

Waterford School District

Waterford, Michigan

**Annual Financial Statements
and
Auditors' Report**

June 30, 2009

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Waterford School District
Members of the Waterford School District and Administration
June 30, 2009

Members of the Board of Education

John Himmelspach	President
Robert Petruscha, Jr.	Vice President
Dave Smith	Treasurer
Joan Sutherland	Secretary
Heather Halls	Trustee
Scott Hudson	Trustee
Robin McGregor	Trustee

Administration

Robert R. Neu	Superintendent
Thomas W. Wiseman	Assistant Superintendent of Business Services
William D. Holbrook	Associate Director of Business Services, Finance and Budget



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Independent Auditors' Report

To the Board of Education
Waterford School District
Waterford, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Waterford School District as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Waterford School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Waterford School District as of June 30 2009, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 9, 2009 on our consideration of Waterford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Waterford School District's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Yeo & Yeo, P.C.

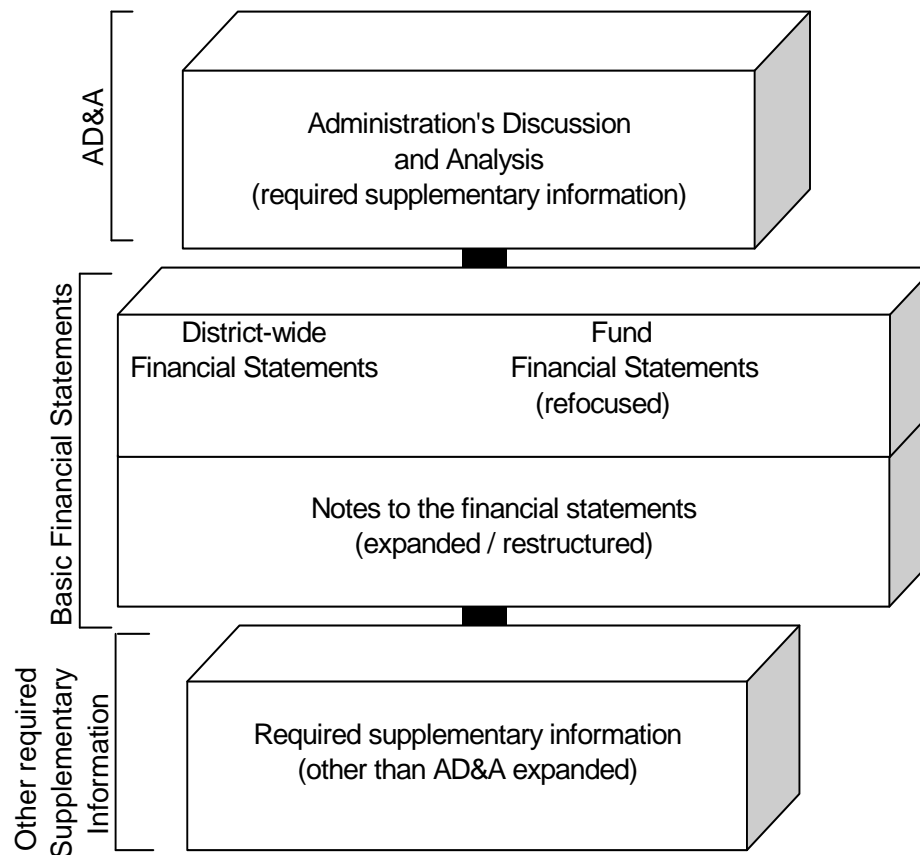
Saginaw, Michigan
October 9, 2009

ADMINISTRATION'S DISCUSSION AND ANALYSIS

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

Waterford School District's (the District) Administration discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Managements Discussion Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ending June 30, 2009.

The following is an illustration on how this financial report is presented.



Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009

As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: District Wide Financial Statements and Fund Financial Statements.

District Wide Financial Statements

The District wide statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two District wide statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

Consistent with the full accrual basis method of accounting the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various District services.

Fund Financial Statements

The fund statements are similar to financial presentations of years past, with the focus on the District's major funds rather than fund types. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and currently available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures and Bond proceeds are recorded as revenue.

Fund types utilized by the District include the General Fund, School Service Fund, Debt Retirement Fund, Capital Projects Fund, and Fiduciary Fund. The General Fund is used primarily to account for the general education requirements of the District. Its revenues are derived from property taxes, state and federal distributions and grants and other intergovernmental revenues. The School Service Fund is comprised of Special Education Center Programs, Child Care, Senior Citizens, Athletic Activities, Pool & Fitness Centers, Performing Arts Centers, and Food Service. Food Service, Child Care and Senior Citizens are self-supporting programs. The Debt Fund is used to record the funding and payment of principal and interest on bonded debt. The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities. The Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for various student groups and related activities.

Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009

Financial Analysis of the District as a Whole

Assets

	<u>2008-2009</u>	<u>2007-2008</u>	<u>Change</u>
Current assets	\$ 29,932,717	\$ 28,172,361	\$ 1,760,356
Capital assets	225,455,361	222,244,673	3,210,688
Less: accumulated depreciation	<u>(77,185,295)</u>	<u>(70,768,684)</u>	<u>(6,416,611)</u>
Capital assets, net book value	<u>148,270,066</u>	<u>151,475,989</u>	<u>(3,205,923)</u>
Total assets	<u>178,202,783</u>	<u>179,648,350</u>	<u>(1,445,567)</u>

Liabilities

Current liabilities	28,642,070	26,944,215	1,697,855
Long-term liabilities	<u>107,696,183</u>	<u>115,977,797</u>	<u>(8,281,614)</u>
Total liabilities	<u>136,338,253</u>	<u>142,922,012</u>	<u>(6,583,759)</u>

Net assets

Invested in capital assets, net of related debt	33,500,066	26,655,058	6,845,008
Restricted	1,940,810	2,979,824	(1,039,014)
Unrestricted	<u>6,423,654</u>	<u>7,091,456</u>	<u>(667,802)</u>
Total net assets	<u>\$ 41,864,530</u>	<u>\$ 36,726,338</u>	<u>\$ 5,138,192</u>

Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009

As indicated by the statement above, total fiscal year 2008-2009 and 2007-2008 net assets are \$41,864,530 and \$36,726,338, respectively. Net assets can be separated into three categories: capital assets net of related debt, restricted assets, and unrestricted assets.

Net capital assets are a combination of funds available for capital assets, plus capital assets at original cost less accumulated depreciation and related debt. The original cost of capital assets for fiscal year 2008-2009 and 2007-2008 are \$225,455,361 and \$222,244,673, respectively, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense year after year. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation for fiscal year 2008-2009 and 2007-2008 is \$77,185,295 and \$70,768,684, respectively. Most capital asset acquisitions are financed through long-term debt. Primarily, long-term debt is repaid as the debt service comes due through property taxes approved by the voters. Total long-term debt for fiscal year 2008-2009 and 2007-2008 was \$116,413,811 and \$125,476,744, respectively.

Restricted net assets for fiscal year 2008-2009 consist of debt retirement and capital projects totaling \$1,940,810, \$1,333,109 and \$607,701 respectively. Restricted assets for fiscal year 2007-2008 consist of debt retirement, food service, childcare, and capital projects totaling \$2,979,824, \$1,450,262, \$74,483 and \$1,455,079 respectively. The remaining net assets of \$6,423,654 and \$7,091,456 for fiscal year 2008-2009 and 2007-2008, respectively, are unrestricted. The unrestricted fund balance is an accumulation of prior years' operating results. This balance is directly affected each year by the District's operating results.

Change in the Summary of Net Assets is a result of the following factors:

- Current assets increased \$1,760,356 primarily as a result of the timing of payments for current liabilities that also increased \$1,697,855 as compared to prior year (see Current Liabilities below).
- Capital assets increased \$3,210,688 as a result of the Kingsley Montgomery School renovations (funded through Oakland Schools PA-18) and the Energy Conservation Improvements. The increase in capital assets was off-set by normal annual depreciation of \$6,416,611.
- Current liabilities increased by \$1,697,855 as compared to prior year due to the timing of payment for payroll and accounts payable as compared to prior year. The timing of the last pay in 2008-2009 had one extra day, but the main increase is a result of an adjustment in the schedule of payments. All employees are paid every two weeks, but two weeks do not fit perfectly into a calendar year. Therefore as time goes on contracted staff end up being paid too early (before the contract starts) to remain on the two week payment cycle. As a result every few years the District has to skip or adjust a payroll cycle to get the contract staff back on track with the calendar. 2008-2009 was the year the District made the adjustment causing the liability to increase as a result of contracts being paid further into the summer (after June 30th) as compared to prior years.
- Long-term liabilities decreased \$8,281,614 as compared to prior year mainly due to the normally scheduled repayment of debt via the debt retirement funds of \$7,826,905.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

	<u>2008-2009</u>	<u>2007-2008</u>	<u>Change</u>
Program revenue:			
Charges for services - local and intermediate	\$ 11,903,065	\$ 11,511,460	\$ 391,605
Operating grants - federal and state	29,087,504	24,275,426	4,812,078
Capital Grants and Contributions	<u>1,492,692</u>	<u>-</u>	<u>1,492,692</u>
Total revenue	<u>42,483,261</u>	<u>35,786,886</u>	<u>6,696,375</u>
General revenue:			
Property taxes, levied for general purposes	14,676,654	14,711,522	(34,868)
State of Michigan aid, unrestricted	65,152,936	68,837,394	(3,684,458)
State of Michigan aid, Durant	<u>1,861,756</u>	<u>-</u>	<u>1,861,756</u>
Total foundation allowance	<u>81,691,346</u>	<u>83,548,916</u>	<u>(1,857,570)</u>
Property taxes, levied for debt service	10,954,816	10,886,511	68,305
Other	<u>242,606</u>	<u>1,046,552</u>	<u>(803,946)</u>
Total revenues	<u>135,372,029</u>	<u>131,268,865</u>	<u>4,103,164</u>
Expenses:			
Instruction	69,388,769	67,719,298	1,669,471
Support services	36,569,105	41,091,160	(4,522,055)
Food service	4,353,996	4,171,804	182,192
Athletic activities	1,740,471	1,374,725	365,746
Community services	31,693	33,505	(1,812)
Pool and fitness centers	971,378	993,862	(22,484)
Performing arts center	251,229	271,922	(20,693)
Childcare	1,539,058	1,931,096	(392,038)
Senior citizens	738,660	738,796	(136)
Special education center programs	6,806,284	6,028,009	778,275
Unallocated depreciation expense	1,190,357	986,875	203,482
Interest on long-term debt	<u>6,652,837</u>	<u>5,275,737</u>	<u>1,377,100</u>
Total expenses	<u>130,233,837</u>	<u>130,616,789</u>	<u>(382,952)</u>
Change in net assets	<u>\$ 5,138,192</u>	<u>\$ 652,076</u>	<u>\$ 4,486,116</u>

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

As indicated above fiscal year 2008-2009 and 2007-2008 net assets increased \$5,138,192 and increased \$652,076, respectively.

The 2008-2009 increase in net assets as compared to fiscal year 2007-2008 is due to the following factors:

Revenues:

- Program revenues increased \$6,696,375 from prior year as a result of Federal ARRA Budget Stabilization funds replacing State Aid funds of \$4,240,370, the Oakland Schools Kingsley Montgomery School Renovation Grant of \$1,492,692, and the new Federal grant for the Safe Schools Healthy Students program of \$1,090,294.
- Unrestricted resources of revenue decreased \$1,857,570 as a result of a State Aid discretionary payment adjustment of \$4,240,370 that the Federal ARRA Budget Stabilization funds replaced as mentioned above and an increase in the Durant State Aid debt service payment of \$1,861,756.

Expenses:

- Instructional expenses increased \$1,669,471 as a result of normal salary increases.
- Support services decreased \$4,522,055 as a result of lower costs for employee benefits and \$3,392,933 in principal debt payments over 2007-2008. The principal payment increase is due to \$690,000 in additional Debt Bond payments (normally scheduled), \$1,341,905 in Durant, \$975,000 in Energy Bonds, and \$386,028 in equipment. Note that principal payments are a reduction to expenditures under full accrual accounting.
- Food Service expenses increased \$182,192 due to increased sales hence additional product costs.
- Athletic activities increased \$365,746 from an increase in interscholastic swimming and diving team activities plus an inter-fund charge for facility use in the Pool & Fitness Centers.
- All day kindergarten resulted in lower usage in Childcare therefore the corresponding expenditures decreased \$392,038.
- Special Education Center Program expenses increased \$778,275 due to the Trainable Mentally Impaired program being moved from the General Fund to the Special Education Center Program Fund.
- Interest expenditure increases of \$1,377,100 are a result of the Durant payment (no payments in 2007-2008) and the first installment payments for the Energy Bonds.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2009, the District had \$148,270,066 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

	2009	2008
Capital assets		
Land	\$ 1,177,339	\$ 1,177,339
Buildings and additions	212,441,630	211,093,212
Buses and other vehicles	5,652,562	5,616,472
Furniture and equipment	4,667,497	4,284,248
Construction in progress	1,516,333	73,402
Subtotal	225,455,361	222,244,673
Less: accumulated depreciation	77,185,295	70,768,684
Net capital assets	\$ 148,270,066	\$ 151,475,989

This is a decrease in net capital assets of \$3,205,923 from last year. This includes \$73,402 of prior year construction in progress placed in service in the current year and added to buildings and additions, Kingsley Montgomery School building renovation (Oakland Schools PA-18 funds), plus Energy Conservation Improvement Bond building renovations and equipment. Depreciation expense for the year is \$6,416,611. The District has \$607,701 reserved for future capital projects plus an additional \$55 million available in voter approved future issuances.

Debt

At the end of this fiscal year, the District had \$114,770,000 in General Obligation Bonds outstanding. This is a decrease of \$7,335,000 compared to last year, based on scheduled principal payments offset by a finance charge of \$125,000 for the refunding of the 1999 Series I debt (added to outstanding debt).

Governmental Fund Revenues

Sources of Revenues:

Local sources of revenues total \$32,893,606. This is a decrease of \$965,445 as compared to prior year. Included in local revenues are General Fund, Debt Fund, Special Education Center Programs Fund, Childcare Fund, Senior Citizen Fund, Athletic Fund, Pool &

Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009

Fitness Fund, Performing Arts Centers Fund, Food Service Fund, and Capital Project Fund revenues. The General Fund revenues of \$16,410,749 decreased \$673,994 from prior year mainly due to decreases in investment earnings of \$189,790, Print of \$64,000 (Oakland Schools provides print services), Kindergarten Enrichment programs of \$118,649 (District provides all day tuition free kindergarten), and Vending of \$29,172. The Debt Fund of \$11,009,468 decreased \$167,260 from prior year which was a result of a decrease in interest income. Special Education Center Programs of \$27,119 decreased \$115,670 from prior year due to servicing fewer students from other districts. The Childcare Fund of \$1,539,058 decreased \$361,866 from prior year as the program provided fewer hours of care due to all day kindergarten. The Senior Citizen Fund of \$544,485 increased \$22,752 from prior year. The Athletic Activities Fund of \$137,920 increased \$17,232 over prior year. The Pool & Fitness Center Fund of \$748,599 increased \$279,884 as a result of increased memberships and facility usage rental. The Performing Arts Centers Fund had revenue of \$82,452 which is the first full year of revenues. The Food Service Fund of \$2,280,344 increased \$204,745 from prior year as a result of more lunch and breakfast sales.

State sources of revenue total \$76,244,946. This is a decrease of \$2,203,776 as compared to prior year. Included in State Sources of Funding are General Fund, Special Education Center Programs Fund, Debt Fund, and Food Service Fund revenues. General Fund revenues of \$72,422,731 decreased \$3,822,215 from prior year as a result of a reduction in the Discretionary Payment of \$4,240,370 caused by the state's financial situation off-set by an increase in the foundation allowance of \$103. The Special Education Center Programs Fund of \$1,645,118 increased \$177,322 from prior year due to additional students in the Trainable Mentally Impaired program (transferred from the General Fund). The Debt Fund in 2007-2008 did not receive funds from the State of Michigan for the Durant payment as the payment was deferred to 2008-2009 from the State of Michigan's refinancing of the debt. Therefore this year's Durant revenue for the debt payment was \$1,861,756. The Food Service Fund of \$315,341 increased \$18,870 from prior year. Included in the state sources of revenue is the membership foundation allowance of \$67,235,187 in the General Fund, a decrease of \$4,118,443 from prior year as explained above in regards to the Discretionary payment. The Special Education Center Programs state sources of revenue for membership are \$1,277,441, an increase of \$347,965 from prior year as explained above for the Trainable Mentally Impaired program. State sources of revenue make up 68.1% of General Fund revenues. This ties the District directly to the State's overall economy.

Federal sources of revenue total \$14,721,935, an increase of \$5,503,999 from prior year due to the ARRA Budget Stabilization funding (explained above) and the new Safe Schools Healthy Students grant. Federal Sources of revenue include revenue in the General Fund of \$12,352,408, an increase of \$5,057,086 from prior year as explained above. Senior Citizens Fund of \$179,807, an increase of \$3,744 over prior year, and Food Service Fund of \$2,189,720, an increase of \$443,169 over prior year as a result of increases in free and reduced breakfast and lunch meals served.

Interdistrict sources of revenue total \$11,749,458, an increase of \$1,368,451 over prior year due to \$1,606,104 from Oakland Schools to fund the Kingsley Montgomery School renovation project off-set by a decrease in the PA-18 Fund (county wide special education property tax). In addition, Interdistrict sources of revenue include revenues to the General Fund of \$5,181,300, a decrease of \$814,232 from prior year as a result of a shift in students from the General Fund to the Special Education Center Programs through the Trainable Mentally Impaired program. As a result of this shift in students the Special Education Center Program fund

Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009

totaled \$5,061,098, an increase of \$716,623 over prior year. The Interdistrict funding is primarily for special education. Intermediate sources of revenues of \$14,368, \$26,632 lower than prior year, are funds obtained from the United Way for the Senior Citizens Fund. Property Taxes

A significant portion of local revenue is provided from property taxes for the General Fund and Debt Retirement Fund. Property tax revenue totaled \$25,552,328, an increase of \$21,111 over prior year. This increase is due to a slight increase in property values within the District's boundaries. This amount is obtained through a voter approved 18-mill levy on the taxable value of non-homestead properties for the District's operations and a voter approved 3.67-mill levy on the taxable value of all properties, homestead and non-homestead, for debt interest and principal payments. Taxable values are basically flat for the 2008-2009 fiscal year.

Unrestricted State Aid Foundation Allowance

A significant portion of state funding to the District is through the foundation allowance. The foundation allowance is funding from the state for each student set annually. The District's foundation allowance is \$7,645 per student for the 2008-2009 fiscal year. This is a \$103 increase over the District's 2007-2008 foundation allowance of \$7,542 per student. The number of students to be funded is calculated by student enrollment blended at 75% of current year September count and 25% of prior year February count. Total blended student enrollment for this fiscal year is 11,403, a decrease of 30 students from prior year. The overall funding is then reduced by the District's non-homestead tax levy based on 18-mills.

Governmental Fund Expenditures

Expenditures include Instruction, Support Services, Community Services, School Service Funds, Federal Programs, Debt, and Capital Projects. Instruction expenses of \$56,646,425 increased \$1,259,718 as a result of increases in instructional salaries. Support Services expenses of \$39,816,727 decreased \$1,281,348 mainly due to a decrease in costs for employee benefits as a result of a change in the third party administrator. Community Services expenses of \$31,693 decreased \$1,812 from prior year. School Service Fund expenses of \$16,328,127 increased \$890,862 mostly as a result of Special Education Center Programs Fund increasing \$778,275 due to a shift in student population from the General Fund as mentioned above offset by a decrease in Child Care of \$392,038 (all day kindergarten reduced mid day expenditures), an increase in Athletics of \$365,746 as explained above, and an increase in Food Service of \$182,192 as mentioned above. Debt Service of \$13,113,377 increased \$2,469,568 due to normally scheduled debt payments, and the Durant debt payment of \$1,861,756, and the Energy Bond payment of \$975,000. Capital Projects of \$2,453,482 decreased \$8,814,664 as a result of closing out the final Energy Conservation Improvement Bond projects off-set by the start of the Kingsley Montgomery School renovation project.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

Economic Factors and Next Year's Budgets and Rates

The Board of Education and administration consider many factors when setting the School District's 2010 fiscal year budget. Three major factors affecting the budget this year are the student count, State funding of the unrestricted foundation allowance, and contract negotiations with all bargaining units.

As of the date of this report the state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil (note: State of Michigan has not finalized its budget). The blended count for the 2009 fiscal year is 25 percent and 75 percent of the February 2009 and September 2009 student counts respectively. The 2010 budget was adopted in June 2009, based on an estimate of students that will be enrolled in September 2009. As a result, district funding is heavily dependent on the state's ability to fund local school operations. Once the final student count and related per pupil funding is validated, state law requires the District to amend the budget if actual district resources are not sufficient to fund original appropriations. Since the District's revenue is heavily dependent upon state funding, actual funding depends on the state's ability to collect revenues to fund its appropriations to school districts.

The District has approved a new contract with all bargaining groups as of September 17, 2009. Included in the contract is a wage freeze for 2009-2010.

Original vs. Revised Budget

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

As a matter of practice, the District amends its budget once during the school year. For fiscal year 2008-2009, the budget was amended in December of 2008. The General Fund budget revenues for the final budget increased by 2.5% as compared to the original budget.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

General Fund Revenues:

General Fund Revenues	
Total revenues final budget	\$ 107,319,322
Total revenues original budget	<u>104,709,467</u>
Increase in budget revenues	<u>\$ 2,609,855</u>

Increase in Revenue Budget:

Some of the significant revised budget adjustments for the year include:

- Actual fall student enrollments were 128 more than projected in the original budget.
- Federal awards increased \$2,273,427 mainly with the new Safe Schools Healthy Students grant of \$1,436,358, Crisis Management of \$218,199 and Title II Staff Development of \$161,272.

Actual General Fund Revenues vs. Final Budget:

The District's actual general fund revenues were less than the final budget by \$952,134, a variance of .89%. This is a result of the following factors:

- Local revenues decreased from the final budget by \$435,719 as a result of lower than anticipated earnings on investments, Print Service, Kindergarten Enrichment (replaced by all day kindergarten) and a decline in vending revenue.
- State sourced revenues decreased by \$3,204,297 due to Federal ARRA stabilization funds replacing state aid by \$4,240,370 off-set by an increase of \$1,073,111 in Special Education non-membership funding. Non-membership funding is based on the preceding year's special education costs off-set by membership participating in special education. As a result of fewer memberships in General Fund special education the base of non-membership increases via less membership deducts.
- Interdistrict funds were lower by \$588,403 due to more PA-18 funds be allocated to Special Education Center Program Funds based on the student transfers from the General Fund Trainable Mentally Impaired program to Center programs.
- As explained above Federal Funds increased \$3,307,196 as a result of the ARRA Stabilization funding.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

General Fund Expenditures:

The District's budget for expenditures increased by 3.27% for the year ended June 30, 2009:

General Fund Expenditures	
Total expenditures final budget	\$ 108,514,760
Total expenditures original budget	<u>105,089,492</u>
 Increase in budget expenditures	 <u>\$ 3,425,268</u>

Increase in Expenditure Budget:

Some of the revised budget adjustments for the year include:

- The change in teaching staff for 2008-2009 can be summarized:

2007-2008 General Fund	<u>FTE Final Budget</u>	<u>FTE Original Budget</u>	<u>FTE Increase</u>
Regular education teachers	504.31	498.95	5.36
Special education teachers	<u>122.78</u>	<u>122.90</u>	<u>(0.12)</u>
	<u>627.09</u>	<u>621.85</u>	<u>5.24</u>

- Increase of 5.24 teachers due to the increase of 128 students.
- Federal awards increased \$2,273,427 mainly with the new Safe Schools Healthy Students grant of \$1,436,358, Crisis Management of \$218,199 and Title II Staff Development of \$161,272.
- Utilization of the designated foundation funds for Energy Bonds of \$500,000 and prior year encumbrances of \$699,780.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2009**

Actual General Fund Expenditures vs. Final Budget:

The District's actual general fund expenditures were less than the revised budget by 1.4%. This slight decrease is a result of less than anticipated employee benefit costs and deferral of Federal program expenditures into the 2009-2010 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Business Services, Finance and Budget at the Waterford School District, 1150 Scott Lake Road, Waterford, Michigan, 48328 or (248) 674-7800.

BASIC FINANCIAL STATEMENTS

Waterford School District
Statement of Net Assets
June 30, 2009

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 9,627,684
Accounts receivable	4,310,797
Due from other governmental units	15,910,781
Inventory	34,748
Prepaid items	48,707
Capital assets not being depreciated	2,693,672
Capital assets - net of accumulated depreciation	<u>145,576,394</u>
Total assets	<u>178,202,783</u>
Liabilities	
Accounts payable	2,049,001
State aid anticipation note payable	6,500,000
Due to other governmental units	133,468
Payroll deductions and withholdings	2,847,800
Accrued expenditures	1,348,752
Accrued salaries payable	6,873,888
Deferred revenue	499,114
Noncurrent liabilities	
Due within one year	8,390,047
Due in more than one year	<u>107,696,183</u>
Total liabilities	<u>136,338,253</u>
Net assets	
Invested in capital assets, net of related debt	33,500,066
Restricted for:	
Debt service	1,333,109
Capital projects	607,701
Unrestricted	<u>6,423,654</u>
Total net assets	<u>\$ 41,864,530</u>

See Accompanying Notes to Financial Statements

Waterford School District
Statement of Activities
For the Year Ended June 30, 2009

	Program Revenues				
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	
Functions/Programs					
Governmental activities					
Instruction	\$ 69,388,769	\$ 1,467,622	\$ 19,955,711	\$ 1,492,692	\$ (46,472,744)
Supporting services	36,569,105	5,088,217	-	-	(31,480,888)
Food services	4,353,996	2,280,344	2,505,061	-	431,409
Athletic activities	1,740,471	137,920	-	-	(1,602,551)
Community services	31,693	-	-	-	(31,693)
Pool and fitness centers	971,378	748,599	-	-	(222,779)
Performing Arts Centers	251,229	82,452	-	-	(168,777)
Child care	1,539,058	1,539,058	-	-	-
Senior citizens	738,660	558,853	179,807	-	-
Special education center program	6,806,284	-	6,446,925	-	(359,359)
Unallocated depreciation expense	1,190,357	-	-	-	(1,190,357)
Interest on long-term debt	6,652,837	-	-	-	(6,652,837)
Total governmental activities	\$ 130,233,837	\$ 11,903,065	\$ 29,087,504	\$ 1,492,692	(87,750,576)
General revenues					
					14,676,654
					10,954,816
					65,152,936
					1,861,756
					194,508
					48,098
					92,888,768
					5,138,192
					36,726,338
					\$ 41,864,530

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Balance Sheet
June 30, 2009

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 7,659,051	\$ 1,968,633	\$ 9,627,684
Accounts receivable	4,164,926	145,871	4,310,797
Due from other funds	-	381,552	381,552
Due from other governmental units	15,910,781	-	15,910,781
Inventory	-	34,748	34,748
Prepaid items	<u>48,707</u>	<u>-</u>	<u>48,707</u>
Total assets	<u><u>\$ 27,783,465</u></u>	<u><u>\$ 2,530,804</u></u>	<u><u>\$ 30,314,269</u></u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 2,022,456	\$ 26,545	\$ 2,049,001
State aid anticipation note payable	6,500,000	-	6,500,000
Due to other funds	381,552	-	381,552
Due to other governmental units	133,468	-	133,468
Payroll deductions and withholdings	2,847,800	-	2,847,800
Accrued expenditures	78,074	-	78,074
Accrued salaries payable	6,873,888	-	6,873,888
Deferred revenue	<u>441,557</u>	<u>57,557</u>	<u>499,114</u>
Total liabilities	<u>19,278,795</u>	<u>84,102</u>	<u>19,362,897</u>

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Balance Sheet
June 30, 2009

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance			
Reserved for inventory	\$ -	\$ 34,748	\$ 34,748
Reserved for prepaid items	48,707	-	48,707
Reserved for debt service	-	1,333,109	1,333,109
Reserved for capital projects	-	607,701	607,701
Designated for food service	-	471,144	471,144
Designated Foundation	684,195	-	684,195
Designated for encumbrances	451,733	-	451,733
Designated for compensated absences	328,232	-	328,232
Designated for workers compensation	348,000	-	348,000
Undesignated	<u>6,643,803</u>	<u>-</u>	<u>6,643,803</u>
Total fund balance	<u>8,504,670</u>	<u>2,446,702</u>	<u>10,951,372</u>
 Total liabilities and fund balance	 <u>\$ 27,783,465</u>	 <u>\$ 2,530,804</u>	 <u>\$ 30,314,269</u>

See Accompanying Notes to Financial Statements

Waterford School District
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2009

Total fund balances for governmental funds	\$ 10,951,372
Total net assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	2,693,672
Capital assets - net of accumulated depreciation	145,576,394
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(922,678)
Incurred but not reported benefit claims	(348,000)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Compensated absences	(328,232)
Bonds payable	<u>(115,757,998)</u>
Net assets of governmental activities	<u><u>\$ 41,864,530</u></u>

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2009

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Local sources	\$ 16,410,749	\$ 16,482,857	\$ 32,893,606
State sources	72,422,731	3,822,215	76,244,946
Federal sources	12,352,408	2,369,527	14,721,935
Interdistrict sources	<u>5,181,300</u>	<u>6,568,158</u>	<u>11,749,458</u>
Total revenues	<u>106,367,188</u>	<u>29,242,757</u>	<u>135,609,945</u>
Expenditures			
Current			
Education			
Instruction	56,646,425	-	56,646,425
Supporting services	39,816,727	-	39,816,727
Federal programs	8,471,137	-	8,471,137
Food services	-	4,353,996	4,353,996
Athletic activities	-	1,740,471	1,740,471
Community services	31,693	-	31,693
Pool and fitness centers	-	971,378	971,378
Performing Arts Centers	-	251,229	251,229
Child care	-	1,539,058	1,539,058
Senior citizens	-	738,660	738,660
Special education center program	-	6,733,335	6,733,335
Capital outlay	-	2,453,482	2,453,482
Debt service			
Principal	-	5,795,000	5,795,000
Interest and other expenditures	-	7,193,377	7,193,377
Bond issuance costs	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Total expenditures	<u>104,965,982</u>	<u>31,894,986</u>	<u>136,860,968</u>

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2009

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (deficiency) of revenues over expenditures	\$ 1,401,206	\$ (2,652,229)	\$ (1,251,023)
Other financing sources (uses)			
Payment to bond refunding escrow agent	-	(7,270,000)	(7,270,000)
Proceeds from issuance of bonds	-	7,395,000	7,395,000
Transfers in	-	1,994,107	1,994,107
Transfers out	<u>(1,994,107)</u>	<u>-</u>	<u>(1,994,107)</u>
Total other financing sources (uses)	<u>(1,994,107)</u>	<u>2,119,107</u>	<u>125,000</u>
Net change in fund balance	(592,901)	(533,122)	(1,126,023)
Fund balance - beginning	<u>9,097,571</u>	<u>2,979,824</u>	<u>12,077,395</u>
Fund balance - ending	<u>\$ 8,504,670</u>	<u>\$ 2,446,702</u>	<u>\$ 10,951,372</u>

See Accompanying Notes to Financial Statements

Waterford School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balances - Total governmental funds	\$ (1,126,023)
Total change in net assets reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	(112,916)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(6,416,611)
Capitalized capital outlay	3,210,688
Expenses are recorded when incurred in the statement of activities.	
Interest	540,540
Benefit claims	(20,000)
Compensated absences	(419)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Debt issued	(7,395,000)
Repayments of long-term debt	<u>16,457,933</u>
Change in net assets of governmental activities	<u>\$ 5,138,192</u>

See Accompanying Notes to Financial Statements

Waterford School District
Fiduciary Funds
Statement of Assets and Liabilities
June 30, 2009

	<u>Agency Funds</u>
Assets	
Cash	<u>\$ 1,788,995</u>
Liabilities	
Due to student activities	<u>\$ 1,788,995</u>

See Accompanying Notes to Financial Statements

Waterford School District
Notes to Financial Statements
June 30, 2009

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Waterford School District (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

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. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net assets presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net assets are reported in three parts (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets. The School District first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net assets resulting from current year activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the 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. For this purpose, the School District considers revenues to be available if they are 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.

Waterford School District
Notes to Financial Statements
June 30, 2009

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 government.

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Additionally, the School District reports the following fund types:

Special Revenue Funds/School Service Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District’s Special Revenue Funds include Food Service, Athletic Activities, Special Education Center Programs, Child Care, Pool and Fitness Centers, Performing Arts Centers, and Senior Citizens Funds. Operating deficits generated by these activities are generally transferred from the General Fund.

Debt Service Funds – Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Funds – Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, building, equipment, and for remodeling and repairs. The funds are kept open until the purpose for which the funds were created has been accomplished.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Agency Fund is custodial in nature (assets equal liabilities)

and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for school and school-related purposes.

Assets, Liabilities and Equity

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2009, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	3.67000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District’s boundaries. Approximately 88% of the School District’s tax roll lies within Waterford Township.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by the County of Oakland and remitted to the School District by May 15.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to

Waterford School District
Notes to Financial Statements
June 30, 2009

future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	7-50 years
Equipment and furniture	5-8 years
Buses and other vehicles	5-20 years

Compensated Absences – Secretaries, maintenance, operation, and warehouse workers employed by the District throughout the year (12 months) receive 15 vacation days annually. Vacation time for these groups is earned during the preceding fiscal year and available for use in the following fiscal year.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data

Comparative data is not included in the School District's financial statements.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Upcoming Accounting and Reporting Change

The Government Accounting Standards Board has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. In general, the new rules will cause district-wide financial statements to include intangible assets as capital assets. This statement is effective for the year ending June 30, 2010.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby cancel all encumbrances. These appropriations are reestablished at the beginning of the year.

The appropriation level adopted by the Board is the level of control authorized under the Act. The Act requires expenditures to be budgeted on a functional basis. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the Act if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter

Waterford School District
Notes to Financial Statements
June 30, 2009

the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations which were amended.

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Basic programs	\$ 32,768,240	\$ 33,520,482	\$ 752,242
General administration	1,565,943	1,639,434	73,491
School administration	5,186,090	5,203,646	17,556
Business	13,895,394	14,547,972	652,578
Central	2,095,831	2,434,990	339,159

Compliance Bond Proceeds

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. The following is a summary of the revenue and expenditures in the Building Maintenance and 2007 Energy from the inception of the funds through the current fiscal year:

	Building Maintenance	2007 Energy
Revenues	\$ 221,800	\$ 258,469
Expenditures	258,158	11,970,778

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash and cash equivalents	\$ 9,627,684	\$ 1,788,995	\$ 11,416,679

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 11,406,866
Petty cash and cash on hand	9,813
Total	\$ 11,416,679

Interest rate risk – In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one month.

Credit risk – State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office 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.

Concentration of credit risk – The District's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the District's total investments.

Waterford School District
Notes to Financial Statements
June 30, 2009

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year end, \$9,315,669 of the District's bank balance of \$ 12,119,606 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,177,339	\$ -	\$ -	\$ 1,177,339
Construction in progress	73,402	1,516,333	73,402	1,516,333
Total capital assets not being depreciated	<u>1,250,741</u>	<u>1,516,333</u>	<u>73,402</u>	<u>2,693,672</u>
Capital assets being depreciated				
Buildings and additions	211,093,212	1,348,418	-	212,441,630
Equipment and furniture	4,284,248	383,249	-	4,667,497
Buses and other vehicles	5,616,472	36,090	-	5,652,562
Total capital assets being depreciated	<u>220,993,932</u>	<u>1,767,757</u>	<u>-</u>	<u>222,761,689</u>
Less accumulated depreciation for				
Buildings and additions	63,998,606	5,808,271	-	69,806,877
Equipment and furniture	2,608,665	288,056	-	2,896,721
Buses and other vehicles	4,161,413	320,284	-	4,481,697
Total accumulated depreciation	<u>70,768,684</u>	<u>6,416,611</u>	<u>-</u>	<u>77,185,295</u>
Net capital assets being depreciated	<u>150,225,248</u>	<u>(4,648,854)</u>	<u>-</u>	<u>145,576,394</u>
Net capital assets	<u>\$ 151,475,989</u>	<u>\$ (3,132,521)</u>	<u>\$ 73,402</u>	<u>\$ 148,270,066</u>

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

Governmental activities	
Instruction	\$ 5,016,162
Support services	137,143
Special education center program	72,949
Unallocated	<u>1,190,357</u>
Total governmental activities	<u>\$ 6,416,611</u>

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

Due From Fund	Due to Fund	Amount
General	Food Service	\$ 280,712
General	Building Maintenance	<u>100,840</u>
		<u>\$ 381,552</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Waterford School District
Notes to Financial Statements
June 30, 2009

Interfund transfers consist of the following:

	<u>Transfers Out</u>
	<u>General Fund</u>
Transfers in	
Other governmental funds	<u>\$ 1,994,107</u>

These transfers were made to cover the costs of School District programs that were in excess of revenues generated from those activities.

Note 6 - Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Prepayment of student meals	\$ -	\$ 57,557
Grant and categorical aid payments received prior to meeting all eligibility requirements	-	441,557
Total	\$ -	\$ 499,114

Note 7 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th.

Short-term debt activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Repayments</u>	<u>Ending Balance</u>
State aid anticipation note	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>

Waterford School District
Notes to Financial Statements
June 30, 2009

Note 8 - Long-Term Debt

The School District issues bonds, notes, 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, claims and judgments, termination benefits, and certain risk liabilities.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Government obligation bonds	\$ 122,105,000	\$ 7,395,000	\$ 14,730,000	\$ 114,770,000	\$ 8,160,000
Durant bonds	2,329,904	-	1,341,906	987,998	230,047
Installment purchase contracts	386,027	-	386,027	-	-
Compensated absences	327,813	-	-	327,813	-
Self insurance	328,000	263,911	243,911	348,000	-
Total	<u>\$ 125,476,744</u>	<u>\$ 7,658,911</u>	<u>\$ 16,701,844</u>	<u>\$ 116,433,811</u>	<u>\$ 8,390,047</u>

General obligation bonds payable at year end, consists of the following:

\$30,030,000 serial bond due in annual installments ranging from \$3,020,000 to \$3,630,000 through 2023, interest ranging from 3.63% to 5.00%	\$ 16,425,000
\$20,000,000 serial bond (callable beginning 2012) due in annual installments ranging from \$300,000 to \$4,300,000 through 2017, interest ranging from 4.25% to 5.0%	17,600,000
\$10,000,000 serial bond (callable beginning 2012) due in annual installments ranging from \$800,000 to \$1,000,000 through 2017, interest ranging from 3.90% to 4.65%	7,200,000
\$15,000,000 serial bond (callable beginning 2014) due in annual installments ranging from \$1,000,000 to \$2,000,000 through 2020, interest ranging from 2.50% to 4.30%	12,500,000
\$20,000,000 serial bond (callable beginning 2015) due in annual installments ranging from \$500,000 to \$2,600,000 through 2022, interest ranging from 2.25% to 4.13%	18,600,000
\$25,000,000 serial bond (callable beginning 2014) due in annual installments ranging from \$500,000 to \$3,575,000 through 2020, interest ranging from 3.75% to 4.40%	24,075,000
\$11,950,000 serial bond (callable beginning 2016) due in annual installments ranging from \$525,000 to \$995,000 through 2022, interest of 4.40%	10,975,000
\$7,395,000 serial bond (callable beginning 2013) due in annual installments ranging from \$1,070,000 to \$2,520,000 through 2013, interest ranging from 2.75% to 2.95%	<u>7,395,000</u>
Total general obligation bonded debt	<u>\$ 114,770,000</u>

Waterford School District
Notes to Financial Statements
June 30, 2009

Future principal and interest requirements for bonded debt are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2010	\$ 8,160,000	4,766,095	\$ 12,926,095
2011	9,060,000	4,463,583	13,523,583
2012	9,865,000	4,139,420	14,004,420
2013	9,900,000	3,772,520	13,672,520
2014	10,050,000	3,387,890	13,437,890
2015-2019	42,930,000	10,394,120	53,324,120
2020-2023	24,805,000	2,362,620	27,167,620
Total	<u>\$ 114,770,000</u>	<u>\$ 33,286,248</u>	<u>\$ 148,056,248</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$ 1,333,109 to pay this debt. Future debt and interest will be payable from future tax levies.

Other bonds consist of the following:

\$3,945,891 Durant Refunding serial bonds due in annual installments through 5/15/2013; interest 4.76% due annually	<u>\$ 987,998</u>
---------------------------------------------------------------------------------------------------------------------	-------------------

These bond obligations issued by PA 142 are payable solely from and are secured solely by an assignment by each School District of certain categorical State School Aid payments. The State Legislature has no obligation to make such appropriations. In the event the Legislature fails to appropriate funds, the School District is under no obligation for repayment of the debt obligation issued by PA 142.

Future principal and interest requirements are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2010	\$ 230,047	\$ 47,042	\$ 277,089
2011	241,004	36,089	277,093
2012	252,465	24,614	277,079
2013	264,482	12,593	277,075
Total	<u>\$ 987,998</u>	<u>\$ 120,338</u>	<u>\$ 1,108,336</u>

Interest expenditures for the fiscal year were and \$5,160,435.

Compensated Absences

Accrued compensated absences at year end, consists of \$327,813 of vacation hours earned and vested. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by vacation time earned for the year.

Advance Refunding

On April 16, 2009, the School District issued general obligation bonds of \$7,395,000 (par value) with an interest rate of 2.75% to 2.95% to advance refund general obligation bonds with an interest rate of 4.38% to 4.70% and a par value of \$7,270,000. The refunded bonds mature on May 1, 2013. The general obligation bonds were issued after paying issuance costs of \$125,000, the net proceeds were \$7,270,000. The net proceeds from the issuance of the general obligation bonds were deposited with an escrow agent to provide debt service payments until the refunded bonds mature. The advance refunding met the requirements of an in-substance debt defeasance and the refunded bonds were removed from the Schools District's financial statements.

As a result of the advance refunding, the School District increased its total debt requirements by \$125,000, and resulted in an economic gain of \$227,475.

Waterford School District
Notes to Financial Statements
June 30, 2009

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$125,000. This amount is reported in the accompanying statements of net assets and activities.

Defeased Debt

In the current year, the School District defeased bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

The final payment dates for all defeased debt falls in fiscal years 2013 and 2014. As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

1994 Series Bond Issue refunded	\$ 41,290,000
1999 General Obligation Bond Issue refunded	29,870,000
1999 Bond Series Issue refunded	7,270,000
1999 Bond Series Issue refunded	<u>980,000</u>
 Total	 <u>\$ 79,410,000</u>

Note 9 - Operating Lease

In the current year the District entered into leasing arrangements for 10 busses. Under the lease agreements the District paid \$105,067 in the current year.

The future minimum leases payments for the year ended June 30, 2009 were as follows:

Year ending June 30,	
2010	\$ 105,067
2011	105,067
2012	105,068
2013	<u>544,784</u>
 Total	 <u>\$ 859,986</u>

Note 10 - Risk Management

The School District participates in a Municipal Risk Retention Pool Program through the Middle Cities Risk Management Trust. This program provides substantially all the insurance needs of the School District, including property, general liability, automobile and umbrella. The contributions made by the School District fund the program at rates predicated on expected losses, excess insurance premium contribution and administration costs, including appropriate state assessment. The possibility of additional claims exists but the amount of liability to the School District would be immaterial by the time the aggregate stop-loss coverage is triggered. There also is a possibility of a refund due the School District. Therefore, neither contingent liabilities nor assets have been recognized on the School District's financial statements.

The School District has a self-insured vision and dental plan and has not recognized a reserve for future claims the past three fiscal years, due to the insignificance of the estimated liability.

The School District is self-insured under the Michigan Worker's Disability Compensation Act. Workers' compensation excess insurance has been retained for the aggregate claims exceeding \$300,000 for each annual policy period, to a maximum of \$1,000,000. This excess insurance also applies to individual occurrences

Waterford School District
Notes to Financial Statements
June 30, 2009

exceeding \$300,000, with a statutory maximum for those individual occurrences. The expenditures for the year were \$243,911.

	2009	2008
Estimated liability at the beginning of the year	\$ 328,000	\$ 452,000
Estimated claims incurred including changes in estimates	263,911	206,701
Claim payments	(243,911)	(330,701)
Estimated liability end of year	\$ 348,000	\$ 328,000

The School District is subject to Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District had no unemployment compensation expense for the year. No provision has been made for possible future claims.

Note 11 - Defined Benefit Pension Plan

Plan Description

The School District has a defined benefit pension plan covering substantially all employees. The plan is operated by the State of Michigan's Public School Employees Retirement System (MPSERS), which is a cost-sharing public employee retirement system (PERS).

The pension plan provides retirement, survivor and disability benefits to plan members and their beneficiaries.

MPSERS operates within the Michigan Department of Management and Budget, Office of Retirement Systems who has the authority to establish and amend benefit provisions. The Michigan Department of Management and Budget issues a publicly available financial report that includes financial statements and required supplementary

information for MPSERS. That report may be obtained by writing Office of Retirement Services, P.O. Box 30171, Lansing, Michigan 48909-7671 or calling 800-381-5111.

Funding Policy

The School is required by State statute to contribute to MPSERS an actuarially determined percentage of payroll for all participating employees. Additionally, employees participating in the Member Investment Plan contributed 3% to 4.3% of their covered wages through payroll deduction. In addition to retirement benefits, a portion of the total MPSERS contribution is allocated to cover health, dental and vision benefits. The following table discloses pertinent information relative to MPSERS funding for the three-year period beginning July 1, 2006 through June 30, 2009.

	2009	2008	2007
Funding percentage range	16.54-16.72%	16.72-17.74%	16.34-17.74%
Total payroll	\$67,050,734	\$68,050,865	\$68,378,487
Total covered payroll	66,353,947	67,519,877	68,055,143
School contributions	10,997,467	11,434,333	11,815,547
Employee MIP contributions	2,105,984	2,093,483	2,056,823
Tax deferred payment program	632,857	716,444	773,099
Portion of school contribution covering health, dental and vision benefits	41%	39%	37%

Trend Information

Ten-year historical trend information is presented in the September 30, 2008, PERS Comprehensive Annual Financial Report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The total benefit obligations and net assets available for benefits as of September 30, 2007, the latest date for which information is available, approximates \$ 47.1 billion and \$ 39.9 billion, respectively. The School's share of the total current actuarially determined

Waterford School District
Notes to Financial Statements
June 30, 2009

employer contribution requirement under MPSERS was less than 1% for the year ended September 30, 2008.

Post Employment Benefits

In addition to the pension benefits described above, the School District provides post-retirement health care, dental, and vision benefits for retirees and beneficiaries through Michigan Public School Employees Retirement System (MPSERS).

Expenditures for these benefits are recognized on a cash disbursement basis. During the year ended September 30, 2008, statewide expenditures of \$ 735 million were recognized for post-retirement health care, dental and vision. This represented approximately 19% of the total expenditures of the Michigan Public School Employees Retirement System.

Note 12 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year ended June 30, 2009.

Note 13 - Subsequent Event

Subsequent to year end, the School District repaid the state aid anticipation note of \$6,500,000 that was outstanding at the end of the year. In addition, the District borrowed \$6,500,000 in state aid anticipation notes that is due September 2009.

REQUIRED SUPPLEMENTAL INFORMATION

Waterford School District
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Over (Under) Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 17,174,954	\$ 16,846,468	\$ 16,410,749	\$ (435,719)
State sources	74,677,220	75,627,028	72,422,731	(3,204,297)
Federal sources	6,771,785	9,045,212	12,352,408	3,307,196
Interdistrict sources	<u>6,085,508</u>	<u>5,800,614</u>	<u>5,181,300</u>	<u>(619,314)</u>
Total revenues	<u>104,709,467</u>	<u>107,319,322</u>	<u>106,367,188</u>	<u>(952,134)</u>
Expenditures				
Instruction				
Basic programs	32,307,543	32,768,240	33,520,482	752,242
Added needs	10,322,348	10,378,395	10,233,986	(144,409)
Adult and continuing education	98,161	100,416	61,188	(39,228)
Employee benefits	13,251,540	12,897,000	12,830,769	(66,231)
Supporting services				
Pupil	6,184,475	6,124,740	6,052,989	(71,751)
Instructional staff	2,928,152	3,012,124	2,895,705	(116,419)
General administration	1,519,978	1,565,943	1,639,434	73,491
School administration	5,073,310	5,186,090	5,203,646	17,556
Business	13,215,395	13,895,394	14,547,972	652,578
Central	2,045,437	2,095,831	2,434,990	339,159
Employee benefits	8,834,360	8,598,000	7,041,991	(1,556,009)
Community services	32,549	32,549	31,693	(856)
Federal programs	7,174,721	9,452,978	8,471,137	(981,841)
Retirement savings	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>102,687,969</u>	<u>106,107,700</u>	<u>104,965,982</u>	<u>(1,141,718)</u>

Waterford School District
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of Excess of revenues over expenditures	<u>\$ 2,021,498</u>	<u>\$ 1,211,622</u>	<u>\$ 1,401,206</u>	<u>\$ 189,584</u>
Other financing sources (uses)				
Transfers out	<u>(2,401,523)</u>	<u>(2,407,060)</u>	<u>(1,994,107)</u>	<u>412,953</u>
Total other financing sources (uses)	<u>(2,401,523)</u>	<u>(2,407,060)</u>	<u>(1,994,107)</u>	<u>412,953</u>
Net change in fund balance	<u>(380,025)</u>	<u>(1,195,438)</u>	<u>(592,901)</u>	<u>602,537</u>
Fund balance - beginning	<u>7,784,900</u>	<u>9,097,571</u>	<u>9,097,571</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 7,404,875</u></u>	<u><u>\$ 7,902,133</u></u>	<u><u>\$ 8,504,670</u></u>	<u><u>\$ 602,537</u></u>

OTHER SUPPLEMENTAL INFORMATION

Waterford School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds/School Service Funds						
	Special Education Center Programs	Child Care	Senior Citizens	Athletic Activities	Pool and Fitness Centers	Performing Arts Centers	
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,448
Accounts receivable	-	-	-	-	-	-	9,639
Grants receivable	-	-	-	-	-	-	136,232
Due from other funds	-	-	-	-	-	-	100,840
Inventory	-	-	-	-	-	-	34,748
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,907</u>
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,458
Deferred revenue	-	-	-	-	-	-	57,557
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,015</u>
Fund balance							
Reserved for inventory	-	-	-	-	-	-	39,375
Reserved for debt retirement	-	-	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-	-	-
Fund balance designated for food service	-	-	-	-	-	-	466,517
Fund balance, designated for capital projects	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,892</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,907</u>

Waterford School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

Debt Service Funds

	1997 Refunding	1999	1999 Series II	1999 Series III	1999 Series IV	2003 Series I	2003 Series II	Durant Package
Assets								
Cash and cash equivalents	\$ 494,032	\$ 101,807	\$ 136,303	\$ 127,157	\$ 161,257	\$ 151,717	\$ 160,836	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 494,032</u>	<u>\$ 101,807</u>	<u>\$ 136,303</u>	<u>\$ 127,157</u>	<u>\$ 161,257</u>	<u>\$ 151,717</u>	<u>\$ 160,836</u>	<u>\$ -</u>
Liabilities and fund balance								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance								
Reserved for inventory	-	-	-	-	-	-	-	-
Reserved for debt retirement	494,032	101,807	136,303	127,157	161,257	151,717	160,836	-
Reserved for capital projects	-	-	-	-	-	-	-	-
Fund balance designated for food service	-	-	-	-	-	-	-	-
Fund balance, designated for capital projects	-	-	-	-	-	-	-	-
Total fund balance	<u>494,032</u>	<u>101,807</u>	<u>136,303</u>	<u>127,157</u>	<u>161,257</u>	<u>151,717</u>	<u>160,836</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 494,032</u>	<u>\$ 101,807</u>	<u>\$ 136,303</u>	<u>\$ 127,157</u>	<u>\$ 161,257</u>	<u>\$ 151,717</u>	<u>\$ 160,836</u>	<u>\$ -</u>

Waterford School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Capital Projects			
	Building Maintenance	Energy Bonds	KMS Project	Total Non Major Funds
Assets				
Cash and cash equivalents	\$ 95,322	\$ 237,754	\$ -	\$ 1,968,633
Accounts receivable	-	-	-	9,639
Grants receivable	-	-	-	136,232
Due from other funds	280,712	-	-	381,552
Inventory	-	-	-	34,748
	\$ 376,034	\$ 237,754	\$ -	\$ 2,530,804
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 6,087	\$ -	\$ -	\$ 26,545
Deferred revenue	-	-	-	57,557
	6,087	-	-	84,102
Fund balance				
Reserved for inventory	-	-	-	39,375
Reserved for debt retirement	-	-	-	1,333,109
Reserved for capital projects	-	237,754	-	237,754
Fund balance designated for food service	-	-	-	466,517
Fund balance, designated for capital projects	369,947	-	-	369,947
	369,947	237,754	-	2,446,702
Total fund balance	369,947	237,754	-	2,446,702
Total liabilities and fund balance	\$ 376,034	\$ 237,754	\$ -	\$ 2,530,804

Waterford School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds/School Service Funds						
	Special Education Center Programs	Child Care	Senior Citizens	Athletic Activities	Pool and Fitness Centers	Performing Arts Centers	Food Service
Revenues							
Local	\$ 27,119	\$ 1,539,058	\$ 544,485	\$ 137,920	\$ 748,599	\$ 82,452	\$ 2,280,344
Intermediate	-	-	14,368	-	-	-	-
State	1,645,118	-	-	-	-	-	315,341
Interdistrict	5,061,098	-	-	-	-	-	-
Federal	-	-	179,807	-	-	-	2,189,720
Total revenues	<u>6,733,335</u>	<u>1,539,058</u>	<u>738,660</u>	<u>137,920</u>	<u>748,599</u>	<u>82,452</u>	<u>4,785,405</u>
Expenditures							
Instruction	3,536,278	1,539,058	558,853	-	-	-	-
Supporting services	3,197,057	-	-	1,740,471	971,378	251,229	2,164,276
Debt service	-	-	-	-	-	-	-
Building and site	-	-	-	-	-	-	-
Federal	-	-	179,807	-	-	-	2,189,720
Bond issuance costs	-	-	-	-	-	-	-
Total expenditures	<u>6,733,335</u>	<u>1,539,058</u>	<u>738,660</u>	<u>1,740,471</u>	<u>971,378</u>	<u>251,229</u>	<u>4,353,996</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,602,551)</u>	<u>(222,779)</u>	<u>(168,777)</u>	<u>431,409</u>
Other sources (uses)							
Transfers in	-	-	-	1,602,551	222,779	168,777	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,602,551</u>	<u>222,779</u>	<u>168,777</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	431,409
Fund balance, beginning	-	-	-	-	-	-	74,483
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505,892</u>

Waterford School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2009

	Debt Service Funds							
	1997 Refunding	1999	1999 Series II	1999 Series III	1999 Series IV	2003 Series I	2003 Series II	Durant Package
Revenues								
Local	\$ 4,075,068	\$ 840,215	\$ 1,125,174	\$ 1,051,605	\$ 1,334,230	\$ 1,254,423	\$ 1,328,753	\$ -
Intermediate	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	1,861,756
Interdistrict	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	<u>4,075,068</u>	<u>840,215</u>	<u>1,125,174</u>	<u>1,051,605</u>	<u>1,334,230</u>	<u>1,254,423</u>	<u>1,328,753</u>	<u>1,861,756</u>
Expenditures								
Instruction	-	-	-	-	-	-	-	-
Supporting services	-	-	-	-	-	-	-	-
Debt service	4,179,853	858,144	1,146,456	1,041,499	1,312,376	1,246,868	1,341,425	1,861,756
Building and site	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Bond issuance costs	-	125,000	-	-	-	-	-	-
Total expenditures	<u>4,179,853</u>	<u>983,144</u>	<u>1,146,456</u>	<u>1,041,499</u>	<u>1,312,376</u>	<u>1,246,868</u>	<u>1,341,425</u>	<u>1,861,756</u>
Excess (deficiency) of revenues over expenditures	<u>(104,785)</u>	<u>(142,929)</u>	<u>(21,282)</u>	<u>10,106</u>	<u>21,854</u>	<u>7,555</u>	<u>(12,672)</u>	<u>-</u>
Other sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	(7,270,000)	-	-	-	-	-	-
Proceeds from the sale of bonds	-	7,395,000	-	-	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(104,785)	(17,929)	(21,282)	10,106	21,854	7,555	(12,672)	-
Fund balance, beginning	<u>598,817</u>	<u>119,736</u>	<u>157,585</u>	<u>117,051</u>	<u>139,403</u>	<u>144,162</u>	<u>173,508</u>	<u>-</u>
Fund balance, ending	<u>\$ 494,032</u>	<u>\$ 101,807</u>	<u>\$ 136,303</u>	<u>\$ 127,157</u>	<u>\$ 161,257</u>	<u>\$ 151,717</u>	<u>\$ 160,836</u>	<u>\$ -</u>

Waterford School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2009

	Capital Projects			Total Non Major Funds
	Building Maintenance	Energy Bonds	KMS Project	
Revenues				
Local	\$ 107,600	\$ 5,812	\$ -	\$ 16,482,857
Intermediate	-	-	1,492,692	1,507,060
State	-	-	-	3,822,215
Interdistrict	-	-	-	5,061,098
Federal	-	-	-	2,369,527
Total revenues	<u>107,600</u>	<u>5,812</u>	<u>1,492,692</u>	<u>29,242,757</u>
Expenditures				
Instruction	-	-	-	5,634,189
Supporting services	-	-	-	8,324,411
Debt service	-	-	-	12,988,377
Building and site	111,835	848,955	1,492,692	2,453,482
Federal	-	-	-	2,369,527
Bond issuance costs	-	-	-	125,000
Total expenditures	<u>111,835</u>	<u>848,955</u>	<u>1,492,692</u>	<u>31,894,986</u>
Excess (deficiency) of revenues over expenditures	<u>(4,235)</u>	<u>(843,143)</u>	<u>-</u>	<u>(2,652,229)</u>
Other sources (uses)				
Transfers in	-	-	-	1,994,107
Payment to bond refunding escrow agent	-	-	-	(7,270,000)
Proceeds from the sale of bonds	-	-	-	7,395,000
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,119,107</u>
Net change in fund balances	(4,235)	(843,143)	-	(533,122)
Fund balance, beginning	<u>374,182</u>	<u>1,080,897</u>	<u>-</u>	<u>2,979,824</u>
Fund balance, ending	<u>\$ 369,947</u>	<u>\$ 237,754</u>	<u>\$ -</u>	<u>\$ 2,446,702</u>

**Waterford School District
Other Supplemental Information
General Fund
Comparative Balance Sheet
June 30, 2009**

	2009	2008
Assets		
Cash and cash equivalents	\$ 7,659,051	\$ 7,195,297
Accounts receivable	4,164,926	2,034,814
Due from other funds	-	335,780
Due from other governmental units	15,910,781	15,632,682
Prepaid items	48,707	48,674
Total assets	\$ 27,783,465	\$ 25,247,247
Liabilities and fund balance		
Liabilities		
Accounts payable	\$ 2,022,456	\$ 1,733,326
State aid anticipation note payable	6,500,000	6,500,000
Due to other funds	381,552	114,200
Due to other governmental units	133,468	133,439
Payroll deductions and withholdings	2,847,800	2,401,374
Accrued expenditures	78,074	75,151
Accrued salaries payable	6,873,888	5,066,083
Deferred revenue	441,557	126,103
Total liabilities	19,278,795	16,149,676

**Waterford School District
Other Supplemental Information
General Fund
Comparative Balance Sheet
June 30, 2009**

	2009	2008
Fund balance		
Reserved for prepaid items	48,707	48,674
Designated for encumbrances	451,733	699,780
Designated Foundation	684,195	571,650
Designated for compensated absences	328,232	327,813
Designated for workers compensation	348,000	328,000
Designated for Energy Bonds	-	500,000
Other undesignated	6,643,803	6,621,654
Total fund balance	8,504,670	9,097,571
Total liabilities and fund balance	\$ 27,783,465	\$ 25,247,247

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2009

	Final Budget	Actual	Actual Over (Under) Budget
Local sources			
Property tax levy	\$ 14,539,718	\$ 14,625,726	\$ 86,008
Other taxes and penalties	85,000	50,928	(34,072)
Families and schools together - Donelson Hills	3,500	-	(3,500)
Families and schools together - Burt	3,700	-	(3,700)
Families for the future - United Way	13,500	-	(13,500)
Adult education tuition and rentals	65,000	22,792	(42,208)
Adult education non credit	50,000	83,579	33,579
Preschool	410,000	368,402	(41,598)
Earnings on investments	250,000	75,831	(174,169)
Outdoor education	105,000	106,753	1,753
Summer school academy	49,000	44,720	(4,280)
Printing Services	26,000	40	(25,960)
Mail Services	62,700	11,431	(51,269)
Waterford Foundation	60,000	65,085	5,085
A.I. Summer School	-	250	250
Apex II - Oakland Family Services	36,000	32,640	(3,360)
Credit Recovery	-	1,425	1,425
Autism Society Grant	-	1,000	1,000
Special Education Continuous Improvement	6,000	-	(6,000)
Summer school scholarships	1,200	-	(1,200)
Summer SLAM	6,000	7,670	1,670

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
Local sources (continued)			
Metro North - grants	\$ -	\$ 1,846	\$ 1,846
eRate	25,000	8,521	(16,479)
Facility use	150,000	85,160	(64,840)
Sale of fixed assets	25,000	7,480	(17,520)
Rental	69,000	22,208	(46,792)
University - stipends	5,000	2,422	(2,578)
Finger printing	7,500	24,472	16,972
Video services	8,650	5,009	(3,641)
School and Community services	-	12,210	12,210
Transportation	20,000	-	(20,000)
Food service contribution	64,000	64,000	-
Vending	60,000	45,507	(14,493)
Senior center contribution	50,000	-	(50,000)
High school parking passes	15,000	17,990	2,990
Medicaid	550,000	588,592	38,592
Miscellaneous	25,000	27,060	2,060
	<u>16,846,468</u>	<u>16,410,749</u>	<u>(435,719)</u>
Total local sources			

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2009

	Final Budget	Actual	Actual Over (Under) Budget
State sources			
Membership	\$ 68,422,172	\$ 64,248,360	\$ (4,173,812)
Membership, special education	2,978,970	2,872,657	(106,313)
Membership, adult education-part.	105,000	114,170	9,170
Declining enrollment	-	28,530	28,530
At-risk	1,720,000	1,666,890	(53,110)
Special education, non-membership	856,039	1,929,150	1,073,111
Vocational education	225,000	284,728	59,728
Preschool Enrichment	380,000	384,200	4,200
Court placed	939,847	876,046	(63,801)
Mental Health Grant	-	17,500	17,500
Continuous Improvement	-	500	500
	<u>75,627,028</u>	<u>72,422,731</u>	<u>(3,204,297)</u>
Interdistrict transfers and other transfers			
Oakland Schools	5,336,785	4,748,382	(588,403)
Oakland Schools - Children's Village	-	8,846	8,846
Oakland School - Training Grant	-	9,024	9,024
Oakland Schools - Positive Behavior	-	3,614	3,614
Oakland Schools - PA18 Transportation	-	29,233	29,233
Oakland Schools - OCAN	-	5,757	5,757
Oakland Schools Equity	215,000	-	(215,000)
Oakland Schools - Vocational Millage	-	186,551	186,551
CVS, Oakland County	248,829	189,893	(58,936)
	<u>5,800,614</u>	<u>5,181,300</u>	<u>(619,314)</u>

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
Total revenue before federal program revenue	98,274,110	94,014,780	(4,259,330)
Federal programs	<u>9,045,212</u>	<u>12,352,408</u>	<u>3,307,196</u>
Total revenues	<u>\$ 107,319,322</u>	<u>\$ 106,367,188</u>	<u>\$ (952,134)</u>

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2009

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Basic program - elementary					
General education	\$ 10,286,614	\$ 450,948	\$ 10,737,562	\$ 12,446,818	\$ (1,709,256)
Federal - ARRA Stabilization	1,657,783	401,017	2,058,800	-	2,058,800
Science	-	21,497	21,497	37,305	(15,808)
Physical education	657,607	13,497	671,104	624,592	46,512
Fine arts - music	780,723	26,241	806,964	807,651	(687)
Fine arts - art	368,371	14,864	383,235	431,591	(48,356)
31A	477,423	650,292	1,127,715	899,232	228,483
FAST, Donelson Hills	-	-	-	3,500	(3,500)
Target Grant	-	9,622	9,622	-	9,622
FAST, Burt	-	-	-	3,700	(3,700)
Total elementary	<u>14,228,521</u>	<u>1,587,978</u>	<u>15,816,499</u>	<u>15,254,389</u>	<u>562,110</u>
Basic program - middle school					
General education	4,829,210	146,835	4,976,045	5,918,870	(942,825)
Federal - ARRA Stabilization	803,984	194,484	998,468	-	998,468
Fine arts - music	569,141	13,971	583,112	543,560	39,552
Fine Arts - art	182,649	7,382	190,031	184,543	5,488
Physical education	357,176	5,608	362,784	364,369	(1,585)
31A	312,404	170,642	483,046	633,122	(150,076)
Outdoor education	11,376	95,984	107,360	105,333	2,027
Total middle school	<u>7,065,940</u>	<u>634,906</u>	<u>7,700,846</u>	<u>7,749,797</u>	<u>(48,951)</u>
Basic program - high school					
General education	4,924,433	441,023	5,365,456	6,343,784	(978,328)
Federal - ARRA Stabilization	952,655	230,447	1,183,102	-	1,183,102
Alternative senior high - Manley	738,201	338,170	1,076,371	1,133,553	(57,182)
Fine Arts - music	483,541	9,804	493,345	451,673	41,672
Fine Arts - art	302,004	15,250	317,254	316,100	1,154
Physical education	460,416	3,216	463,632	450,822	12,810
31A	82,470	38,920	121,390	108,105	13,285
International Academy	45,526	109,343	154,869	176,758	(21,889)
MTS - high school	71,202	1,139	72,341	100,161	(27,820)
Total senior high	<u>8,060,448</u>	<u>1,187,312</u>	<u>9,247,760</u>	<u>9,080,956</u>	<u>166,804</u>
Basic program - summer school					
Summer Academy	53,851	17,598	71,449	48,975	22,474

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2009

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Basic program - Pre-K programs					
Preschool	\$ 260,354	\$ 96,003	\$ 356,357	\$ 331,469	\$ 24,888
Preschool enrichment	201,819	84,538	286,357	265,934	20,423
K. enrichment - Houghton	104	27	131	-	131
Apex I	27,039	9,409	36,448	36,720	(272)
K. enrichment - Haviland	-	4,635	4,635	-	4,635
	489,316	194,612	683,928	634,123	49,805
Added needs - special education					
Emotionally impaired	46,775	22,248	69,023	65,607	3,416
Educable mentally impaired	107,154	48,468	155,622	152,030	3,592
General Special Education	539	1,676	2,215	-	2,215
CI -Local	210,657	73,617	284,274	330,853	(46,579)
AI	258,114	106,160	364,274	372,153	(7,879)
AI - Summer	3,102	-	3,102	53,045	(49,943)
AI- Crary	90,816	25,562	116,378	123,961	(7,583)
AI - H.S.	86,797	41,769	128,566	124,044	4,522
AI - Post Secondary	91,181	97,143	188,324	157,962	30,362
Early Intervention - POHI	88,423	42,091	130,514	128,883	1,631
Children's Village					
Regular	495,297	257,391	752,688	787,023	(34,335)
Emotionally impaired	730,948	373,398	1,104,346	1,138,023	(33,677)
Summer school	33,103	26,680	59,783	60,301	(518)
Resource teacher	83,600	42,063	125,663	123,571	2,092
Secondary Resource Teacher	1,924,741	862,910	2,787,651	2,785,750	1,901
EI teacher	906,245	386,943	1,293,188	1,386,752	(93,564)
Resource/speech	6,414	2,689	9,103	10,326	(1,223)
IDEA - local	353,177	225,832	579,009	541,154	37,855
Transition Mini Grant	400	100	500	500	-
Autism Mini Grant	-	1,048	1,048	1,000	48
OACAN - Oakland Schools	-	2,908	2,908	-	2,908
Mini Intensive Training Grant	-	1,384	1,384	-	1,384
Visually Impaired	77,740	38,403	116,143	119,317	(3,174)
	5,595,223	2,680,483	8,275,706	8,462,255	(186,549)
Total special education programs					

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2009

	Actual			Actual	
	Salaries	Supplies and Expenses	Total	Final Budget	
				Over (Under) Budget	
Added needs - compensatory education					
Extended school year - secondary	\$ 2,257	\$ 621	\$ 2,878	\$ 25,526	\$ (22,648)
Literacy Grant	-	3,818	3,818	-	3,818
Substance Abuse Prevention	-	175	175	-	175
English as a Second Language	118,316	45,269	163,585	157,247	6,338
Total compensatory education	<u>120,573</u>	<u>49,883</u>	<u>170,456</u>	<u>182,773</u>	<u>(12,317)</u>
Added needs - vocational education					
General vocational education	1,468,530	166,785	1,635,315	1,695,813	(60,498)
CTSO	-	4,704	4,704	8,219	(3,515)
Specialized Services	67,690	42,362	110,052	-	110,052
Cosmetology	-	37,753	37,753	29,335	8,418
Total vocational education	<u>1,536,220</u>	<u>251,604</u>	<u>1,787,824</u>	<u>1,733,367</u>	<u>54,457</u>
Adult education					
Adult Credit	49,610	11,578	61,188	81,591	(20,403)
Adult non-credit	-	-	-	18,825	(18,825)
Total adult education	<u>49,610</u>	<u>11,578</u>	<u>61,188</u>	<u>100,416</u>	<u>(39,228)</u>
Total Instruction	<u>37,199,702</u>	<u>6,615,954</u>	<u>43,815,656</u>	<u>43,247,051</u>	<u>568,605</u>
Pupils					
Attendance	77,845	3,952	81,797	82,848	(1,051)
Homeless Assistance Grant	-	2,167	2,167	10,000	(7,833)
Guidance, middle school	652,165	368	652,533	666,106	(13,573)
Guidance, Senior High	686,921	-	686,921	673,593	13,328
Alternate Senior High - Manley	55,955	20,592	76,547	97,833	(21,286)
Alternate Senior High - Manley - Other Support	15,210	13,113	28,323	-	28,323
Adult credit	41,496	8,441	49,937	52,390	(2,453)
Other pupil services	434,419	33,516	467,935	452,100	15,835
General special education	109,700	192,363	302,063	293,057	9,006
LD - Teacher Consultant	117,568	51,820	169,388	214,497	(45,109)
CI - Local O.T.	6,658	3,064	9,722	9,654	68
CI - Local Psych	6,798	3,360	10,158	9,857	301
CI - Local Speech	7,091	3,819	10,910	10,282	628
CI - Local Social Worker	13,277	6,549	19,826	19,623	203

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2009

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
CI - Local Adaptive P.E.	\$ 6,190	\$ 1,675	\$ 7,865	\$ 8,976	\$ (1,111)
AI - O.T.	31,088	13,249	44,337	57,143	(12,806)
AI - Psych	12,392	6,317	18,709	17,757	952
AI - Speech	27,357	13,353	40,710	39,430	1,280
AI - Social Worker	34,612	17,090	51,702	49,288	2,414
AI - Summer O.T.	-	-	-	5,110	(5,110)
AI - Summer Speech	5,043	2,171	7,214	-	7,214
AI M.S. - O.T.	7,772	3,313	11,085	11,142	(57)
AI M.S. - Psych	30,496	10,296	40,792	44,128	(3,336)
AI M.S. - Speech	13,761	6,968	20,729	19,715	1,014
AI M.S. - Social Worker	5,538	2,968	8,506	8,030	476
AI H.S. - O.T.	15,544	6,624	22,168	22,284	(116)
AI H.S. - Psych	7,608	2,185	9,793	11,032	(1,239)
AI H.S. - Speech	12,792	3,284	16,076	27,511	(11,435)
AI H.S. - Social Worker	8,811	3,421	12,232	12,158	74
AI Post Secondary - O.T.	15,544	6,483	22,027	22,284	(257)
AI Post Secondary - Psych	-	-	-	6,854	(6,854)
AI Post Secondary - Speech	16,208	6,803	23,011	9,255	13,756
AI Post Secondary - Social Worker	20,040	10,996	31,036	28,218	2,818
Early Intervention - O.T. & P.T.	36,494	12,853	49,347	52,486	(3,139)
Early Intervention - Psych	36,864	18,951	55,815	53,271	2,544
Children's Village School - EI Psychologist	47,590	13,316	60,906	47,981	12,925
Children's Village School - EI, Social Worker	27,688	24,967	52,655	41,542	11,113
Resource/speech	100,037	43,693	143,730	145,505	(1,775)
Preschool Enrichment - Speech	11,348	2,309	13,657	29,513	(15,856)
Preschool Enrichment - Social Worker	7,608	2,479	10,087	-	10,087
Substance Abuse Prevention	191,741	92,129	283,870	291,559	(7,689)
Speech	707,953	323,220	1,031,173	1,070,152	(38,979)
Social Worker	521,692	246,372	768,064	756,532	11,532
Psychologist	325,694	160,852	486,546	493,083	(6,537)
Visually Impaired - PT/OT	13,316	6,129	19,445	38,616	(19,171)
Visually Impaired - Speech	7,608	1,989	9,597	11,032	(1,435)
Visually Impaired - Social Worker	4,192	2,612	6,804	5,996	808
31A	-	84,900	84,900	80,000	4,900
OACAN - Oakland Schools	-	1,866	1,866	-	1,866
Mental Health Grant	10,250	8,058	18,308	15,317	2,991
Total pupils	4,545,974	1,507,015	6,052,989	6,124,740	(71,751)

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2009

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Instructional staff					
Staff development	\$ 109,411	\$ 67,974	\$ 177,385	\$ 235,322	\$ (57,937)
Math categorical	102,414	28,652	131,066	136,404	(5,338)
Secondary Ed Curriculum	55,800	-	55,800	54,440	1,360
Specialized Services	10,992	7,342	18,334	-	18,334
Vocational	107,663	3,059	110,722	109,376	1,346
Science administration	11,791	67	11,858	8,408	3,450
Music - Fine arts administration	171,947	26,358	198,305	189,581	8,724
Art - Fine arts administration	1,000	3,374	4,374	7,011	(2,637)
Substance abuse prevention	-	2,789	2,789	3,300	(511)
Preschool enrichment	50,393	10,218	60,611	88,753	(28,142)
Adult education	55,689	63,179	118,868	122,259	(3,391)
Adult non-credit	-	-	-	11,635	(11,635)
Physical education	-	1,730	1,730	7,950	(6,220)
Special education administration	359,813	167,820	527,633	553,303	(25,670)
AI	-	6,694	6,694	-	6,694
Library					
Elementary	323,317	10,143	333,460	334,057	(597)
Middle school	243,664	19,817	263,481	273,676	(10,195)
High school	151,960	19,892	171,852	173,265	(1,413)
Library services	19,604	121,900	141,504	120,668	20,836
Waterford Foundation grant	-	91,396	91,396	60,000	31,396
Talent development program	6,804	26,414	33,218	42,966	(9,748)
North central association	-	38,844	38,844	50,000	(11,156)
Durant foundation	25,680	265,464	291,144	295,000	(3,856)
Metro North - grants	-	1,111	1,111	-	1,111
Instructional service valued volunteers	19,736	15,488	35,224	55,871	(20,647)
Vocational mileage	43,169	15,009	58,178	56,845	1,333
EIEP grant	675	773	1,448	-	1,448
Special Education Mini Grant	-	73	73	6,000	(5,927)
Summer Success Lit & Math	7,001	1,602	8,603	16,034	(7,431)
	<u>1,878,523</u>	<u>1,017,182</u>	<u>2,895,705</u>	<u>3,012,124</u>	<u>(116,419)</u>
Total instructional staff					

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2009

	Salaries	Actual Supplies and Expenses	Total	Final Budget	Actual Over (Under) Budget
General administration					
Board of Education	\$ 74,796	\$ 365,627	\$ 440,423	\$ 348,325	\$ 92,098
Executive administration	246,599	19,076	265,675	284,923	(19,248)
Elementary school director	192,339	516,687	709,026	709,347	(321)
Middle school and high school director	186,228	38,082	224,310	223,348	962
Total general administration	<u>699,962</u>	<u>939,472</u>	<u>1,639,434</u>	<u>1,565,943</u>	<u>73,491</u>
School administration					
Elementary principals	1,730,310	423,582	2,153,892	2,149,170	4,722
Middle school principals	850,019	188,799	1,038,818	1,025,487	13,331
Senior high principals	1,207,439	69,738	1,277,177	1,236,933	40,244
Pre-school principal	47,667	13,668	61,335	79,341	(18,006)
CVS principal	232,682	139,809	372,491	366,335	6,156
Alternative H.S. - Manley	186,016	83,881	269,897	301,577	(31,680)
Summer Academy	20,335	9,701	30,036	27,247	2,789
Total school administration	<u>4,274,468</u>	<u>929,178</u>	<u>5,203,646</u>	<u>5,186,090</u>	<u>17,556</u>
Business					
Fiscal services	545,051	87,231	632,282	596,690	35,592
Utilities	-	3,167,733	3,167,733	3,030,000	137,733
Operation	3,157,043	1,073,425	4,230,468	4,166,233	64,235
Maintenance	699,821	1,147,134	1,846,955	1,768,990	77,965
Transportation	2,298,007	150,184	2,448,191	2,453,603	(5,412)
Transportation - Other	-	46,823	46,823	-	46,823
Purchasing	38,221	29,041	67,262	43,367	23,895
Warehouse	132,424	-	132,424	130,628	1,796
Printing	-	40,871	40,871	26,000	14,871
Mail Room	-	30,751	30,751	62,700	(31,949)
Other services	5,214	1,657,461	1,662,675	1,410,500	252,175
Safety and security	42,100	82,174	124,274	118,609	5,665
Facility use	77,031	40,232	117,263	88,074	29,189
Total business	<u>6,994,912</u>	<u>7,553,060</u>	<u>14,547,972</u>	<u>13,895,394</u>	<u>652,578</u>

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2009

	Actual			Actual	
	Salaries	Supplies and Expenses	Total	Final Budget	Over (Under) Budget
Central					
Computer services	\$ 391,780	\$ 94,609	\$ 486,389	\$ 474,814	\$ 11,575
Video services	-	1,374	1,374	-	1,374
Research and evaluation	163,826	38,834	202,660	219,910	(17,250)
School and Community Services	289,430	82,338	371,768	384,023	(12,255)
Human resources	98,938	314,393	413,331	333,542	79,789
Management information systems	247,542	533,470	781,012	683,542	97,470
Employee benefits	148,828	19,902,388	20,051,216	21,495,000	(1,443,784)
Total central	<u>1,340,344</u>	<u>20,967,406</u>	<u>22,307,750</u>	<u>23,590,831</u>	<u>(1,283,081)</u>
Total supporting services	<u>19,734,183</u>	<u>32,913,313</u>	<u>52,647,496</u>	<u>53,375,122</u>	<u>(727,626)</u>
Community and civic services					
Youth assistance	-	15,111	15,111	15,967	(856)
Coalition for youth	-	16,582	16,582	16,582	-
Total community and civic services	<u>-</u>	<u>31,693</u>	<u>31,693</u>	<u>32,549</u>	<u>(856)</u>
Total local share of expenditures	<u>56,933,885</u>	<u>39,560,960</u>	<u>96,494,845</u>	<u>96,654,722</u>	<u>(159,877)</u>
Federal programs	4,385,811	3,671,488	8,057,299	9,045,212	(987,913)
Local - federal					
Headstart	216,211	52,302	268,513	259,909	8,604
Work First	-	11,285	11,285	-	11,285
Waterford Success	-	96	96	5,134	(5,038)
Medicaid	98,570	35,374	133,944	142,723	(8,779)
Total federal share	<u>4,700,592</u>	<u>3,770,545</u>	<u>8,471,137</u>	<u>9,452,978</u>	<u>(981,841)</u>
Total expenditures	<u>\$ 61,634,477</u>	<u>\$ 43,331,505</u>	<u>\$ 104,965,982</u>	<u>\$ 106,107,700</u>	<u>\$ (1,141,718)</u>

Waterford School District
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2009

Year Ending June 30,	March 1, 2006 Issue	April 16, 2009 Issue	June 1, 1999 Series II	June 1, 1999 Series III	June 1, 1999 Series IV	June 1, 2003 Series I	March 24, 2005 Series II	Energy Bonds	Durant	Total
2010	\$ 3,465,000	\$ 1,070,000	\$ 300,000	\$ 800,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 525,000	\$ 230,047	\$ 8,390,047
2011	3,630,000	1,805,000	300,000	800,000	1,000,000	500,000	500,000	525,000	241,004	9,301,004
2012	3,020,000	2,520,000	1,000,000	800,000	1,000,000	500,000	500,000	525,000	252,465	10,117,465
2013	3,060,000	2,000,000	1,500,000	800,000	1,000,000	500,000	500,000	540,000	264,482	10,164,482
2014	3,250,000	-	1,700,000	1,000,000	1,000,000	1,500,000	1,000,000	600,000	-	10,050,000
2015	-	-	4,200,000	1,000,000	1,000,000	1,500,000	1,000,000	875,000	-	9,575,000
2016	-	-	4,300,000	1,000,000	1,000,000	1,500,000	1,500,000	900,000	-	10,200,000
2017	-	-	4,300,000	1,000,000	1,000,000	1,500,000	1,500,000	925,000	-	10,225,000
2018	-	-	-	-	1,000,000	2,000,000	2,000,000	955,000	-	5,955,000
2019	-	-	-	-	1,500,000	2,000,000	2,500,000	975,000	-	6,975,000
2020	-	-	-	-	2,000,000	2,000,000	3,000,000	995,000	-	7,995,000
2021	-	-	-	-	-	2,000,000	3,000,000	995,000	-	5,995,000
2022	-	-	-	-	-	2,600,000	3,000,000	925,000	-	6,525,000
2023	-	-	-	-	-	-	3,575,000	715,000	-	4,290,000
Total	<u>\$ 16,425,000</u>	<u>\$ 7,395,000</u>	<u>\$ 17,600,000</u>	<u>\$ 7,200,000</u>	<u>\$ 12,500,000</u>	<u>\$ 18,600,000</u>	<u>\$ 24,075,000</u>	<u>\$ 10,975,000</u>	<u>\$ 987,998</u>	<u>\$ 115,757,998</u>
Principal payments due the first day of	May	May	May	May	May	May	May	August	May	
Interest payments due the first day of	May and November	May and November	May and November	May and November	May and November	May and November	May and November	August and February	May	
Interest rate	3.63% - 5.00%	2.75% - 2.95%	4.25% - 5.00%	3.90% - 4.65%	2.50% - 4.30%	2.25% - 4.13%	3.75% - 4.40%	4.40%	4.76%	
Original issue	<u>\$ 30,030,000</u>	<u>\$ 15,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 11,950,000</u>	<u>\$ 3,945,891</u>	