HUDSONVILLE PUBLIC SCHOOLS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2015

BeeneGarter LLP

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June 30, 2015

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Mark Davis	Vice President
Larry Kapenga	Secretary
Jim Stuck	Treasurer
Dawn Sneden	Assistant Secretary/ Treasurer
Steve Bowerman	Trustee
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Nicholas Ceglarek	Superintendent
Patrick H. Briggs, II	Director of Business and Finance

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Education
Hudsonville Public Schools
Hudsonville, Michigan

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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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 Hudsonville Public Schools as of June 30, 2015, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the School adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and net pension liability information on pages 5 through 13 and pages 55 and 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The other supplementary information contained on pages 58 and 59 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The remaining supplemental information on pages 60 through 65 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Governmental Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2015 on our consideration of Hudsonville Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting, or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Hudsonville Public School's internal control over financial reporting and compliance.

Beene Garter LLP

October 30, 2015
Grand Rapids, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION and ANALYSIS

For Year Ending June 30, 2015

This section of the Hudsonville Public School annual financial report presents the Administration's discussion and analysis of the District's financial performance during the year ended June 30, 2015.

Generally Accepted Accounting Principles (GAAP) according to GASB 34 require the reporting of two types of financial statements: District-Wide Financial Statements and Fund Financial Statements. The statements are organized to provide the reader with an understanding of the district as a whole and a more detailed examination of specific financial activities.

District-wide financial statements are full accrual basis statements. They report all of the District's assets and liabilities regardless of their "current availability" status. In similar fashion, all of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid. Capital assets and long-term obligations of the District are reported in the Statement of Net Position of the District-wide financial statements.

Fund financial statements are reported on a modified accrual basis. To be reported as an asset an item must be "measurable" and "currently available". Liabilities are recognized if they are expected to be paid with current financial resources.

The financial statements reporting the activities of these funds reflect the requirements of the State of Michigan Department of Education. The District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their respective funds as follows: Debt Retirement, Capital Projects and School Service Funds. In the fund financial statement, purchased capital assets are reported as expenditures in the year of acquisition. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long term obligations are recorded as expenditures. Future year's debt obligations are not recorded, but, disclosed in the Schedule of Bond Maturities.

Summary of Net Position

	June 30, 2014	June 30, 2015
Assets		
Current Assets	$ 55,958,383	$ 32,224,443
Capital Assets	183,883,991	204,451,861
Less: Accumulated Depreciation	60,995,911	61,877,296
Net Book Value	122,888,080	142,574,565
Total Assets	178,846,463	174,799,008
Deferred Outflows of Resources, as restated	9,050,372	12,700,257
Total Assets & Deferred Outflows, as restated	**$ 187,896,835**	**$ 187,499,265**
Liabilities		
Current Liabilities	12,849,329	11,230,209
Long Term Liabilities	146,473,725	143,991,269
Net Pension Liability	91,946,438	86,431,831
Total Liabilities	**251,269,492**	**241,653,309**
Deferred Inflow of Resources	---	**9,555,074**
Net Assets		
Invested in Capital Assets- Net of Related Debt	12,766,990	18,461,118
Restricted For Debt Service	147,654	90,899
Unrestricted, as restated	(76,287,301)	(82,261,135)
Total Net Position, as restated	**(63,372,657)**	**(63,709,118)**
Total Liabilities & Net Position, as restated	**$ 187,896,835**	**$ 187,499,265**

Analysis of Financial Position

District Wide Operations

The district's general expenditures exceeded net revenue for governmental activities by $336,461. The district did not borrow funds for cash flow purposes.

Bonded Debt, Principal Payments and Additions

	Principal Balance June 30, 2014	Principal Additions	Principal Payments	Principal Balance June 30, 2015
School Bond Loan Fund	$ 9,267,734	$ 2,552,413	$ ---	$ 11,820,148
2005	22,540,000	---	22,540,000	---
2008	10,250,000	---	1,125,000	9,125,000
2011	75,700,000	---	1,440,000	74,260,000
2013	22,830,000	---	1,365,000	21,465,000
2015	---	18,915,000	---	18,915,000
Totals	**$140,587,734**	**$ 21,467,413**	**$ 26,470,000**	**$135,585,148**

Net Investment in Capital Assets

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets	$183,883,991	$24,074,202	$ 3,506,332	$204,451,861
Less: Accumulated Depreciation	60,995,911	3,567,825	2,686,440	61,877,296
Net Investment Capital Outlay	**$122,888,080**	**$20,506,377**	**$ 819,892**	**$142,574,565**

Pension Expense

GASB 68 and 71 now require the District to account for its payments to the Michigan Public School Employees' Retirement System in a manner that has a significant effect on the District's Change in Net Position. Based on various factors, the District may report an increase or decrease in net position depending on whether the District's proportionate share of the net pension liability increases or decreases in any given year. For the year ended June 30, 2015, the District's net pension liability decreased by more than $5,500,000, before the impact of pension related net deferred inflows of approximately $6,200,000.

Results of Operations

For the fiscal year ended June 30, 2014 and 2015 the District-Wide results of operations were as follows:

	June 30, 2014	June 30, 2015
Revenues		
General Revenues		
Property Tax – General Purpose	$ 3,731,598	$ 3,872,423
Property Tax – Debt Service/Bldg & Site	9,581,742	9,922,007
State Aid	42,581,876	46,523,630
Investment Earnings	237,888	8,247
Other	600,976	846,900
	56,734,080	**61,173,207**
Program Revenues		
Operating Grants & Contributions – Federal	1,623,735	1,677,377
Operating Grants & Contributions – State	2,447,463	2,511,124
Operating Grants & Contributions – Other	4,365,075	4,454,903
Charges for Services – Community Services	1,411,404	1,493,406
	9,847,677	**10,136,810**
Total Revenues	**$ 66,581,757**	**$ 71,310,017**
Expenses		
Instruction	$ 40,939,157	$ 41,390,771
Support Services	18,640,743	18,853,875
Community Services	1,657,937	1,668,979
Interest on Debt	6,534,303	5,904,122
Bond Issuance Cost	---	109,503
Loss on disposal of assets	---	819,892
Depreciation	2,410,642	2,899,336
Total Expenses	**$ 70,183,082**	**$ 71,646,478**
Change In Net Position	**(3,601,325)**	**(336,461)**
Cumulative effect of adopting GASB 68 and 71 - net pension liability and pension related deferred outflows	(85,380,103)	---
Change In Net Position, as restated	**$ (88,981,428)**	**$ (336,461)**

State of Michigan Unrestricted Aid (Foundation Grant)

The foundation grant for Hudsonville Public Schools is calculated using the following variables:

A. State of Michigan State Aid Act
B. Student Enrollment – For years ended June 30, 2014 and June 30, 2015, a blended count at 90% of current year fall enrollment and 10% of current year winter enrollment was used to calculate payments from the State.
C. The District's non-homestead tax levy

Per Student Foundation Grant

The State of Michigan establishes the per student foundation grant on an annual basis. For the 2013-2014 and 2014-2015 school years the per student allocation, including one-time state allocations, for Hudsonville was $7,026 per student and $7,126 per student, respectively.

Student Enrollment

The district's student enrollment for 2014-2015 was 6,446 students. The following summarizes the student enrollments for the past five years.

	Student FTE	Change From Prior Year
2014 – 2015	6,446	+ 128
2013 – 2014	6,318	+ 49
2012 – 2013	6,269	+ 92
2011 – 2012	6,177	+185
2010 – 2011	5,992	+194

Refunding of Bonds

During the year the Board of Education issued $18,915,000 of Refunding Bonds to refinance bonds issued in 2005. Those 2005 bonds were originally issued in 1997 to pay for construction of Riley middle school, improved Athletic facilities at the Baldwin street campus and improvements to the Freshman building. The new 2015 refunding bonds were sold at an average interest rate of 2.74%. The 2005 bonds they replaced had an average interest rate of 4.97%. The refinancing saved taxpayers $2,739,000 in interest expense.

Property Taxes Levied For General Operations

The District levies eighteen mills of property taxes for General Fund operations on Non-Homestead properties. The District's non-homestead property tax revenue for 2013-2014 fiscal year was $3,731,598. Non-homestead property tax revenue for 2014-2015 fiscal year was $3,872,423. No significant changes affected the tax base during the 2014-2015 fiscal year.

Debt Fund Property Taxes

The District's debt fund levy which is used to pay the principal and interest on bond obligations is based on the taxable valuation of all properties (homestead and non-homestead). For 2013-2014 and 2014-2015 the District debt millage levy was seven mills. Revenue generated was $8,391,439 and $8,682,391, respectively.

Building & Site Sinking Fund Taxes

The District levied one mill of property tax on all properties (homestead and non-homestead) during 2013-2014 and 2014-2015. Revenue generated was $1,190,303 and $1,239,616, respectively, and was used to purchase property for district use and to complete building projects.

Budget Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the beginning of the new year. For the 2014-15 fiscal year, the District amended the General Fund budget two times: once in March, and a final amendment in June 2015. The following schedule shows a comparison of the original General Fund budget, the final amended General Fund budget and actual totals from operations.

	Original	Final	Actual	Variance With Final Budget-Positive (Negative)	Percent Variance
Total Revenues and Other Financing Sources	**$58,325,003**	**$61,130,830**	**$60,954,465**	**$(176,327)**	**-0.29%**
Expenditures					
Instruction	$38,882,031	$40,165,786	$39,504,976	$660,810	1.65%
Support services	18,953,255	19,314,155	18,361,941	952,214	4.93%
Community services	1,403,980	1,498,099	1,345,187	152,874	10.20%
Total Expenditures	**$59,239,266**	**$60,978,040**	**$59,212,104**	**$1,765,898**	**2.89%**

The actual revenues and other financing sources for the General Fund were $60,954,465. This is more than the original budget estimate of $58,325,003 and slightly below the final amended budget of $61,130,830. The actual General Fund expenditures were $59,212,104. This is less than the original budget estimate of $59,239,266 and less than the final amended budget of $60,978,040.

The variances between actual revenues and the final revenue budget are small and not significant.

The variance between the final expenditure budget and actual expenditure amounts was a reflection of increased concern over the stability of state funding levels and include the following:

- Conservative budget estimates during development and amendment of the budget.
- Realizing positive budget variances in most areas, particularly the non-instructional areas.
- On-going efforts to reduce spending levels and management of employee attrition whenever possible.

Requests For Information

This financial report is designed to provide a general overview of the Hudsonville Public School's finances. Questions concerning any of the information provided in this report should be addressed to:

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Director of Business and Finance
Hudsonville Public Schools
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Hudsonville, Michigan 49426
Telephone: 616-669-1740

BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

BeeneGarter LLP

	June 30, 2015
	Governmental Activities
ASSETS	
Cash and investments	$ 7,874,660
Unexpended bond proceeds	14,288,349
Accounts receivable	10,052,318
Prepaids	9,116
Capital assets, less accumulated depreciation of $61,877,296	142,574,565
TOTAL ASSETS	**174,799,008**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges from bond refunding, net of amortization	2,793,615
Deferred outflows related to pensions	9,906,642
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**12,700,257**
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$ 187,499,265**
LIABILITIES	
Accounts payable	$ 1,163,172
Construction obligations payable	2,789,300
Salaries payable	3,715,992
Accrued liabilities	3,561,745
Long-term liabilities, excluding pension liability	
Bonds payable, due within one year	4,005,000
Other obligations, due within one year	190,995
Bonds payable, due in more than one year	127,716,689
Other obligations, due in more than one year	12,078,585
Net pension liability	86,431,831
TOTAL LIABILITIES	**241,653,309**
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	**9,555,074**
NET POSITION	
Investment in capital assets, net of related debt	18,461,118
Restricted for debt service	90,899
Unrestricted	(82,261,135)
TOTAL NET POSITION	**(63,709,118)**
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$ 187,499,265**

See accompanying notes

Year Ended June 30, 2015

		Program Revenues		Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government -				
Governmental activities				
Instruction	$ 41,390,771	$ -	$ 8,643,404	$ (32,747,367)
Support services	18,853,875	-	-	(18,853,875)
Community services	1,668,979	1,493,406	-	(175,573)
Interest on long-term debt	5,904,122	-	-	(5,904,122)
Loss on disposal of capital assets	819,892	-	-	(819,892)
Bond issuance costs	109,503	-	-	(109,503)
Depreciation (unallocated)	2,899,336	-	-	(2,899,336)
TOTAL GOVERNMENTAL ACTIVITIES	**$ 71,646,478**	**$ 1,493,406**	**$ 8,643,404**	**(61,509,668)**
General revenues				
Taxes				
Property taxes, levied for general purpose				3,872,423
Property taxes, levied for debt service and capital projects				9,922,007
State aid not restricted to specific purposes				46,523,630
Interest and investment earnings				8,247
Other				846,900
TOTAL GENERAL REVENUES				**61,173,207**
CHANGE IN NET POSITION				**(336,461)**
Net Position at Beginning of Year			22,007,446	
Cumulative effect due to change in accounting principle			(85,380,103)	
Net Position at Beginning of Year, as restated				**(63,372,657)**
NET POSITION AT END OF YEAR				**$ (63,709,118)**

See accompanying notes

GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2015

	General Fund	2011 Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 5,070,797	$ -	$ 2,803,863	**$ 7,874,660**
Unexpended bond proceeds	-	14,288,349	-	**14,288,349**
Accounts receivable	10,006,029	9,000	37,289	**10,052,318**
Due to/from other funds	106,467	-	79,431	**185,898**
Prepaids	9,116	-	-	**9,116**
TOTAL ASSETS	**$ 15,192,409**	**$ 14,297,349**	**$ 2,920,583**	**$ 32,410,341**
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	$ 1,156,375	$ -	$ 6,797	**$ 1,163,172**
Construction obligations payable	-	2,770,869	18,431	**2,789,300**
Salaries payable	3,715,992	-	-	**3,715,992**
Due to other funds	-	-	185,898	**185,898**
Accrued liabilities	2,479,773	-	16,150	**2,495,923**
TOTAL LIABILITIES	**7,352,140**	**2,770,869**	**227,276**	**10,350,285**
Fund Balance				
Nonspendable	9,116	-	-	**9,116**
Restricted	-	11,226,784	2,009,403	**13,236,187**
Committed	449,432	-	-	**449,432**
Assigned	1,228,048	299,696	683,904	**2,211,648**
Unassigned	6,153,673	-	-	**6,153,673**
TOTAL FUND BALANCE	**7,840,269**	**11,526,480**	**2,693,307**	**22,060,056**
TOTAL LIABILITIES AND FUND BALANCE	**$ 15,192,409**	**$ 14,297,349**	**$ 2,920,583**	**$ 32,410,341**

See accompanying notes

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION

June 30, 2015

Total Fund Balance - Governmental Funds		**$ 22,060,056**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of capital asset	$ 204,451,861	
Accumulated depreciation	(61,877,296)	142,574,565
The net pension liability is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		
Net pension liability		(86,431,831)
Deferred pension expense items are not capitalized in the governemental funds.		
Deferred outflows	9,906,642	
Deferred inflows	(9,555,074)	351,568
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Bonds payable and other obligations, including unamortized premium and discount	(143,991,269)	
Accrued interest on bonds payable	(1,065,822)	(145,057,091)
Deferred charges on refunding are not capitalized and amortized in the governmental funds.		
Deferred charges on refunding	7,956,690	
Accumulated amortization	(5,163,075)	2,793,615
Total Net Position - Governmental Activities		**$ (63,709,118)**

See accompanying notes

HUDSONVILLE PUBLIC SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2015

	General Fund	2011 Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	$ 3,872,423	$ -	$ 11,416,706	$ 15,289,129
State sources	49,034,754	-	-	49,034,754
Federal sources	1,649,711	-	27,666	1,677,377
Interdistrict and other sources	774,686	61,204	18,877	854,767
TOTAL REVENUES	**55,331,574**	**61,204**	**11,463,249**	**66,856,027**
Expenditures				
Instruction	39,504,976	-	-	39,504,976
Supporting Services	18,361,941	-	109,484	18,471,425
Community Services & Other	1,345,187	-	315,640	1,660,827
Debt service				
Principal retirement	-	-	5,240,000	5,240,000
Interest and fiscal charges	-	-	5,721,372	5,721,372
Bond issuance costs	-	-	109,503	109,503
Capital projects	-	22,121,102	2,898,238	25,019,340
TOTAL EXPENDITURES	**59,212,104**	**22,121,102**	**14,394,237**	**95,727,443**
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	**(3,880,530)**	**(22,059,898)**	**(2,930,988)**	**(28,871,416)**
Other Financing Sources (Uses)				
Operating transfers in (out)				
Other government sources	4,501,040	-	-	4,501,040
Interfund	1,121,851	-	(1,121,851)	-
Proceeds from School Bond Loan Fund	-	-	2,218,037	2,218,037
Proceeds from bond	-	-	21,953,026	21,953,026
Payments to bond escrow agent	-	-	(21,845,323)	(21,845,323)
	5,622,891	**-**	**1,203,889**	**6,826,780**
NET CHANGE IN FUND BALANCES	**1,742,361**	**(22,059,898)**	**(1,727,099)**	**(22,044,636)**
Fund Balance at Beginning of Year	6,097,908	33,586,378	4,420,406	44,104,692
FUND BALANCE AT END OF YEAR	**$ 7,840,269**	**$ 11,526,480**	**$ 2,693,307**	**$ 22,060,056**

See accompanying notes

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

	Year Ended June 30, 2015
Net Change in Fund Balances - Total Governmental Funds	**$ (22,044,636)**
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(3,567,825)
Expenditures for capital assets	24,074,202
Loss on disposal of capital assets	(819,892)
Governmental funds report bond premiums as other financing sources; in the statement of activities, these costs are allocated over the term of the underlying debt as amortization.	
Amortization	421,181
Governmental funds report outlays for deferred charges on refunding as expenditures; in the statement of activities, these costs are allocated over the term of the underlying debt as amortization.	
Amortization	(214,099)
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.	(24,896)
Governmental funds report pension expenditures as contributions are made; on the statement of net position, the change in the net pension liability is recorded as pension expense	(700,160)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but a reduction in long-term debt on the statement of net position.	
Proceeds from debt refunding	(21,953,026)
Proceeds from Michigan School Bond Loan Fund	(2,218,037)
Interest additions to Michigan School Bond Loan Fund	(334,377)
Payment to escrow agent for debt refunding	21,843,523
Principal payments on long-term liabilities	5,240,000
Receipts on a land contract are reported in governmental funds as revenue, but not in the statement of activities (where it reduces long-term assets).	
Principal payments received	(45,288)
Early retirement payments are reported in the governmental funds as when they are paid meanwhile, in the statement of activities, expenditures measured by the amounts earned during the year.	
Early retirement paid during the year ($242,799) was more than the amount earned during the year ($235,930)	6,869
Change in Net Position of Governmental Activities	**$ (336,461)**

See accompanying notes

FIDUCIARY FUNDS - STATEMENT OF FIDUCIARY NET POSITION

June 30, 2015

	Student Activities Agency Fund
ASSETS	
Cash	**$ 567,706**
LIABILITIES	
Due to student groups	**$ 567,706**

See accompanying notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The School District is the lowest level of government that has oversight responsibility and control over all activities related to public school education in the Hudsonville Public School district and is governed by an elected seven-member Board of Education. The School District receives funding from local, state, and federal government sources and must comply with the requirements of these entities. The School District is not included in any other governmental "reporting entity."

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 and 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 and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes: 1) charges to recipients who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, state aid foundation and certain other items not classified as program revenues are reported as general revenue.

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

District-Wide Statements

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

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

Amounts reported as program revenue include 1) charges to recipients for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted State aid.

Fund-Based Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund 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.

Property taxes, unrestricted State aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. Taxes are levied on June 1, and are payable through September 15. Property taxes attach as an enforceable lien on property as of September 15. Various governmental units (including the school) collect the property taxes for the School District and the County remits to the School District any delinquent real property taxes by June 30. 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 the primary operating fund. It accounts for all financial resources and expenditures of the School District except for those required to be accounted for in another fund.

2011 Capital Projects Fund - The fund is used to account for the acquisition and construction of major capital facilities funded by the 2011 bond issue, as well as for the proceeds thereof.

Additionally, the School District reports the following fund types:

Sinking Fund Levy Capital Projects Fund - The fund is used to account for the acquisition or construction of major capital facilities (other than those included in the 2011 Capital Projects Fund).

Community Education Fund - The fund is used to account for the operation of community based programs including childcare services, preschool, youth enrichment, and adult recreation activities.

Food Service Fund - The fund is used to account for the operation of the food service program, primarily in the childcare and preschool services.

2005 Debt Service Fund - This fund is used to account for the accumulation of resources for and payment of principal, interest, and other expenses on general long-term debt.

2008 Debt Service Fund - This fund is used to account for the accumulation of resources for and payment of principal, interest, and other expenses on general long-term debt.

2011 Debt Service Fund - This fund is used to account for the accumulation of resources for and payment of principal, interest, and other expenses on general long-term debt.

2013 Debt Service Fund - This fund is used to account for the accumulation of resources for and payment of principal, interest, and other expenses on general long-term debt.

Fiduciary Funds - These funds are used to account for the changes in assets and liabilities of the activity funds of individual schools and groups. While they are under the supervision of the Board and enhance the Board's educational programs, these funds belong to the individual schools or student groups and are not available for use by the Board. Fiduciary Fund net position and results of operations are not included in the district-wide financial statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by unrestricted resources as needed.

Assets, Liabilities and Net Position

Cash and Investments

Cash and cash equivalents include demand deposits, certificates of deposit, savings accounts, and short-term investments in Michigan School District Liquid Asset Fund (MILAF) with a maturity of three months or less when acquired. The MILAF invests in financial investment vehicles approved by the State of Michigan.

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

Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Amounts due from other governmental units consist primarily of state aid payments from the State of Michigan and other program support.

Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized when appropriate. The School District does not have infrastructure-type assets.

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

Building and additions	10 - 50 years
Buses and other vehicles	3 - 10 years
Furniture and other equipment	5 - 20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Items that qualify for reporting in this category are (1) the deferred charge on the bond refunding reported in the district-wide statement of net position, (2) the change in assumptions for determining the net pension liability as determined by the Office of Retirement Services and (3) the pension contributions made by the School District subsequent to the measurement date of September 30, 2014.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The item that qualifies for reporting in this category is the net difference between the projected and actual earnings on pension plan investments as determine by the Office of Retirement Services.

Accumulated Sick Leave and Vacation Liability

No liability has been established for accumulated sick leave. Employees have no vested rights to unused sick leave, and they may use accumulated leave for limited purposes as specified in the individual contracts.

Vacation pay is expensed when paid. Vacation days are built into the school year calendar for teachers and other ten-month employees and must be fully utilized during each fiscal year since carryover to subsequent years is not permitted. Certain full year employees are awarded vacation days and allowed to carryover a maximum amount of days to subsequent years. No liability has been established as the value of the vested rights to unused vacation days has not been material to financial statements.

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 position. Bond premiums and discounts are recorded at cost and amortized over the life of the underlying debt in the district-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year in which they are incurred.

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

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting.

In the fund financial statements, governmental fund types recognize pension expense as contributions are made.

Net Position and Fund Balances

In the district-wide financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

In the governmental fund financial statements, fund balance is classified as follows:

For *nonspendable* fund balance, amounts are not in spendable form, such as prepaids and inventory, or are required to be maintained intact.

For *restricted* fund balance, amounts are constrained to specific purposes by their providers, such as creditors, grantors, contributors, or laws and regulations, or imposed by law through constitutional provisions or enabling legislation.

For *committed* fund balance, amounts are constrained to specific purposes determined by Hudsonville Public School's highest level of decision-making authority, the Board of Education. Formal action by the board is required to be taken to establish, modify, or rescind a fund balance that is committed.

For *assigned* fund balance, amounts are neither restricted nor committed but the district intends to use the amounts for a specific purpose; intent can be expressed by the Board of Education or by the superintendent and/or assistant superintendent of business to which the board has delegated the authority to assign amounts for specific purposes.

For *unassigned* fund balance, amounts are available for any purpose.

For the classification of fund balances, Hudsonville Public Schools considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, Hudsonville Public Schools considers nonspendable, committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to June 30, 2015 for potential recognition or disclosure in these financial statements. The evaluation was performed through October 30, 2015 the date the financial statements were available for issuance. See Note 11 for subsequent event.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2015, the District implemented Statements 68 and 71 of the Governmental Accounting Standards Board, which requires governments providing defined benefit pension plans to recognize their unfunded pension benefit obligation and the related deferred outflows and inflows in the district-wide financial statements. The net position at June 30, 2014 has been restated to record the cumulative effect of the net pension liability resulting in a $85,380,103 decrease in the beginning net position.

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Michigan Uniform Budgeting and Accounting Act requires the establishment of the General Fund, Special Revenue Fund and Debt Service Fund, each with an annual budget adopted by the Board at the beginning of the fiscal year.

State law requires operation under a balanced budget and budgetary control to the functional, activity or line item level as defined in the Uniform Budgeting and Accounting Act. The original and final budget figures in the accompanying financial statements have been reported at the activity level and the final budget reflects approved amendments made during the year.

The budgets are adopted on a basis consistent with U.S. generally accepted accounting principles and state law. The budget is prepared and controlled by the Superintendent and is approved by the Board of Education.

Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a school shall not incur expenditures in excess of the amount budgeted. For the year ended June 30, 2015, the School District did not have significant expenditure budget variances.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes and the School District's investment policy authorize the district to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The District is allowed to invest in U.S. Treasury or Agency obligations, U.S. Government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

At year-end, 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	$ 7,527,905	$ 567,706	$ 8,095,611
Investments	346,755	-	346,755
Total cash and investments	7,874,660	567,706	8,442,366
Unexpended bond proceeds	14,288,349	-	14,288,349
	$ 22,163,009	**$ 567,706**	**$ 22,730,715**

As of June 30, 2015, the School District had the following investments, including cash management funds held by Michigan Liquid Asset Fund.

Investment	Maturities	Cost
Cash management funds	N/A	$ 14,288,349
Interest bearing checking accounts	N/A	346,755
		$ 14,635,104

Interest Rate Risk - The School District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. As of June 30, 2015, the School District's investment in the state investment pool was rated AAAm by Standard & Poor's and Aaa by Moody's Investor Service, Inc.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the School District investment in a single issuer. The School District places no limit on the amount the School District may invest in any one issuer.

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2015, $7,559,508 of the School District's bank balance of $8,692,382 was exposed to custodial credit risk because it was uninsured and uncollateralized. The above investment held by The Michigan School District Liquid Asset Fund (MILAF) is uninsured.

NOTE 5 - CAPITAL ASSETS

The following summarizes capital asset activity for the year ended June 30, 2015:

	Balance July 1, 2014	Transfers	Additions	Disposals	Balance June 30, 2015
Assets not being depreciated					
Land	$ 4,751,481	$ -	$ 276,159	$ -	$ 5,027,640
Construction in progress	28,514,740	(25,238,369)	22,119,289	-	25,395,660
Subtotal	**33,266,221**	**(25,238,369)**	**22,395,448**	**-**	**30,423,300**
Capital assets being depreciated					
Building and improvements	135,893,904	25,238,369	1,241,053	3,010,804	**159,362,522**
Buses and other vehicles	5,700,299	-	199,724	344,566	**5,555,457**
Furniture and equipment	9,023,567	-	237,977	150,962	**9,110,582**
Subtotal	**150,617,770**	**25,238,369**	**1,678,754**	**3,506,332**	**174,028,561**
Accumulated depreciation					
Building and improvements	49,137,390	-	3,058,991	2,196,804	**49,999,577**
Buses and other vehicles	4,548,753	-	279,904	344,566	**4,484,091**
Furniture and equipment	7,309,768	-	228,930	145,070	**7,393,628**
Subtotal	**60,995,911**	**-**	**3,567,825**	**2,686,440**	**61,877,296**
Net capital assets being depreciated	**89,621,859**	**25,238,369**	**(1,889,071)**	**819,892**	**112,151,265**
Net Capital Assets	**$ 122,888,080**	**$ -**	**$ 20,506,377**	**$ 819,892**	**$ 142,574,565**

At June 30, 2015, the School District held land with a cost of approximately $3,718,000 for purposes of future expansion.

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

Governmental Activities	
Instruction	$ 241,398
Support services	427,091
Unallocated	2,899,336
Total Governmental Activities	**$ 3,567,825**

"School District Sinking Fund" Compliance

Hudsonville Public Schools has created a "School District Sinking Fund" from local tax levy proceeds for the purpose of purchasing real estate sites for, and the construction or repair of, school buildings. The activity in this "Sinking Fund" is contained within the Capital Projects Fund for financial reporting purposes. Section 1212 of the School Code (PA 451 of 1976, as amended) allows for the proceeds from a "School District Sinking Fund" to be used only for the purposes for which bonds (Section 1351a) may be issued including:

> *purchasing, erecting, completing, remodeling or repairing facilities, or parts of or additions to those facilities; acquiring, preparing, developing, improving or repairing sites, or parts of or additions to sites, for school buildings, including library buildings, structures, athletic fields, playgrounds, or other facilities; and acquiring or installing technology in school buildings.*

In accordance with Section 1212(i) of the Revised School Code, as well as the State of Michigan Department of Treasury Letter Number 2004-4, the activity in this "School District Sinking Fund" was subject to audit procedures performed in connection with an independent audit of the general purpose combined financial statements. Hudsonville Public Schools was in compliance with the above stated regulations during the year ended June 30, 2015.

School Bond Construction Compliance

The 2011 Capital Projects Fund includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. As of June 30, 2015, the School District has reported the annual construction activity in the Capital Project Fund of cumulative receipts of $438,860 and expenditures of $70,892,488.

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Amounts due from (to) other funds representing interfund receivables and payables at June 30, 2015 were as follows:

Interfund Balances	Due From	Due To
General Fund	$ 106,467	$ -
Nonmajor Fund:		
Community Education Fund	-	79,431
Food Service Fund	79,431	106,467
	$ 185,898	**$ 185,898**

Transfers between funds during the year ended June 30, 2015 were as follows:

Interfund Transfers	Transfers In	Transfers Out
General Fund	$ 1,121,851	$ -
Nonmajor Funds:		
Community Education Fund		1,194,851
Food Service Fund	73,000	
	$ 1,194,851	**$ 1,194,851**

The transfer between the Community Education Fund and General Fund represents reimbursements for costs incurred related to community education activities.

NOTE 7 - 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 early retirement benefits and funding from the School Bond Loan Fund.

Long-term obligation activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental Activities					
Bonds	$ 131,320,000	$ 18,915,000	$ 26,470,000	$ 123,765,000	$ 4,005,000
Bond premium, net of amortization	5,429,690	2,948,180	421,181	7,956,689	-
Total Bonds Payable	**136,749,690**	**21,863,180**	**26,891,181**	**131,721,689**	**4,005,000**
Other obligations	9,724,035	2,788,344	242,799	12,269,580	190,995
Total Governmental Activities	**$ 146,473,725**	**$ 24,651,524**	**$ 27,133,980**	**$ 143,991,269**	**$ 4,195,995**

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

$17,320,000 - 2008 serial bond issued, due in annual installments of $1,000,000 to $1,025,000 through May 1, 2024, interest at 3.5% to 5.0%	$ 9,125,000
$79,850,000 - 2011 serial bond issued, due in annual installments of $1,485,000 to $4,965,000 through May 1, 2041, interest at 2.25% to 5.25%	74,260,000
$22,830,000 - 2013 advance refunding serial bond issued, due in annual installments of $1,420,000 to $1,585,000 beginning May 1, 2015 through May 1, 2029, interest at 3.0% to 5.0%	21,465,000
$18,915,000 - 2015 advance refunding serial bond issued, due in annual installments of $575,000 to $2,035,000 beginning May 1, 2017 through May 1, 2027, interest at 5.0%	18,915,000
TOTAL BONDED DEBT	**$ 123,765,000**

In prior years and the current year, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts, assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2015, there were no amounts outstanding on the defeased bonds.

The annual requirements to amortize the bonds payable are as follows:

	Principal	Interest	Totals
2016	$ 4,005,000	$ 6,169,005	**$ 10,174,005**
2017	4,575,000	5,814,363	**10,389,363**
2018	5,710,000	5,615,413	**11,325,413**
2019	5,845,000	5,358,326	**11,203,326**
2020	5,995,000	5,079,826	**11,074,826**
2021-2025	31,545,000	20,872,430	**52,417,430**
2026-2030	23,070,000	11,535,974	**34,605,974**
2031-2035	16,685,000	10,250,176	**26,935,176**
2036-2040	21,370,000	5,821,102	**27,191,102**
2041	4,965,000	769,124	**5,734,124**
	$ 123,765,000	**$ 77,285,739**	**$ 201,050,739**

The Debt Service Fund has $90,899 designated to serve the general obligation bonds.

Other obligations consist of the following:

School Bond Loan Revolving Fund, repayment is based on the School District's ability to meet bond debt service requirements, interest at 3.41183%. At this time, the School District is unable to estimate annual principal and interest requirements	$ 11,820,148
Early Retirement Incentive Plan payments are due to several former employees of the School District in annual installments of $5,680 to $19,866 through June 2019, including interest at 6.5%	449,432
TOTAL OTHER OBLIGATIONS	**$ 12,269,580**

The District is required to obtain loans from the School Bond Loan Revolving Fund (Fund) for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt.

During the year, $334,377 of accrued interest was added to the District's liability to the Fund. In the calculation of net position on the statement of net position, the outstanding principal and accrued interest for this bond are included in "unrestricted net position."

The annual requirements to amortize the benefits under the Early Retirement Incentive Plan payable are as follows:

	Principal	Interest	**Totals**
2016	$ 190,995	$ 30,099	**$ 221,094**
2017	146,170	17,308	**163,478**
2018	74,380	7,519	**81,899**
2019	37,887	2,537	**40,424**
	$ 449,432	**$ 57,463**	**$ 506,895**

On February 5, 2015, the District issued $18.915 million in General Obligation Bonds with interest at 5% to refund $21.230 million of outstanding 2005 Series bonds with interest ranging from 4.15% to 5.0%. The net proceeds of $21.8 million, after payment of $199,349 in underwriting fees, insurance and other issuance costs were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 Bond Issue.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $523,677. This difference, reported in the accompanying financial statements as a deferred outflow, is being charged to operations through 2027 using the straight-amortization. The District completed the advance refunding to reduce its total debt service payments over the next 20 years by approximately $2.7 million and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of $2.6 million.

NOTE 8 - MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (MPSERS) AND NET PENSION LIABILITY

Plan Description

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

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

Contributions

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

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

The range of rates is as follows:

July 1, 2013 - September 30, 2013	12.78% - 16.25%
October 1, 2013 - September 30, 2014	15.44% - 18.34%
October 1, 2014 - June 30, 2015	18.67% - 23.07%

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

The School District's required and actual contributions to the plan for the year ended June 30, 2015 was $10,338,499. Contributions include $2,925,145 in revenue received from the State of Michigan to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate for the year ended June 2015.

Benefits Provided

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

A DB member or Pension Plus plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

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

Pension Liabilities

At June 30, 2015, the District reported a liability of $86,431,831 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2014, the District's proportion was 0.39240%.

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

For the year ended June 30, 2015, the District recognized total pension expense of $7,001,384.

At June 30, 2015, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	3,189,150	-
Net difference between projected and actual earnings on pension plan investments	-	9,555,074
Changes in proportion and differences between Reporting Unit contributions and proportionate share of contributions	628	-
Reporting Unit contributions subsequent to the measurement date	6,716,864	-
Total	**$ 9,906,642**	**$ 9,555,074**

Deferred outflows of $6,716,864 related to the pension due to District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2016.

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

Year Ended September 30	Net Deferred Outflows of Resources
2015	$ 1,559,329
2016	1,559,329
2017	1,559,329
2018	1,687,309
	$ 6,365,296

Actuarial Valuations and Assumptions

Actuarial valuations for the pension plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Actuarial Assumptions	
Wage Inflation Rate	3.5%
Investment Rate of Return	
MIP and Basic Plans (Non-Hybrid)	8.0%
Pension Plus Plan (Hybrid)	7.0%
Projected Salary Increases	3.5% - 12.3%, including wage inflation at 3.5%
Cost-of-Living Pension Adjustments	3% Annual Non-Compounded for MIP Members
Healthcare Cost Trend Rate	8.5.% Year 1 graded to 3.5% Year 12
Mortality	RP-2000 Male and Female Combined Healthy Life Mortality Tables, adjusted for mortality improvements to 2025 using projection scale BB. For retirees, 100% of the table rates were used For active members, 80% of the table rates were used for males and 70% of the table rates were used for females

The actuarial assumptions used for the September 30, 2013 valuation were based on the results of an actuarial experience study for the period from October 1, 2007 to September 30, 2012. As a result of this study, the actuarial assumptions were adjusted to more closely reflect actual experience.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014, are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	28.00%	4.80%
% Alternative Investment Pools	18.00%	8.50%
International Equity Pools	16.00%	6.10%
Fixed Income Pools	10.50%	1.50%
Real Estate and Infrastructure Pools	10.00%	5.30%
Absolute Return Pools	15.50%	6.30%
Short Term Investment Pools	2.00%	-0.02%
	100.00%	

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

Rate of Return

For the fiscal year ended September 30, 2014, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 12.58%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 8.0% was used to measure the total pension liability (7.0% for the Pension Plus plan, a hybrid plan). This discount rate was based on the long term expected rate of return on pension plan investments of 8.0% (7.0% for the Pension Plus plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

As required by GASB Statement No. 68, the following presents the reporting unit's proportionate share of the net pension liability, calculated using a discount rate of 8.0% (7.0% for the Pension Plus Plan), as well as what the reporting unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease (Non-Hybrid/Hybrid) 7.0% / 6.0%	Current Single Discount Rate Assumption (Non-Hybrid/Hybrid) 8.0% / 7.0%	1% Increase (Non-Hybrid/Hybrid) 9.0% / 8.0%
$ 113,952,843	$ 86,431,831	$ 63,244,972

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. If the actuarial valuation is not calculated as of the plan's fiscal year end, the total pension liability is required to be rolled forward from the actuarial valuation date to the pension plan's fiscal year end.

The total pension liability as of September 30, 2014, is based on the results of an actuarial valuation date of September 30, 2013, and rolled forward using generally accepted actuarial procedures.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS financial report.

Post-employment Benefits Other than Pensions (OPEB)

Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate ranged from 5.52 percent to 6.45 percent of covered payroll for the period from July 1, 2014 to September 30, 2014, and from 2.20 percent to 2.71 percent of covered payroll for the period from October 1, 2014 through June 30, 2015 dependent upon the employee's date of hire and plan election as noted above. Members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit, or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement. Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 401(k) account.

The District's contribution to the plan for retiree healthcare benefits for the year ended June 30, 2015, was approximately $1,029,000.

NOTE 9 - FUND BALANCE

The classification of fund balance is shown in the table below as of June 30, 2015:

	General Fund	2011 Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable for:				
Prepaids	$ 9,116	$ -	$ -	**$ 9,116**
Restricted for:				
Debt service	-	-	90,899	**90,899**
Capital improvements	-	11,226,784	1,918,504	**13,145,288**
Committed to:				
Retirement benefits debt	449,432	-	-	**449,432**
Assigned to:				
Budgeted deficit	1,228,048	-	-	**1,228,048**
Other purposes	-	299,696	683,904	**983,600**
Unassigned:	6,153,673	-	-	**6,153,673**
TOTAL FUND BALANCE	**$ 7,840,269**	**$ 11,526,480**	**$ 2,693,307**	**$ 22,060,056**

NOTE 10 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District purchases commercial insurance to cover substantially all potential losses. Settled claims covered by the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

Litigation

In the normal course of its activities, the School District becomes a party in various legal actions. Management of the School District is of the opinion that the outcome of such actions will not have a material effect on the financial position of the School District and, therefore, has not included a reserve for such losses in the financial statements.

Federal Funding

The School District participates in a number of federally assisted grant programs. These programs are subject to a compliance audit. The audit for the year ended June 30, 2015, has been conducted and has been reported in the Single Audit Report. However, the compliance audit report has not yet been accepted by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

Commitments

The School District has entered into contracts for construction and architecture services relating to the early childhood center, the central maintenance facility, the new high school and various athletic improvements. The total contract costs are approximately $56,300,000. As of June 30, 2015, the amount remaining on these contracts is approximately $9,900,000.

NOTE 11 - SUBSEQUENT EVENT

Subsequent to year end, the School District residents voted in favor of a $21.9 million bond proposal. The bond proceeds will be used to address enrollment growth by improving technology, renovating buildings and securing school entrances. The bonds will be issued during the subsequent fiscal year at which time the District will enter into contracts for various goods and services related to bond proposal projects.

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2015

	Original Budget	Final Amended Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenue				
Local sources	$ 5,712,545	$ 6,134,336	$ 6,042,366	$ (91,970)
State sources	46,522,080	49,037,637	49,034,754	(2,883)
Interdistrict and other sources	4,411,000	4,245,000	4,227,634	(17,366)
Federal sources	1,679,378	1,713,857	1,649,711	(64,146)
TOTAL REVENUE	**58,325,003**	**61,130,830**	**60,954,465**	**(176,365)**
Expenditures - Current				
Instruction				
Basic programs	33,372,403	33,726,896	33,153,984	(572,912)
Added needs	5,509,628	6,438,890	6,350,992	(87,898)
Supporting Services				
Pupil support	3,110,393	3,328,469	3,315,016	(13,453)
Instructional support	1,430,826	1,438,493	1,353,009	(85,484)
Operations and maintenance	4,802,600	4,748,148	4,410,323	(337,825)
Pupil transportation	2,683,360	2,844,047	2,702,633	(141,414)
Administration	6,926,076	6,954,998	6,580,960	(374,038)
Community services	1,403,980	1,498,099	1,345,187	(152,912)
TOTAL EXPENDITURES	**59,239,266**	**60,978,040**	**59,212,104**	**(1,765,936)**
NET CHANGE IN FUND BALANCE	**(914,263)**	**152,790**	**1,742,361**	**1,589,571**
Fund Balance at Beginning of Year	6,097,908	6,097,908	6,097,908	-
FUND BALANCE AT END OF YEAR	**$ 5,183,645**	**$ 6,250,698**	**$ 7,840,269**	**$ 1,589,571**

Year Ended June 30, 2015

Schedule of the Proportionate Share of Net Pension Liability at September 30, 2014 (Plan's year end)

	2014
A. Reporting unit's proportion of net pension liability (%)	0.39240%
B. Reporting unit's proportionate share of net pension liability	$ 86,431,831
C. Reporting unit's covered-employee payroll	$ 34,121,961
D. Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll (%)	253.30%
E. Plan fiduciary net position as a percentage of total pension liability	66.20%

Schedule of Pension Contributions for the year ended June 30, 2014

	2014
A. Statutorily required contributions	$ 7,413,354
B. Contributions in relation to statutorily required contributions*	$ 7,413,354
C. Contribution deficiency (excess)	$ -
D. Reporting unit's covered-employee payroll	$ 33,844,020
E. Contributions as a percentage of covered-employee payroll	22%

*Contributions in relation to statutorily required contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

Notes to Required Supplementary Information

Changes of benefit terms: There were no changes in benefit terms in 2014.

Changes of assumptions: There were no changes of benefit assumptions in 2014.

OTHER SUPPLEMENTAL INFORMATION

HUDSONVILLE PUBLIC SCHOOLS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015

	Capital Projects Sinking Fund Levy	Community Education Fund	Food Service Fund	Debt Service 2005	Debt Service 2008	Debt Service 2011	Debt Service 2013	Totals
ASSETS								
Cash and investments	$ 1,936,935	$ 739,141	$ 30,091	$ 12,630	$ 13,767	$ 49,034	$ 22,265	$ 2,803,863
Accounts receivable	-	36,274	1,015	-	-	-	-	37,289
Due to/from other funds	-	-	79,431	-	-	-	-	79,431
	$ 1,936,935	**$ 775,415**	**$ 110,537**	**$ 12,630**	**$ 13,767**	**$ 49,034**	**$ 22,265**	**$ 2,920,583**
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ 738	$ 1,010	$ 3,495	$ 1,554	$ 6,797
Construction payable	18,431	-	-	-	-	-	-	18,431
Due to other funds	-	79,431	106,467	-	-	-	-	185,898
Accrued liabilities	-	16,150	-	-	-	-	-	16,150
Fund Balances								
Restricted	1,918,504	-	-	11,892	12,757	45,539	20,711	2,009,403
Assigned	-	679,834	4,070	-	-	-	-	683,904
	$ 1,936,935	**$ 775,415**	**$ 110,537**	**$ 12,630**	**$ 13,767**	**$ 49,034**	**$ 22,265**	**$ 2,920,583**

BeeneGarter LLP

HUDSONVILLE PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2015

	Capital Projects Sinking Fund Levy	Community Education Fund	Food Service Fund	Debt Service 2005	Debt Service 2008	Debt Service 2011	Debt Service 2013	Totals
Revenues								
Local sources	$ 1,240,282	$ 1,494,033	$ -	$ 1,505,483	$ 1,203,386	$ 4,141,002	$ 1,832,520	$ 11,416,706
Federal sources	-	-	27,666	-	-	-	-	27,666
Interdistrict and other sources	-	-	12,888	1,257	787	2,739	1,206	18,877
TOTAL REVENUES	**1,240,282**	1,494,033	**40,554**	**1,506,740**	**1,204,173**	**4,143,741**	**1,833,726**	**11,463,249**
Expenditures								
Supporting Services	-	-	109,484	-	-	-	-	109,484
Community Services & Other	-	315,640	-	-	-	-	-	315,640
Debt service								
Principal retirement	-	-	-	1,310,000	1,125,000	1,440,000	1,365,000	5,240,000
Interest and fiscal charges	-	-	-	589,684	398,250	3,786,088	947,350	5,721,372
Bond issuance costs	-	-	-	109,503	-	-	-	109,503
Capital projects	2,898,238	-	-	-	-	-	-	2,898,238
TOTAL EXPENDITURES	**2,898,238**	**315,640**	**109,484**	**2,009,187**	**1,523,250**	**5,226,088**	**2,312,350**	**14,394,237**
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	**(1,657,956)**	**1,178,393**	**(68,930)**	**(502,447)**	**(319,077)**	**(1,082,347)**	**(478,624)**	**(2,930,988)**
Other Financing Sources (Uses)								
Operating transfers out								
Interfund	-	(1,194,851)	73,000	-	-	-	-	(1,121,851)
Proceeds from School Bond Loan Fund	-	-	-	357,832	308,334	1,098,636	453,235	2,218,037
Proceeds from bonds	-	-	-	21,953,026	-	-	-	21,953,026
Payments to bond escrow agent	-	-		(21,843,623)	(750)	(750)	(200)	(21,845,323)
	-	**(1,194,851)**	**73,000**	**467,235**	**307,584**	**1,097,886**	453,035	**1,203,889**
(DEFICIENCY) EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER EXPENDITURES	**(1,657,956)**	**(16,458)**	**4,070**	**(35,212)**	**(11,493)**	**15,539**	**(25,589)**	**(1,727,099)**
Fund Balance at Beginning of Year	3,576,460	696,292	-	47,104	24,250	30,000	46,300	4,420,406
FUND BALANCE AT END OF YEAR	**$ 1,918,504**	**$ 679,834**	**$ 4,070**	**$ 11,892**	**$ 12,757**	**$ 45,539**	**$ 20,711**	**$ 2,693,307**

BeeneGarter LLP

June 30, 2015

	Rate	Principal	Interest	Totals
Debt of March 4, 2008				
November 1, 2015		$ -	$ 180,844	**$ 180,844**
May 1, 2016	3.500%	1,100,000	180,844	**1,280,844**
November 1, 2016			161,593	**161,593**
May 1, 2017	3.500%	1,000,000	161,594	**1,161,594**
November 1, 2017			144,093	**144,093**
May 1, 2018	3.750%	1,025,000	144,094	**1,169,094**
November 1, 2018			124,875	**124,875**
May 1, 2019	3.625%	1,000,000	124,875	**1,124,875**
November 1, 2019			106,750	**106,750**
May 1, 2020	4.000%	1,000,000	106,750	**1,106,750**
November 1, 2020			86,750	**86,750**
May 1, 2021	4.000%	1,000,000	86,750	**1,086,750**
November 1, 2021			66,750	**66,750**
May 1, 2022	4.000%	1,000,000	66,750	**1,066,750**
November 1, 2022			46,750	**46,750**
May 1, 2023	5.000%	1,000,000	46,750	**1,046,750**
November 1, 2023			21,750	**21,750**
May 1, 2024	4.350%	1,000,000	21,750	**1,021,750**
TOTALS		**$ 9,125,000**	**$ 1,880,312**	**$ 11,005,312**

June 30, 2015

	Rate	Principal	Interest	**Totals**
Debt of June 28, 2011				
November 1, 2015		$ -	$ 1,871,444	**$ 1,871,444**
May 1, 2016	2.250%	1,485,000	1,871,444	**3,356,444**
November 1, 2016			1,854,738	**1,854,738**
May 1, 2017	5.000%	1,520,000	1,854,738	**3,374,738**
November 1, 2017			1,816,738	**1,816,738**
May 1, 2018	5.000%	1,595,000	1,816,738	**3,411,738**
November 1, 2018			1,776,863	**1,776,863**
May 1, 2019	5.000%	1,675,000	1,776,863	**3,451,863**
November 1, 2019			1,734,988	**1,734,988**
May 1, 2020	5.000%	1,760,000	1,734,988	**3,494,988**
November 1, 2020			1,690,988	**1,690,988**
May 1, 2021	5.000%	1,845,000	1,690,988	**3,535,988**
November 1, 2021			1,644,863	**1,644,863**
May 1, 2022	5.000%	1,940,000	1,644,863	**3,584,863**
November 1, 2022			1,596,363	**1,596,363**
May 1, 2023	5.000%	2,035,000	1,596,363	**3,631,363**
November 1, 2023			1,545,488	**1,545,488**
May 1, 2024	5.000%	2,135,000	1,545,488	**3,680,488**
November 1, 2024			1,492,113	**1,492,113**
May 1, 2025	5.250%	2,245,000	1,492,113	**3,737,113**
November 1, 2025			1,433,181	**1,433,181**
May 1, 2026	4.250%	2,360,000	1,433,181	**3,793,181**
November 1, 2026			1,383,031	**1,383,031**
May 1, 2027	5.250%	2,460,000	1,383,031	**3,843,031**
November 1, 2027			1,318,456	**1,318,456**
May 1, 2028	5.250%	2,590,000	1,318,456	**3,908,456**

June 30, 2015

	Rate	Principal	Interest	Totals
November 1, 2028		$ -	$ 1,250,469	**$ 1,250,469**
May 1, 2029	5.250%	2,725,000	1,250,469	**3,975,469**
November 1, 2029			1,178,938	**1,178,938**
May 1, 2030	5.250%	2,870,000	1,178,938	**4,048,938**
November 1, 2030			1,103,600	**1,103,600**
May 1, 2031	5.000%	3,020,000	1,103,600	**4,123,600**
November 1, 2031			1,028,100	**1,028,100**
May 1, 2032	5.000%	3,170,000	1,028,100	**4,198,100**
November 1, 2032			948,850	**948,850**
May 1, 2033	5.000%	3,330,000	948,850	**4,278,850**
November 1, 2033			865,600	**865,600**
May 1, 2034	5.000%	3,495,000	865,600	**4,360,600**
November 1, 2034			778,225	**778,225**
May 1, 2035	5.000%	3,670,000	778,225	**4,448,225**
November 1, 2035			686,475	**686,475**
May 1, 2036	5.000%	3,855,000	686,475	**4,541,475**
November 1, 2036			590,100	**590,100**
May 1, 2037	5.250%	4,050,000	590,100	**4,640,100**
November 1, 2037			483,788	**483,788**
May 1, 2038	5.250%	4,260,000	483,788	**4,743,788**
November 1, 2038			371,963	**371,963**
May 1, 2039	5.250%	4,485,000	371,963	**4,856,963**
November 1, 2039			254,231	**254,231**
May 1, 2040	5.250%	4,720,000	254,231	**4,974,231**
November 1, 2040			130,331	**130,331**
May 1, 2041	5.250%	4,965,000	130,331	**5,095,331**
TOTALS		**$ 74,260,000**	**$ 61,659,848**	**$ 135,919,848**

June 30, 2015

	Rate	Principal	Interest	Totals
Debt of March 12, 2013				
November 1, 2015		$ -	$ 446,375	**$ 446,375**
May 1, 2016	4.000%	1,420,000	446,375	**1,866,375**
November 1, 2016			417,975	**417,975**
May 1, 2017	4.000%	1,480,000	417,975	**1,897,975**
November 1, 2017			388,375	**388,375**
May 1, 2018	4.000%	1,560,000	388,375	**1,948,375**
November 1, 2018			357,175	**357,175**
May 1, 2019	5.000%	1,565,000	357,175	**1,922,175**
November 1, 2019			318,050	**318,050**
May 1, 2020	5.000%	1,560,000	318,050	**1,878,050**
November 1, 2020			279,050	**279,050**
May 1, 2021	5.000%	1,585,000	279,050	**1,864,050**
November 1, 2021			239,425	**239,425**
May 1, 2022	5.000%	1,580,000	239,425	**1,819,425**
November 1, 2022			199,925	**199,925**
May 1, 2023	5.000%	1,580,000	199,925	**1,779,925**
November 1, 2023			160,425	**160,425**
May 1, 2024	4.000%	1,580,000	160,425	**1,740,425**
November 1, 2024			128,825	**128,825**
May 1, 2025	4.000%	1,560,000	128,825	**1,688,825**
November 1, 2025			97,625	**97,625**
May 1, 2026	4.000%	1,540,000	97,625	**1,637,625**
November 1, 2026			66,825	**66,825**
May 1, 2027	3.000%	1,520,000	66,825	**1,586,825**
November 1, 2027			44,025	**44,025**
May 1, 2028	3.000%	1,485,000	44,025	**1,529,025**
November 1, 2028			21,750	**21,750**
May 1, 2029	3.000%	1,450,000	21,750	**1,471,750**
TOTALS		**$ 21,465,000**	**$ 6,331,650**	**$ 27,796,650**

June 30, 2015

	Rate	Principal	Interest	Totals
Debt of February 5, 2015				
November 1, 2015		$ -	$ 698,804	**$ 698,804**
May 1, 2016	5.000%	-	472,875	**472,875**
November 1, 2016			472,875	**472,875**
May 1, 2017	5.000%	575,000	472,875	**1,047,875**
November 1, 2017			458,500	**458,500**
May 1, 2018	5.000%	1,530,000	458,500	**1,988,500**
November 1, 2018			420,250	**420,250**
May 1, 2019	5.000%	1,605,000	420,250	**2,025,250**
November 1, 2019			380,125	**380,125**
May 1, 2020	5.000%	1,675,000	380,125	**2,055,125**
November 1, 2020			338,250	**338,250**
May 1, 2021	5.000%	1,745,000	338,250	**2,083,250**
November 1, 2021			294,625	**294,625**
May 1, 2022	5.000%	1,815,000	294,625	**2,109,625**
November 1, 2022			249,250	**249,250**
May 1, 2023	5.000%	1,885,000	249,250	**2,134,250**
November 1, 2023			202,125	**202,125**
May 1, 2024	5.000%	1,985,000	202,125	**2,187,125**
November 1, 2024			152,500	**152,500**
May 1, 2025	5.000%	2,030,000	152,500	**2,182,500**
November 1, 2025			101,750	**101,750**
May 1, 2026	5.000%	2,035,000	101,750	**2,136,750**
November 1, 2026			50,875	**50,875**
May 1, 2027	3.000%	2,035,000	50,875	**2,085,875**
TOTALS		**$ 18,915,000**	**$ 7,413,929**	**$ 26,328,929**

June 30, 2015

Tax Year	State Taxable Value		
	General	Debt Service	Capital Projects
2014	$ 214,523,838	$ 1,231,531,482	$ 1,231,531,482
2013	211,459,616	1,187,239,762	1,187,239,762
2012	210,586,311	1,163,356,530	1,163,356,530
2011	222,427,905	1,187,405,599	1,187,405,599
2010	234,536,395	1,206,375,352	1,206,375,352
2009	250,476,276	1,229,220,315	1,229,220,315
2008	239,551,491	1,241,684,591	1,241,684,591
2007	251,995,713	1,184,123,036	1,184,123,036
2006	237,686,569	1,102,811,987	1,102,811,987
2005	217,569,826	1,009,493,804	1,009,493,804

General Fund

Year of Levy	Total Dollar Levy	Total Levy Collected as of June 30	Percentage Collected as of June 30	Uncollected as of June 30
2014	$ 13,794,430	$ 13,794,430	100.00%	$ -
2013	13,362,526	13,362,526	100.00%	-
2012	13,179,196	13,179,196	100.00%	-
2011	13,559,629	13,559,629	100.00%	-
2010	13,932,567	13,916,352	99.88%	-
2009	14,321,426	14,321,426	100.00%	-
2008	14,356,867	14,356,867	100.00%	-
2007	13,961,100	13,961,100	100.00%	-
2006	13,340,724	13,340,724	100.00%	-
2005	12,019,856	12,019,856	100.00%	-
				$ -

NOTE - The County pays to the Schools all delinquent real property taxes upon return of the tax rolls to the County. The levy amounts include adjustments by the Tax Tribunal to the original levy.