan Public School Employees' Retirement System (Continued)

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

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	28.0 %	5.9 %
Private equity pools	18.0 %	9.2 %
International equity pools	16.0 %	7.2 %
Fixed-income pools	10.5 %	0.9 %
Real estate and infrastructure pools	10.0 %	4.3 %
Real return, opportunistic, and absolute pool	15.5 %	6.0 %
Short-term investment pools	2.0 %	- %
Total	100.0 %	

On February 23, 2017, MPSERS approved a decrease in the discount rate for the September 30, 2016 annual actuarial valuation of 0.5 percent. As a result, the actuarial computed employer contributions and the net pension liability will increase for the measurement period ending September 30, 2017.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the School District calculated using the discount rate of 7.00 - 8.00 percent, depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (6.0 - 7.0 percent) or 1.00 percentage point higher (8.0 - 9.0 percent) than the current rate:

1.00 Percent Decrease (6.0 - 7.0 Percent)	Current Discount Rate (7.0 - 8.0 Percent)	1.00 Percent Increase (8.0 - 9.0 Percent)
\$ 256,531,457	\$ 199,209,317	\$ 150,881,241

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

# Wayne-Westland Community Schools

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## Notes to Financial Statements June 30, 2017

### **Note 9 - Michigan Public School Employees' Retirement System (Continued)**

**Payable to the Pension Plan** - At June 30, 2017, the School District reported a payable of \$2,360,629 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**Postemployment Benefits Other Than Pensions (OPEB)** - Under the MPSERS act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate ranged from 6.40 percent to 6.83 percent of covered payroll for the period from July 1, 2016 to September 30, 2016 and from 5.69 percent to 5.91 percent of covered payroll for the period from October 1, 2016 through June 30, 2017 dependent upon the employee's date of hire and plan election as noted above. Members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement. Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 403B account.

The School District's required and actual contributions to the plan for retiree healthcare benefits for the years ended June 30, 2017, 2016, and 2015 were \$4,225,131, \$3,916,000, and \$2,465,000, respectively. In addition, a portion ranging from 35-100 percent of the the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate is considered a contribution to the retiree healthcare plan.

### **Note 10 - Tax Abatements**

For the fiscal year ended June 30, 2017, the School District had no significant tax abatements.

# Wayne-Westland Community Schools

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## Notes to Financial Statements June 30, 2017

### Note 11 - Upcoming Accounting Pronouncements

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

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2020.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School Districts' financial statements for the year ended June 30, 2021.

## **Required Supplemental Information**

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# Wayne-Westland Community Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
<b>Revenue</b>				
Local sources	\$ 17,738,889	\$ 18,149,122	\$ 18,059,412	\$ (89,710)
State sources	81,835,699	81,354,499	81,321,786	(32,713)
Federal sources	176,000	126,000	39,324	(86,676)
Interdistrict sources	2,892,200	8,395,492	7,717,913	(677,579)
Total revenue	102,642,788	108,025,113	107,138,435	(886,678)
<b>Expenditures</b>				
Current:				
Instruction:				
Basic program	46,801,126	46,267,932	45,155,061	(1,112,871)
Added needs	11,548,382	12,554,408	12,204,914	(349,494)
Adult/Continuing education	171,256	362,357	290,641	(71,716)
Support services:				
Pupil	5,550,969	5,389,728	5,223,835	(165,893)
Instructional staff	3,593,191	3,703,658	3,341,572	(362,086)
General administration	2,098,548	2,385,179	2,261,583	(123,596)
School administration	6,256,932	6,281,426	6,011,706	(269,720)
Business services	1,083,901	1,114,587	1,072,959	(41,628)
Operations and maintenance	13,722,664	13,875,559	13,032,157	(843,402)
Transportation	7,986,587	8,822,834	8,404,415	(418,419)
Central support services	1,943,153	2,053,320	1,992,401	(60,919)
Other	7,500	12,320	10,509	(1,811)
Athletics	1,438,479	1,472,515	1,389,223	(83,292)
Community services	79,945	80,005	79,864	(141)
Total expenditures	102,282,633	104,375,828	100,470,840	(3,904,988)
<b>Excess of Revenue Over Expenditures</b>	360,155	3,649,285	6,667,595	3,018,310
<b>Other Financing Sources (Uses)</b>				
Transfers in	363,317	323,418	527,747	204,329
Transfers out	-	-	(795,335)	(795,335)
Total other financing sources (uses)	363,317	323,418	(267,588)	(591,006)
<b>Net Change in Fund Balance</b>	723,472	3,972,703	6,400,007	2,427,304
<b>Fund Balance - Beginning of year</b>	5,722,356	5,722,356	5,722,356	-
<b>Fund Balance - End of year</b>	<b>\$ 6,445,828</b>	<b>\$ 9,695,059</b>	<b>\$ 12,122,363</b>	<b>\$ 2,427,304</b>

# Wayne-Westland Community Schools

## Required Supplemental Information Budgetary Comparison Schedule - Federal, State, and Local Grants Programs Fund Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
<b>Revenue</b>				
Local sources	\$ 1,123,589	\$ -	\$ 104,050	\$ 104,050
State sources	4,824,901	5,796,240	5,095,221	(701,019)
Federal sources	10,975,776	12,178,449	9,834,062	(2,344,387)
Interdistrict sources	-	1,298,549	787,074	(511,475)
Total revenue	16,924,266	19,273,238	15,820,407	(3,452,831)
<b>Expenditures</b> - Federal, state, and local grant programs	16,924,266	19,273,238	16,320,433	(2,952,805)
<b>Excess of Revenue Under Expenditures</b>	-	-	(500,026)	(500,026)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	735,161	735,161
Transfers out	-	-	(235,135)	(235,135)
Total other financing sources (uses)	-	-	500,026	500,026
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance</b> - Beginning of year	-	-	-	-
<b>Fund Balance</b> - End of year	\$ -	\$ -	\$ -	\$ -

# Wayne-Westland Community Schools

## Required Supplemental Information Budgetary Comparison Schedule - Special Education Fund Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Under) Over Final Budget</u>
<b>Revenue</b>				
State sources	\$ 3,568,186	\$ 4,152,704	\$ 4,086,358	\$ (66,346)
Interdistrict sources	<u>8,735,902</u>	<u>10,166,964</u>	<u>7,857,482</u>	<u>(2,309,482)</u>
Total revenue	12,304,088	14,319,668	11,943,840	(2,375,828)
<b>Expenditures</b> - Special education center programs	<u>11,001,875</u>	<u>12,626,542</u>	<u>12,004,014</u>	<u>(622,528)</u>
<b>Excess of Revenue Over Expenditures</b>	1,302,213	1,693,126	(60,174)	(1,753,300)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	60,174	60,174
Transfers out	<u>(1,302,213)</u>	<u>(1,693,126)</u>	<u>-</u>	<u>1,693,126</u>
Total other financing sources (uses)	<u>(1,302,213)</u>	<u>(1,693,126)</u>	<u>60,174</u>	<u>1,753,300</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance</b> - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## Wayne-Westland Community Schools

### Required Supplemental Information

#### Schedule of Wayne-Westland Community Schools' Contributions Michigan Public School Employees' Retirement System Determined as of the year ended June 30

	2017	2016	2015
Statutorily required contribution	\$ 19,248,704	\$ 18,723,482	\$ 13,595,967
Contributions in relation to the statutorily required contribution	19,248,704	18,723,482	13,595,967
Contribution deficiency (excess)	-	-	-
School District's covered employee payroll	68,972,120	66,966,671	68,291,413
Contributions as a percentage of covered employee payroll	27.91 %	27.96 %	19.19 %

Note: GASB Statement No. 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

# Wayne-Westland Community Schools

## Required Supplemental Information Schedule of Wayne-Westland Community Schools' Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System Determined as of the Plan year ended September 30

	2016	2015	2014
School District's proportion of the net pension liability	0.79846 %	0.80569 %	0.82760 %
School District's proportionate share of the net pension liability	\$ 199,209,317	\$ 196,791,039	\$ 182,286,041
School District's covered employee payroll	67,182,765	67,287,675	70,574,097
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	296.52 %	292.46 %	258.30 %
Plan fiduciary net position as a % of the total pension liability	63.01 %	62.92 %	66.20 %

Note: GASB Statement No. 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

### Notes to Pension Required Supplemental Information Schedules:

**Benefit Changes** - There were no changes of benefit terms in 2016.

**Changes in Assumptions** - There were no changes of benefit assumptions in 2016.

## **Other Supplemental Information**

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# Wayne-Westland Community Schools

## Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds June 30, 2017

	Special Revenue Fund Milk and Hot Lunch	Debt Service Fund 2014 Refunding	Capital Projects Fund Sinking Fund	2017 Total	2016 Total
<b>Assets</b>					
Receivables	\$ 224,562	\$ -	\$ -	\$ 224,562	\$ 385,145
Due from other funds	1,027,774	-	-	1,027,774	1,072,212
Inventory	58,387	-	-	58,387	86,569
Prepaid costs and other assets	280,854	-	-	280,854	293,105
Restricted assets	-	3,310,968	675,606	3,986,574	1,844,770
<b>Total assets</b>	<b>\$ 1,591,577</b>	<b>\$ 3,310,968</b>	<b>\$ 675,606</b>	<b>\$ 5,578,151</b>	<b>\$ 3,681,801</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 95	\$ -	\$ 74,901	\$ 74,996	\$ 5,927
Accrued payroll-related liabilities	117,063	-	-	117,063	176,776
Due to other funds	-	-	348,171	348,171	62,225
<b>Total liabilities</b>	<b>117,158</b>	<b>-</b>	<b>423,072</b>	<b>540,230</b>	<b>244,928</b>
<b>Fund Balances</b>					
Nonspendable:					
Inventory	58,387	-	-	58,387	-
Prepaid costs	280,854	-	-	280,854	-
Restricted:					
Capital projects	-	-	252,534	252,534	-
Debt service	-	3,310,968	-	3,310,968	1,839,434
Food service	1,135,178	-	-	1,135,178	1,564,550
Unassigned	-	-	-	-	(53,680)
<b>Total fund balances</b>	<b>1,474,419</b>	<b>3,310,968</b>	<b>252,534</b>	<b>5,037,921</b>	<b>3,436,873</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,591,577</b>	<b>\$ 3,310,968</b>	<b>\$ 675,606</b>	<b>\$ 5,578,151</b>	<b>\$ 3,681,801</b>

# Wayne-Westland Community Schools

## Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Year Ended June 30, 2017

	Special Revenue Fund Milk and Hot Lunch	Debt Service Funds 2014 Refunding	Capital Projects Fund Sinking Fund	2017 Total	2016 Total
<b>Revenue</b>					
Local sources	\$ 849,971	\$ 10,261,304	\$ 1,829,950	\$ 12,941,225	\$ 13,213,721
State sources	197,074	323,278	-	520,352	212,861
Federal sources	4,839,477	-	-	4,839,477	5,055,632
Total revenue	5,886,522	10,584,582	1,829,950	18,301,054	18,482,214
<b>Expenditures</b>					
Current:					
Milk and hot lunch	5,612,892	-	-	5,612,892	5,560,038
Debt service:					
Principal	-	8,085,000	-	8,085,000	7,980,000
Interest	-	1,027,750	-	1,027,750	1,426,750
Other	-	298	-	298	301
Capital outlay	157,718	-	1,523,736	1,681,454	1,738,980
Total expenditures	5,770,610	9,113,048	1,523,736	16,407,394	16,706,069
<b>Excess of Revenue Over Expenditures</b>	115,912	1,471,534	306,214	1,893,660	1,776,145
<b>Other Financing Sources (Uses)</b>					
Transfers in	64,310	-	-	64,310	67,660
Transfers out	(356,922)	-	-	(356,922)	(349,630)
Total other financing uses	(292,612)	-	-	(292,612)	(281,970)
<b>Net Change in Fund Balances</b>	(176,700)	1,471,534	306,214	1,601,048	1,494,175
<b>Fund Balances - Beginning of year</b>	1,651,119	1,839,434	(53,680)	3,436,873	1,942,698
<b>Fund Balances - End of year</b>	<u>\$ 1,474,419</u>	<u>\$ 3,310,968</u>	<u>\$ 252,534</u>	<u>\$ 5,037,921</u>	<u>\$ 3,436,873</u>



# Wayne-Westland Community Schools

## Other Supplemental Information Nonmajor Special Revenue Fund Combining Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2017

	Year Ended June 30			
	2017		2016	
	Milk and Hot Lunch Fund (Special Revenue Fund)			
			(Under) Over	Total Nonmajor Special Revenue Fund
	Budget	Actual	Budget	Actual
Revenue				
Local sources	\$ 876,577	\$ 849,971	\$ (26,606)	\$ 865,892
State sources	194,173	197,074	2,901	212,861
Federal sources	4,249,247	4,839,477	590,230	5,055,632
Total revenue	5,319,997	5,886,522	566,525	6,134,385
Expenditures - Milk and hot lunch fund	5,298,242	5,770,610	472,368	5,885,634
Excess of Revenue Over Expenditures	21,755	115,912	94,157	248,751
Other Financing Sources (Uses)				
Transfers in	-	64,310	64,310	67,660
Transfers out	(323,418)	(356,922)	(33,504)	(349,630)
Total other financing (uses) sources	(323,418)	(292,612)	30,806	(281,970)
Net Change in Fund Balance	(301,663)	(176,700)	124,963	(33,219)
Fund Balance - Beginning of year	1,651,119	1,651,119	-	1,684,338
Fund Balance - End of year	\$ 1,349,456	\$ 1,474,419	\$ 124,963	\$ 1,651,119

# Wayne-Westland Community Schools

## Other Supplemental Information Debt Service Fund Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2017

	Year Ended June 30			
	2017		2016	
	2014 Refunding Bond (Debt Service Fund)			Total Debt
	Budget	Actual	(Under) Over Budget	Service Fund Actual
<b>Revenue</b>				
Local sources	\$ 10,803,000	\$ 10,261,304	\$ (541,696)	\$ 10,471,345
State sources	-	323,278	323,278	-
Total revenue	10,803,000	10,584,582	(218,418)	10,471,345
<b>Expenditures</b>				
Debt service principal	8,085,000	8,085,000	-	7,980,000
Debt service interest	1,027,750	1,027,750	-	1,426,750
Debt service other	500	298	(202)	301
Total expenditures	9,113,250	9,113,048	(202)	9,407,051
<b>Net Change in Fund Balance</b>	1,689,750	1,471,534	(218,216)	1,064,294
<b>Fund Balance - Beginning of year</b>	1,839,434	1,839,434	-	775,140
<b>Fund Balance - End of year</b>	<b>\$ 3,529,184</b>	<b>\$ 3,310,968</b>	<b>\$ (218,216)</b>	<b>\$ 1,839,434</b>

# Wayne-Westland Community Schools

## Other Supplemental Information Capital Projects Fund Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2017

	Year Ended June 30			
	2017		2016	
			Total Capital Projects Funds	
	Sinking Fund (Capital Project Fund)			
	Budget	Actual	Over (Under) Budget	Actual
<b>Revenue - Local</b>	\$ 1,800,000	\$ 1,829,950	\$ 29,950	\$ 1,876,484
<b>Expenditures - Capital outlay and transfers out</b>	800,000	1,523,736	723,736	1,413,384
<b>Net Change in Fund Balances</b>	1,000,000	306,214	(693,786)	463,100
<b>Fund Deficit - Beginning of year</b>	(53,680)	(53,680)	-	(516,780)
<b>Fund Balance - End of year</b>	<u>\$ 946,320</u>	<u>\$ 252,534</u>	<u>\$ 693,786</u>	<u>\$ (53,680)</u>

# Wayne-Westland Community Schools

## Other Supplemental Information Schedule of Cash and Cash Equivalents June 30, 2017

Fund and Type of Investment	Date of Maturity	Interest Rate (Percent)	Cost
<b>General Fund</b>			
Checking account	-	Variable	\$ 12,179,355
Checking account	-	Variable	49,090
Checking account	-	Variable	4,478
Checking account	-	Variable	<u>(433,352)</u>
Total General Fund			11,799,571
<b>Debt Service Fund - School District Money</b>			
Market Deposit Account	-	Variable	3,310,968
<b>Capital Projects Fund - School District Money</b>			
Market Deposit Account	-	Variable	<u>675,606</u>
Total government-wide cash and cash equivalents			<u><b>\$ 15,786,145</b></u>

# Wayne-Westland Community Schools

## Other Supplemental Information Statement of Changes in Fiduciary Assets and Liabilities Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Assets - Cash and investments</b>	<b>\$ 1,482,690</b>	<b>\$ 1,934,030</b>	<b>\$ 1,851,418</b>	<b>\$ 1,565,302</b>
<b>Liabilities</b>				
Accounts payable	\$ 71,355	\$ 1,258,616	\$ 1,328,513	\$ 1,458
Due to student groups	1,200,484	672,179	481,437	1,391,226
Due to foundation	210,851	3,235	41,468	172,618
Total liabilities	<b>\$ 1,482,690</b>	<b>\$ 1,934,030</b>	<b>\$ 1,851,418</b>	<b>\$ 1,565,302</b>

# Wayne-Westland Community Schools

## Other Supplemental Information Schedule of Bonded Indebtedness Year Ended June 30, 2017

	<u>June 30</u>	<u>2014 Refunding Bond Principal</u>
	2018	\$ 6,100,000
	2019	6,370,000
Total principal		<u>\$ 12,470,000</u>
Principal payments due		May 1
Interest payments due		May 1 and November 1
Interest rate		5.0%
Original issue		<u>\$ 36,000,000</u>

## **Capital Assets**

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# Wayne-Westland Community Schools

## Capital Assets

### Schedule of Investments in Capital Assets - By Function and Activity

### June 30, 2017

	Land and Improvements	Buildings and Improvements	Vehicles, Equipment, and Furniture	Construction in Progress	Total
Elementary schools:					
Adams Upper	\$ 1,057,273	\$ 9,881,218	\$ 141,161	\$ 364,852.00	\$ 11,079,652
Edison	703,299	4,862,857	97,535	-	5,663,691
Elliott	765,333	4,230,094	70,517	-	5,065,944
Graham	498,965	3,722,536	94,932	-	4,316,433
Hamilton	558,137	3,124,531	76,871	-	3,759,539
Hicks	831,113	3,111,380	83,809	-	4,026,302
Hoover	351,956	2,758,595	32,083	-	3,142,634
Jefferson	49,762	1,959,186	64,587	-	2,073,535
Kettering	71,962	-	-	-	71,962
Lincoln	84,527	-	-	-	84,527
Madison	263,657	-	-	-	263,657
Marshall Upper	499,994	8,460,521	118,935	-	9,079,450
Roosevelt/McGrath	285,993	4,894,329	82,358	-	5,262,680
Schweitzer	556,427	3,343,689	77,633	-	3,977,749
Taft-Galloway	720,530	6,318,485	84,563	-	7,123,578
Vandenberg	182,804	-	-	-	182,804
Walker - Winter	1,018,919	4,104,614	78,041	51,904.00	5,201,574
Wildwood	259,153	5,885,364	70,557	94,587.00	6,215,074
Stottlemeyer Early Childhood Center	663,043	1,898,239	47,990	-	2,609,272
Intermediate schools:					
Franklin	435,384	11,453,445	110,350	14,342.00	11,999,179
Stevenson	394,894	6,838,425	113,943	316,976.00	7,347,262
High schools:					
John Glenn	4,328,853	27,344,599	277,471	-	31,950,923
Wayne Memorial	5,199,220	27,962,032	336,691	-	33,497,943
Tinkham Center Alternative H.S.	92,588	2,039,538	71,887	-	2,204,013
Career/Tech Center	607,087	13,493,879	866,833	-	14,967,799
Support services:					
Administration building	456,278	7,715,035	2,324,663	-	10,495,976
Transportation	751,894	658,616	5,156,630	-	6,567,140
Building and grounds	-	1,472,143	881,629	-	2,353,772
Operational services -	-	-	53,260	-	53,260
Food service	152,737	665,752	469,936	-	1,288,425
Total capital assets	<u>\$ 21,841,782</u>	<u>\$ 168,199,102</u>	<u>\$ 11,884,865</u>	<u>\$ 842,661</u>	<u>\$ 202,768,410</u>



# Wayne-Westland Community Schools

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## **Capital Assets** **Schedule of Capital Assets by Source** **June 30, 2017**

### **Capital Assets**

Land, improvements, and construction in progress	\$ 22,684,444
Buildings and improvements	168,199,102
Vehicles, equipment, and furniture	<u>11,884,864</u>
Total	<b><u>\$ 202,768,410</u></b>

### **Invested in Capital Assets**

All assets acquired prior to July 1, 1998	\$ 98,898,940
General Fund	480,695
Special Revenue Funds	1,851,168
Capital Projects Funds	<u>101,537,607</u>
Total	<b><u>\$ 202,768,410</u></b>

## **Long-term Debt**

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# Wayne-Westland Community Schools

## Long-term Debt Detail of Bonded Debt Year Ended June 30, 2017

Maturity Date	Interest Rate (Percent)	Maturing per Year	Bonds Outstanding July 1, 2016	Bonds Issued This Year	Bonds Retired This Year	Bonds Outstanding June 30, 2017
<b>2014 Refunding</b>						
Due May 1:						
2017	5.000	8,085,000	8,085,000	-	8,085,000	-
2018	5.000	6,100,000	6,100,000	-	-	6,100,000
2019	5.000	6,370,000	6,370,000	-	-	6,370,000
Total 2014 refunding			<b>\$ 20,555,000</b>	<b>\$ -</b>	<b>\$ 8,085,000</b>	<b>\$ 12,470,000</b>
Total all issues outstanding - June 30, 2017						<b>\$ 12,470,000</b>

# Wayne-Westland Community Schools

## Long-term Debt Schedule of Long-term Debt June 30, 2017

	<u>2014 Refunding</u>	<u>Other</u> <u>Obligations</u>	<u>Total Obligations</u>
<b>Amount Available and to be Provided</b>			
Debt Service Funds:			
Amount available in Debt Service Funds	\$ 3,310,968	\$ -	\$ 3,310,968
Amount to be provided for payment of bonds payable	<u>9,159,032</u>	<u>1,279,589</u>	<u>10,438,621</u>
Total amount available and to be provided for payment of bonds payable	12,470,000	1,279,589	13,749,589
General Fund - Amount to be provided for payment of other obligations	<u>-</u>	<u>2,892,519</u>	<u>2,892,519</u>
Total amount available and to be provided	<u><b>\$ 12,470,000</b></u>	<u><b>\$ 4,172,108</b></u>	<u><b>\$ 16,642,108</b></u>
<b>Long-term Debt Payable</b>			
Bonds payable	\$ 12,470,000	\$ -	\$ 12,470,000
Other long-term obligations	<u>-</u>	<u>4,172,108</u>	<u>4,172,108</u>
Total	<u><b>\$ 12,470,000</b></u>	<u><b>\$ 4,172,108</b></u>	<u><b>\$ 16,642,108</b></u>

## Wayne-Westland Community Schools

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### Long-term Debt Schedule of Changes in Long-term Debt Year Ended June 30, 2017

	<u>2014 Refunding</u>	<u>Obligations</u>	<u>Total Obligations</u>
Long-term debt outstanding - July 1, 2016	\$ 20,555,000	\$ 5,250,732	\$ 25,805,732
Additions	-	105,090	105,090
Reductions - Retirements and payments	<u>(8,085,000)</u>	<u>(1,183,714)</u>	<u>(9,268,714)</u>
Long-term debt outstanding - June 30, 2017	<u><b>\$ 12,470,000</b></u>	<u><b>\$ 4,172,108</b></u>	<u><b>\$ 16,642,108</b></u>

## **Statistical and Other Information (Unaudited)**

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## Statistical and Other Information (Unaudited)

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This part of Wayne-Westland Community Schools' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

### Contents

Financial Trends	65-70
<i>These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	71-75
<i>These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.</i>	
Debt Capacity	76-80
<i>These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	81-82
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.</i>	
Operating Information	83-91
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.</i>	

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

# Wayne-Westland Community Schools

## Net Position/Assets by Component (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 40,378,850	\$ 44,762,118	\$ 45,942,738	\$ 50,389,913	\$ 55,283,252	\$ 59,510,230	\$ 63,725,855	\$ 66,728,685	\$ 69,628,403	\$ 75,386,732
Restricted	1,661,753	2,348,566	2,260,613	1,148,161	495,879	2,177,978	2,725,952	2,221,686	1,668,142	3,207,051
Unrestricted	<u>15,436,110</u>	<u>14,076,951</u>	<u>11,341,973</u>	<u>15,791,088</u>	<u>11,892,691</u>	<u>2,991,775</u>	<u>(182,491,823)</u>	<u>(183,529,907)</u>	<u>(181,755,722)</u>	<u>(173,461,774)</u>
Total primary government net position/assets	<b><u>\$ 57,476,713</u></b>	<b><u>\$ 61,187,635</u></b>	<b><u>\$ 59,545,324</u></b>	<b><u>\$ 67,329,162</u></b>	<b><u>\$ 67,671,822</u></b>	<b><u>\$ 64,679,983</u></b>	<b><u>\$ (116,040,016)</u></b>	<b><u>\$ (114,579,536)</u></b>	<b><u>\$ (110,459,177)</u></b>	<b><u>\$ (94,867,991)</u></b>

Note: The School District implemented GASB No. 63 and No. 65 on July 1, 2012 and GASB No. 68 and No. 71 on July 1, 2014. Years prior to 2014 are not restated for GASB No. 68 and No. 71.

Source: Wayne-Westland Community Schools financial reports



# Wayne-Westland Community Schools

## Changes in Governmental Net Position/Assets (Unaudited) Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
Instruction	\$ 92,033,271	\$ 93,296,164	\$ 96,019,219	\$ 87,600,588	\$ 81,609,015	\$ 80,332,052	\$ 77,215,217	\$ 77,369,611	\$ 74,891,006	\$ 74,851,778
Support services	52,320,222	51,525,707	50,501,769	52,969,572	57,188,149	55,586,468	55,399,532	55,784,225	55,532,394	55,560,507
Food services	4,210,691	4,462,968	4,599,732	4,628,814	5,691,563	5,620,039	5,615,862	6,706,188	1,387,643	1,376,512
Athletics	1,532,557	1,493,421	1,521,155	1,137,156	1,114,296	1,060,345	1,198,405	1,350,723	5,878,222	5,743,016
Community services	61,338	71,007	72,501	264,923	295,484	254,759	233,536	148,253	134,511	135,364
Interest on long-term debt	4,541,538	4,211,751	3,593,218	3,267,644	2,927,503	2,571,711	2,200,266	1,077,824	3,076,252	960,375
Debt issuance costs	-	-	-	-	-	-	-	321,310	500,025	298
Total governmental activities	154,699,617	155,061,018	156,307,594	149,868,697	148,826,010	145,425,374	141,862,818	142,758,134	141,400,053	138,627,850
Program revenue:										
Charges for services:	-	-	-	-	-	-	-	-	-	-
Instruction	1,033,472	1,139,201	1,115,582	1,345,322	1,638,677	1,763,758	1,649,650	1,536,561	1,482,103	1,111,722
Food services	1,474,689	1,388,130	1,201,714	973,950	982,376	93,972	94,552	85,194	87,299	75,050
Athletics	81,382	92,015	107,354	112,865	113,018	879,954	841,982	822,727	862,046	839,759
Community services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	41,425,031	47,466,135	48,928,521	46,837,577	49,435,885	47,421,310	49,680,432	51,207,954	49,748,182	59,015,711
Total program revenue	44,014,574	50,085,481	51,353,171	49,269,714	52,169,956	50,158,994	52,266,616	53,652,436	52,179,630	61,042,242
Net expenses	(110,685,043)	(104,975,537)	(104,954,423)	(100,598,983)	(96,656,054)	(95,266,380)	(89,596,202)	(89,105,698)	(89,220,423)	(77,585,608)
<b>General Revenue</b>										
Property taxes	35,058,335	30,436,511	29,909,773	29,207,221	27,562,004	25,746,508	27,127,340	27,318,162	27,699,604	27,493,220
State aid not restricted to specific purposes	76,066,568	77,008,363	70,945,283	74,044,506	67,073,389	64,503,170	64,052,943	63,994,491	63,532,007	63,057,724
Federal sources - Unrestricted	-	-	3,685,518	3,891,177	180,720	-	-	-	-	-
Investment earnings	1,059,496	190,026	13,814	3,415	3,453	1,670	1,173	1,563	2,787	4,525
Loss on sale of capital assets	-	-	-	(95,127)	-	-	-	(4,149,350)	-	-
Other	586,899	1,051,559	1,023,324	1,331,629	2,179,148	2,023,193	1,691,978	3,401,312	2,106,384	2,621,325
Total general revenue	112,771,298	108,686,459	105,577,712	108,382,821	96,998,714	92,274,541	92,873,434	90,566,178	93,340,782	93,176,794
Special item	-	-	(2,265,600)	-	-	-	-	-	-	-
<b>Change in Net Position/Assets</b>	<b>\$ 2,086,255</b>	<b>\$ 3,710,922</b>	<b>\$ (1,642,311)</b>	<b>\$ 7,783,838</b>	<b>\$ 342,660</b>	<b>\$ (2,991,839)</b>	<b>\$ 3,277,232</b>	<b>\$ 1,460,480</b>	<b>\$ 4,120,359</b>	<b>\$ 15,591,186</b>

Note: The School District implemented GASB No. 63 and No. 65 on July 1, 2012 and GASB No. 68 and No. 71 on July 1, 2014.

Source: Wayne-Westland Community Schools financial reports

# Wayne-Westland Community Schools

	2008	2009	2010	2011	2012
General Fund:					
Reserved	\$ 170,625	\$ 37,114	\$ 17,569	\$ -	\$ -
Unreserved	12,820,046	10,622,767	7,753,366	-	-
Nonspendable	-	-	-	18,813	11,247
Restricted	-	-	-	-	-
Assigned	-	-	-	3,525,958	8,412,142
Unassigned	-	-	-	8,913,289	3,380,771
Total General Fund	<u>\$ 12,990,671</u>	<u>\$ 10,659,881</u>	<u>\$ 7,770,935</u>	<u>\$ 12,458,060</u>	<u>\$ 11,804,160</u>
All other governmental funds:					
Reserved:					
Debt Service Funds	\$ 1,661,753	\$ 1,606,667	\$ 1,031,209	\$ -	\$ -
Special Revenue Funds	71,838	86,644	68,026	-	-
Capital Project Funds	1,574,479	1,072,962	1,550,157	-	-
Unreserved, reported in:					
Debt Service Funds	-	-	-	-	-
Special Revenue Funds	492,683	831,338	1,502,139	-	-
Capital Project Funds	4,772,003	5,793,162	4,861,852	-	-
Nonspendable, reported in:					
Debt Service Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	68,711	80,984
Capital Project Funds	-	-	-	-	-
Restricted, reported in:					
Debt Service Funds	-	-	-	1,128,396	933,575
Special Revenue Funds	-	-	-	1,737,811	2,031,147
Capital Project Funds	-	-	-	515,353	-
Assigned, reported in:					
Debt Service Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	4,583,364	1,665,457
Unassigned, reported in:					
Debt Service Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	(385,668)
Total all other governmental funds	<u>\$ 8,572,756</u>	<u>\$ 9,390,773</u>	<u>\$ 9,013,383</u>	<u>\$ 8,033,635</u>	<u>\$ 4,325,495</u>

Note: The School District implemented GASB No. 54 on July 1, 2010.

Source: Wayne-Westland Community Schools financial reports

## Fund Balances - Governmental Funds (Unaudited) Last Ten Fiscal Years

2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
13,248	17,505	14,009	352,454	400,020
-	-	-	-	-
2,818,988	492,558	85,538	723,472	1,086,811
<u>2,351,692</u>	<u>3,196,157</u>	<u>3,310,820</u>	<u>4,646,430</u>	<u>10,635,532</u>
<b><u>\$ 5,183,928</u></b>	<b><u>\$ 3,706,220</u></b>	<b><u>\$ 3,410,367</u></b>	<b><u>\$ 5,722,356</u></b>	<b><u>\$ 12,122,363</u></b>
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
114,691	97,518	88,674	86,569	338,441
-	-	-	-	-
414,541	619,934	775,140	1,839,434	3,310,968
2,025,663	2,323,958	1,595,664	1,564,550	1,135,978
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
456,197	404,313	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(183,465)</u>	<u>(106,463)</u>	<u>(516,780)</u>	<u>(53,680)</u>	<u>252,534</u>
<b><u>\$ 2,827,627</u></b>	<b><u>\$ 3,339,260</u></b>	<b><u>\$ 1,942,698</u></b>	<b><u>\$ 3,436,873</u></b>	<b><u>\$ 5,037,921</u></b>

# Wayne-Westland Community Schools

	2008	2009	2010	2011
<b>Revenue</b>				
Local revenue	\$ 39,294,275	\$ 33,963,741	\$ 33,019,351	\$ 32,595,592
State revenue	94,527,757	94,327,336	88,918,337	90,132,009
Federal revenue	11,923,415	17,956,309	22,650,879	22,199,856
Interdistrict revenue	11,040,425	12,190,853	11,990,106	12,441,395
<b>Total revenue</b>	<b>156,785,872</b>	<b>158,438,239</b>	<b>156,578,673</b>	<b>157,368,852</b>
<b>Expenditures</b>				
Current:				
Instruction	66,050,542	65,851,725	63,856,659	63,564,984
Support services	50,559,631	49,310,808	48,623,170	44,651,014
Special Education Center Programs	11,896,001	12,127,339	12,003,980	12,685,993
Milk and hot lunch	4,042,304	4,301,868	4,414,181	4,481,087
Community services	61,338	71,007	72,501	73,255
Other	1,472,419	1,431,983	1,459,304	-
Federal, state, and local grant programs	10,328,081	10,725,864	16,063,994	15,059,776
Debt service:				
Principal	5,695,000	8,281,156	6,578,209	6,872,652
Interest	4,053,757	4,770,723	3,645,743	3,322,533
Other	500	500	500	500
Capitalized capital outlay	6,927,067	2,654,144	2,509,932	3,969,533
Other capital outlay	23,295	423,895	616,836	202,629
Intergovernmental transfers	-	-	-	-
<b>Total expenditures</b>	<b>161,109,935</b>	<b>159,951,012</b>	<b>159,845,009</b>	<b>154,883,956</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>(4,324,063)</b>	<b>(1,512,773)</b>	<b>(3,266,336)</b>	<b>2,484,896</b>
<b>Other Financing Sources (Uses)</b>				
Debt issuance	-	-	-	-
Debt premium or discount	-	-	-	-
Transfer to bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	1,222,481
Transfers in	2,814,037	1,462,968	1,351,950	650,000
Transfers out	(2,814,037)	(1,462,968)	(1,351,950)	(650,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,222,481</b>
<b>Net Change in Fund Balances</b>	<b>(4,324,063)</b>	<b>(1,512,773)</b>	<b>(3,266,336)</b>	<b>3,707,377</b>
<b>Fund Balances - Beginning of year</b>	<b>25,887,490</b>	<b>21,563,427</b>	<b>20,050,654</b>	<b>16,784,318</b>
<b>Fund Balances - End of year</b>	<b>\$ 21,563,427</b>	<b>\$ 20,050,654</b>	<b>\$ 16,784,318</b>	<b>\$ 20,491,695</b>
Debt service as a percentage of noncapital expenditures	0.0632	0.0830	0.0650	0.0676

Source: Wayne-Westland Community Schools financial reports

## Changes in Fund Balances - Governmental Funds (Unaudited) Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017
\$	32,099,866	\$ 30,130,245	\$ 31,027,865	\$ 31,171,815	\$ 31,515,497	31,104,687
	88,660,528	85,876,509	87,065,945	87,641,768	91,056,615	91,023,717
	15,834,958	14,527,814	14,862,487	15,672,174	15,552,859	14,712,863
	12,194,508	11,520,157	11,804,943	11,888,503	12,046,198	16,362,469
	148,789,860	142,054,725	144,761,240	146,374,260	150,171,169	153,203,736
	64,682,933	61,973,668	58,988,861	61,664,381	58,679,355	57,330,122
	43,967,654	43,232,371	42,485,054	45,035,257	40,858,829	40,845,747
	12,759,185	11,883,256	12,161,110	7,785,632	11,706,486	12,004,014
	5,509,198	5,439,049	5,444,165	6,543,602	5,560,038	5,612,892
	75,842	76,991	75,340	78,254	79,444	79,864
	-	-	-	-	1,417,594	1,389,223
	11,951,462	14,453,984	14,903,137	14,453,635	16,606,792	16,320,433
	7,182,989	7,514,313	7,375,000	7,465,000	7,980,000	8,085,000
	2,984,895	2,631,990	2,261,500	1,155,490	1,426,750	1,027,750
	500	500	225	321,310	301	298
	3,410,390	2,346,196	1,285,152	2,292,353	1,832,381	2,041,243
	626,852	620,507	747,771	286,574	217,035	466,095
	-	-	-	-	-	-
	153,151,900	150,172,825	145,727,315	147,081,488	146,365,005	145,202,681
	(4,362,040)	(8,118,100)	(966,075)	(707,228)	3,806,164	8,001,055
	-	-	-	39,359,553	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	(40,344,740)	-	-
	2,686,574	385,339	347,642	1,061,611	620,897	1,387,392
	(2,686,574)	(385,339)	(347,642)	(1,061,611)	(620,897)	(1,387,392)
	-	-	-	(985,187)	-	-
	(4,362,040)	(8,118,100)	(966,075)	(1,692,415)	3,806,164	8,001,055
	20,491,695	16,129,655	8,011,555	7,045,480	5,353,065	9,159,229
<b>\$</b>	<b>16,129,655</b>	<b>\$ 8,011,555</b>	<b>\$ 7,045,480</b>	<b>\$ 5,353,065</b>	<b>\$ 9,159,229</b>	<b>\$ 17,160,284</b>
	0.0679	0.0686	0.0667	0.0595	0.0651	0.0637

# Wayne-Westland Community Schools

## Taxable Value and Actual Value of Taxable Property (Unaudited)

Fiscal Year Ended	Real Property	Personal Property	Total Taxable Value	Tax Rate (Mills) Homestead	Tax Rate (Mills) Nonhomestead	Estimated Actual Value	Taxable Value as a Percentage of Actual
2008	2,400,100,149	349,847,796	2,749,947,945	4.5122	22.5122	5,774,755,189	47.62
2009*	2,443,317,386	302,812,473	2,746,129,859	4.5122	22.5122	5,766,757,369	47.62
2010*	2,357,677,219	258,929,000	2,616,606,219	4.6322	22.6322	5,494,763,165	47.62
2011*	2,119,488,179	234,759,785	2,354,247,964	5.0122	23.0122	4,716,986,504	49.91
2012*	1,948,267,209	174,734,540	2,123,001,749	5.5022	23.5022	4,253,660,086	49.91
2013*	1,787,329,940	176,001,460	1,963,331,400	5.7822	23.7822	3,933,743,538	49.91
2014*	1,706,855,250	175,159,168	1,882,014,418	6.2522	24.2522	3,770,816,305	49.91
2015*	1,685,571,436	151,329,540	1,836,900,976	6.4522	24.4522	3,680,426,720	49.91
2016*	1,688,757,178	154,581,440	1,843,338,618	6.5522	24.5522	3,693,325,221	49.91
2017*	1,696,050,477	125,944,620	1,821,995,097	6.5522	24.5522	3,650,561,204	49.91

Note: Under Michigan law, the revenue base is taxable value. The property tax base in the School District is contingent upon the taxable property values. Taxable value increases are limited by variable caps and other restrictions, which generally cause taxable values to be at or below the state equalized values, which are primarily market-driven. Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

\* Personal Property Non-Homestead @ 18.00 mills, Personal Property Commercial @ 6.00 mills, Personal Property Industrial @ 0 mills

Source: Wayne County Bureau of Taxation

# Wayne-Westland Community Schools

Millage Rates - Direct School District Taxes							
Operating				Total Direct Taxes			
Tax Year	Fiscal Year Ended June 30	Homestead	Non- homestead	Debt*	Sinking Fund*	Homestead	Non- homestead
2007	2008	-	18.00	3.5200	0.9922	4.5122	22.5122
2008	2009	-	18.00	3.5200	0.9922	4.5122	22.5122
2009	2010	-	18.00	3.6400	0.9922	4.6322	22.6322
2010	2011	-	18.00	4.0200	0.9922	5.0122	23.0122
2011	2012	-	18.00	4.5100	0.9922	5.5022	23.5022
2012	2013	-	18.00	4.8600	0.9922	5.7822	23.7822
2013	2014	-	18.00	5.2600	0.9922	6.2522	24.2522
2014	2015	-	18.00	5.4600	0.9922	6.4522	24.4522
2015	2016	-	18.00	5.5600	0.9922	6.5522	24.5522
2016	2017	-	18.00	5.5600	0.9922	6.5522	24.5522

\* Debt and sinking fund millages apply to homestead and non-homestead property.

\*\* Suburban Mobility Authority Regional Transportation

Tax levy differs slightly for some areas; for the General Fund, the millage is levied only on the non-homestead taxable value.

Source: Wayne-Westland Community Schools financial reports  
Wayne County Assessment and Equalization Division

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**Direct and Overlapping Property Tax Rates (Unaudited)**  
**June 30, 2017**

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Overlapping Taxes

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County	Community College	Intermediate		State Education	City of Westland	SMART**
		School District				
8.04	2.48	3.46		6.00	13.21	0.60
8.14	2.48	3.46		6.00	12.80	0.60
8.14	2.48	3.46		6.00	12.80	0.60
8.14	2.48	3.46		6.00	13.96	0.60
8.14	2.24	3.46		6.00	13.96	0.60
8.34	2.24	3.46		6.00	13.96	0.60
8.34	3.24	3.46		6.00	14.39	0.60
8.34	3.24	3.46		6.00	18.88	1.00
8.34	3.24	3.46		6.00	18.88	1.00
8.34	3.24	5.46		6.00	18.88	1.00



# Wayne-Westland Community Schools

## Principal Property Taxpayers (Unaudited)

Fiscal Year 2016/2017			Fiscal Year 2007/2008		
Taxpayer	2016 Taxable Value	Percentage of Total	Taxpayer	2007 Taxable Value	Percentage of Total
1 Ford Motor Company	\$ 62,848,310	3.45%	Ford Motor Company	\$ 299,596,913	10.89%
2 Detroit Edison	33,861,228	1.86%	Westland Center Partners	35,828,946	1.30%
3 LSREF Summer Reo Trust 2009	24,765,660	1.36%	Detroit Edison	23,521,897	0.86%
4 Landings Apts.	12,503,154	0.69%	Nextel West Corp.	18,278,540	0.66%
5 Consumers Energy	10,809,485	0.59%	Verizon	15,276,610	0.56%
6 Westwood Village Apts.	8,722,978	0.48%	Landings Apartments	13,954,197	0.51%
7 Holiday Park Townhouse Co-op	8,240,052	0.45%	Plastipak	10,258,780	0.37%
8 Fountain Park Apartments	8,224,929	0.45%	Woodcrest Villa Apts.	9,314,801	0.34%
9 River Bend Apts.	6,532,956	0.36%	Fountain Park Apts.	9,313,976	0.34%
10 Scots 376 LLC	<u>5,783,979</u>	0.32%	Holiday Park Apts.	<u>9,064,875</u>	0.33%
Total	<u>\$ 182,292,731</u>	10.01%		<u>\$ 444,409,535</u>	16.16%
Total taxable value	<u>\$ 1,821,995,097</u>	100%		<u>\$ 2,749,947,945</u>	100%

Source: City of Wayne and City of Westland

# Wayne-Westland Community Schools

## Operating Tax Levies and Collections (Unaudited) Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2008	22,790,507	22,339,413	98%	-	22,339,413	98%
2009	18,713,818	18,070,552	97%	-	18,070,552	97%
2010	19,184,904	18,354,799	96%	-	18,354,799	96%
2011	17,834,316	17,405,712	98%	-	17,405,712	98%
2012	17,019,549	16,621,861	98%	-	16,621,861	98%
2013	16,008,636	15,918,586	99%	-	15,918,586	99%
2014	15,491,184	15,463,160	99%	-	15,463,160	99%
2015	15,387,507	15,374,104	99%	-	15,374,104	99%
2016	15,235,918	15,083,559	99%	-	15,083,559	99%
2017	15,487,476	15,238,816	99%	-	15,238,816	99%

Source: Wayne-Westland Community Schools

# Wayne-Westland Community Schools

Fiscal Year	General	Net General	Total General		Estimated Actual	Net General Bonded
Ended	Obligation Bonds	Bonded Debt	Obligation Debt	Taxable Value*	Value	Debt as a Percentage of Taxable Value
2008	79,070,000	79,070,000	79,070,000	2,749,947,945	5,774,755,189	2.88%
2009	73,170,000	73,170,000	73,170,000	2,746,129,859	5,766,757,369	2.66%
2010	67,000,000	67,000,000	67,000,000	2,616,606,219	5,494,763,165	2.56%
2011	60,555,000	60,555,000	60,555,000	2,354,247,964	4,716,986,504	2.57%
2012	53,820,000	53,820,000	53,820,000	2,123,001,749	4,253,660,086	2.54%
2013	46,775,000	46,775,000	46,775,000	1,963,331,400	3,933,743,538	2.38%
2014	39,400,000	39,400,000	39,400,000	1,882,014,418	3,770,816,305	2.09%
2015	31,264,041	31,264,041	31,264,041	1,856,035,337	3,680,426,720	1.68%
2016	22,559,315	22,559,315	22,559,315	1,843,338,618	3,693,325,221	1.22%
2017	13,749,589	13,749,589	13,749,589	1,821,995,097	3,650,561,204	0.75%

Sources: SEMCOG and U.S. Census Bureau

\* Taxable value used as an estimate for personal income (personal income figures not available)

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**Ratios of Outstanding Debt (Unaudited)  
Last Ten Fiscal Years**

Net General Bonded Debt as a Percentage of Estimated Actual Value		Population	Net General Bonded Debt Per Capita	Total Debt Per Capita
1.37%		125,000	633	633
1.27%		125,000	585	585
1.22%		125,000	536	536
1.28%		101,700	595	595
1.27%		101,700	529	529
1.19%		101,700	460	460
1.04%		101,700	387	387
0.85%		101,700	307	307
0.61%		101,700	222	222
0.38%		101,700	135	135

# Wayne-Westland Community Schools

## Direct and Overlapping Governmental Activities Debt (Unaudited) June 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
City:			
Dearborn Heights	\$ 33,897,278	0.02%	\$ 6,779
Inkster	29,105,000	34.92%	10,163,466
Romulus	32,738,495	1.02%	333,933
Wayne	23,565,000	100.00%	23,565,000
Westland	34,260,000	69.66%	23,865,516
Township - Canton	40,830,000	8.20%	3,348,060
County - Wayne	284,016,436	4.72%	13,462,379
Total overlapping debt			74,745,133
Direct district debt			12,470,000
Total direct and overlapping debt			<b><u>\$ 87,215,133</u></b>

Source: Municipal Advisory Council of Michigan

Note: The calculation of overlapping debt is based on the portion of taxable valuations of the municipalities included in the School District.

# Wayne-Westland Community Schools

	Fiscal Year End			
	2008	2009	2010	2011
<b>Calculation of Debt Limit</b>				
Taxable Assessed Value (TAV)	\$ 2,749,947,945	\$ 2,746,129,859	\$ 2,616,606,219	\$ 2,354,247,964
15% of TAV	412,492,192	411,919,479	392,490,933	353,137,195
<b>Calculation of Debt Subject to Limit</b>				
Total debt	79,070,000	73,170,000	67,000,000	60,555,000
Less debt not subject to limit - State qualified debt issuance	79,070,000	73,170,000	67,000,000	60,555,000
Net debt subject to limit	-	-	-	-
Legal debt margin	<u>\$ 412,492,192</u>	<u>\$ 411,919,479</u>	<u>\$ 392,490,933</u>	<u>\$ 353,137,195</u>
Net debt subject to limit as % of debt limit	0.00%	0.00%	0.00%	0.00%

Source: Wayne-Westland Community Schools financial reports

## Legal Debt Margin (Unaudited) Last Ten Fiscal Years

Fiscal Year Ended					
2012	2013	2014	2015	2016	2017
\$ 2,123,001,749	\$ 1,963,331,400	\$ 1,882,014,418	\$ 1,856,035,337	\$ 1,843,338,618	\$ 1,821,995,097
318,450,262	294,499,710	282,302,163	278,405,301	276,500,793	273,299,265
53,820,000	46,775,000	39,400,000	28,535,000	20,555,000	12,470,000
53,820,000	46,775,000	39,400,000	28,535,000	20,555,000	12,470,000
-	-	-	-	-	-
<b>\$ 318,450,262</b>	<b>\$ 294,499,710</b>	<b>\$ 282,302,163</b>	<b>\$ 278,405,301</b>	<b>\$ 276,500,793</b>	<b>\$ 273,299,265</b>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# Wayne-Westland Community Schools

## Demographic and Economic Statistics (Unaudited) Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income*	Westland Per Capita Personal Income**	Westland Unemployment Rate
2008	125,000	2,749,947,945	46,308	5.4
2009	125,000	2,746,129,859	46,308	7.3
2010	125,000	2,616,606,219	46,308	9.1
2011	101,700	2,354,247,964	43,500	7.2
2012	101,700	2,123,001,749	43,500	7.0
2013	101,700	1,963,331,400	43,500	6.2
2014	101,700	1,882,014,418	43,500	5.8
2015	101,700	1,856,035,337	43,500	5.0
2016	101,700	1,843,338,618	43,500	4.6
2017	101,700	1,821,995,097	43,500	4.3

\* Taxable value used as an estimate for personal income (personal income figures not available)

\*\* Median income

### Sources:

Michigan Department of Career Development, Employment Security Agency,  
Office of Labor Market Information

Population and Median Income: U.S. Census Bureau and Southeastern  
Michigan Council of Governments (SEMCOG) 2000 & 2010 Census  
Unemployment/Homefacts



# Wayne-Westland Community Schools

## Principal Employers (Unaudited) Year Ended June 30, 2017

Employer	2016 Employees	Percentage of Total Employment	Employer	**2008 Employees	Percentage of Total Employment
1 Ford Motor Company (Michigan Assembly)	5,700	*	Ford Motor Company	3,000	*
2 Oakwood/Annapolis Hospital	1,118	*	Oakwood/Annapolis Hospital	1,000	*
3 Plastipak	340	*	Collins & Aikman	490	*
4 Meijer	300	*	Meijer	350	*
5 Wayne Industries	268	*	FCI Automotive	310	*
6 Lowes	210	*	Plastipak	290	*
7 Community Living Services	181	*	Target	250	*
8 Allied Waste Systems	158	*	Ternex Packaging	250	*
9 JC Penney	150	*	Lowes	210	*
10 Kohl's	144	*	Allied Tube & Conduit Corp.	200	*
Total principal private employers	<u>8,569</u>			<u>6,350</u>	
Total employment	<u>N/A</u>			<u>N/A</u>	

\* This information is not available.

\*\* Information for 2000-2007 not available. Will publish 10-year comparison as information is available (began accumulating in 2008).

Source: City of Wayne, City of Westland  
Stauder, Barch & Associates, Inc.

# Wayne-Westland Community Schools

## Full-time Equivalent School District Employees (Unaudited) Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Instruction	1,097	1,095	1,096	1,046	1,049	1,042	1,037	1,037	1,032	1,016
Support services	330	334	364	325	329	328	301	295	294	296
Food service	85	72	81	103	111	114	85	86	86	88
Total	<b><u>1,512</u></b>	<b><u>1,501</u></b>	<b><u>1,541</u></b>	<b><u>1,474</u></b>	<b><u>1,489</u></b>	<b><u>1,484</u></b>	<b><u>1,423</u></b>	<b><u>1,418</u></b>	<b><u>1,412</u></b>	<b><u>1,400</u></b>

Source: Wayne-Westland Community Schools Human Resources Division

# Wayne-Westland Community Schools

## Operating Indicators (Unaudited) Last Ten Fiscal Years

Fiscal Year Ended	Enrollment	General Fund Operating Expenditures and Other Financing Uses	Cost per Pupil	Operating Revenue and Other Financing Sources	Revenue per Pupil	Total Teaching Staff	Pupil to Teacher Ratio	Percentage of Students Qualifying for Free/Reduced Meals	Average Teacher Salary
2008	13,481	120,292,926	8,923.15	117,288,144	8,700.26	835	16.1	47.50%	59,998
2009	13,143	117,418,709	8,933.94	115,087,919	8,756.59	826	15.9	51.60%	61,390
2010	12,905	114,084,042	8,840.30	111,195,096	8,616.44	827	15.6	59.40%	62,582
2011	12,776	108,836,331	8,518.81	113,523,456	8,885.68	790	16.1	62.80%	64,764
2012	12,472	109,255,893	8,768.09	108,601,993	8,707.66	783	16.0	64.08%	64,108
2013	12,185	105,378,479	8,648.21	98,758,247	8,104.90	784	16.0	66.20%	64,559
2014	12,194	101,734,656	8,343.01	100,256,948	8,221.83	764	16.0	67.20%	65,514
2015	11,879	102,993,427	8,670.21	102,697,574	8,645.30	758	15.7	67.45%	61,357
2016	11,616	101,345,658	8,724.66	103,657,647	8,923.70	760	15.0	65.62%	58,029
2017	11,372	100,998,587	8,881.34	107,666,182	9,467.66	720	15.8	64.37%	58,522

### Sources:

Michigan Department of Education Bulletin 1014

Wayne-Westland Community School District financial and pupil accounting records

# Wayne-Westland Community Schools

Function/Program	2008	2009	2010	2011	2012
Instructional buildings:					
Elementary (K-4):					
Number of buildings	17	17	17	11	11
Square footage	802,383	806,383	811,941	496,973	508,453
Capacity	9,520	9,520	9,520	6,216	6,216
Enrollment	5,703	5,556	5,520	4,558	4,547
Upper Elementary (5-6):					
Number of buildings	-	-	-	2	2
Square footage	-	-	-	268,669	268,669
Capacity	-	-	-	2,296	2,296
Enrollment	-	-	-	1,780	1,777
Middle (7-8):					
Number of buildings	4	4	4	2	2
Square footage	550,480	550,480	550,480	281,811	281,811
Capacity	4,816	4,816	4,816	2,520	2,520
Enrollment	2,927	2,836	2,714	1,831	1,709
High (9-12):					
Number of buildings	2	2	2	2	2
Square footage	679,111	679,111	679,111	679,111	679,111
Capacity	5,320	5,320	5,320	5,320	5,320
Enrollment	4,092	3,969	3,832	3,798	3,679
Other (Career/Tech, Alternative Ed, Preschool):					
Number of buildings	3	3	3	3	3
Square footage	219,075	219,075	219,075	219,075	219,075
Capacity					
Enrollment	759	782	839	809	760
Total enrollment	<b>13,481</b>	<b>13,143</b>	<b>12,905</b>	<b>12,776</b>	<b>12,472</b>
Administrative/Senior Center:					
Number of buildings	1	1	1	1	1
Square footage	69,850	69,850	69,850	69,850	69,850
Transportation/Maintenance:					
Number of garages	1	1	1	1	1
Square footage	44,791	44,791	44,791	44,791	44,791
Buses	80	82	82	88	88
Athletics:					
Football fields	6	6	6	6	6
Soccer fields	2	2	2	2	2
Running tracks	6	6	6	6	6
Baseball/Softball	15	15	15	15	15
Swimming pools	4	4	4	4	4
Playgrounds	19	19	19	15	15

Source: Wayne Westland Community Schools

## Capital Asset Information (Unaudited) Last Ten Fiscal Years

2013	2014	2015	2016	2017
11	11	11	11	11
508,453	508,453	508,453	508,453	508,453
6,216	6,216	6,216	6,216	6,216
4,493	4,529	4,452	4,407	4,265
2	2	2	2	2
268,669	268,669	268,669	268,669	268,669
2,296	2,296	2,296	2,296	2,296
1,694	1,631	1,550	1,605	1,608
2	2	2	2	2
281,811	281,811	281,811	281,811	281,811
2,520	2,520	2,520	2,520	2,520
1,679	1,746	1,647	1,509	1,568
2	2	2	2	2
679,111	679,111	679,111	679,111	679,111
5,320	5,320	5,320	5,320	5,320
3,562	3,525	3,452	3,356	3,204
3	3	3	3	2
219,075	219,075	219,075	219,075	168,137
757	763	778	739	727
<b>12,185</b>	<b>12,194</b>	<b>11,879</b>	<b>11,616</b>	<b>11,372</b>
1	1	1	1	1
69,850	69,850	69,850	69,850	69,850
1	1	1	1	1
44,791	44,791	44,791	44,791	44,791
88	88	86	86	93
6	6	6	6	6
2	2	2	2	2
6	6	6	6	6
15	15	15	15	15
4	4	4	4	4
15	15	15	15	15

# Wayne-Westland Community Schools

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## Wayne-Westland Community Schools

### GENERAL FUND OPERATING EXPENDITURES AND OTHER FINANCING USES TRENDS Fiscal 2012-2013 through Fiscal 2016-2017 (Millions)



# Wayne-Westland Community Schools

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## Wayne-Westland Community Schools

### GENERAL FUND OPERATING REVENUE AND OTHER FINANCING SOURCES TRENDS

Fiscal 2012-2013 through Fiscal 2016-2017 (Millions)



# Wayne-Westland Community Schools

## Five-year Schedule of Pupil Transportation, Schools, and Graduates (Unaudited)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-17
<b>Pupil Transportation</b>					
Number of pupils eligible for transportation	8,162	8,157	7,894	7,810	7,413
Average number of buses in daily operation	77	77	74	75	77
Estimated miles traveled transporting students	1,181,719	1,217,740	1,180,148	1,218,212	1,485,046
<b>High School Graduates</b>					
Day school	730	799	761	720	632
Adult education*	151	103	52	53	57

\*Includes GED Note: Figures are significantly lower beginning 14/15 due to the elimination of the GED testing site

Source: Wayne-Westland Community Schools



# Wayne-Westland Community Schools

## Five-year Schedule of School Lunch Program Information (Unaudited)

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Charge per lunch to students:					
Regular - Elementary	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	2.50
Regular - Secondary	3.00	3.00	3.00	3.00	3.00
Charge per lunch to adults:					
Elementary	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	3.85
Secondary	3.70	3.70	3.70	3.70	3.85
Number of days served	170	166	170	168	170
Number of free lunches served	806,341	816,521	814,796	785,125	735,707
Percent of total lunches served	74.8%	75.8%	75.1%	74.6%	74.5%
Average number of free lunches served daily	4,743	4,919	4,793	4,673	4,328
Number of paid lunches served at reduced price	100,019	96,650	104,770	96,918	81,487
Percent of total lunches served	9.3%	9.0%	9.7%	9.2%	8.25%
Number of paid lunches served at regular price	171,475	164,278	166,001	170,001	170,229
Percent of total lunches served	15.9%	15.2%	15.3%	16.2%	17.24%
Average number of paid lunches served daily:					
At reduced price	583	582	616	577	479
At regular price	1,009	989	976	1,012	1,001
Total number of lunches served	1,077,835	1,077,449	1,085,567	1,052,044	987,423
Average number of lunches served daily	6,340	6,491	6,385	6,262	5,808
Number of breakfasts served	1,154,979	1,180,729	1,182,549	1,182,408	1,063,365

Source: Wayne-Westland Community Schools Food Services Division

# Wayne-Westland Community Schools

## Insurance Coverage (Unaudited) As of June 30, 2017

### Fire and extended coverage:

*All school buildings, contents, and employees	\$	201,500,000
Boiler and machinery in use		200,000,000

*Primary liability insurance - General liability - Bodily injury and property damage combined		1,500,000
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### Automobile liability:

*Bodily injury and property damage combined		1,500,000
*Uninsured motorist		1,500,000
**Physical damage		Actual Cash Value

Errors and omissions (school board liability)		1,000,000
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Umbrella excess liability (supplementing primary liability)		10,000,000
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*Dishonesty coverage - All employees		1,500,000
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Fiduciary liability		1,000,000
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### Cyber liability:

Per occurrence		1,000,000
Maximum		10,000,000

Underground storage tank system third-party liability and cleanup		1,000,000
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Head Start - Accident/Medical		100,000
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Head Start - Accidental death		5,000
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Head Start - Accidental dismemberment		10,000
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Athletic student accident - Catastrophic		1,000,000
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Athletic student accident - Basic		25,000
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(Includes MHSAA sports, Pom Pom, and Middle School Intramurals)

\*Includes \$500,000 in self-insured retention per occurrence

\*\*Replacement cost on school buses 60 passenger and above

Source: Wayne-Westland Community Schools