

Walden Green Montessori  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2015

**NOTE E—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2015 is as follows:

**Due to/from other funds:**

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	<u>\$ 57,500</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Interfund Transfers**

The General Fund transferred \$316,250 to the Debt Service Fund to finance operations.

**NOTE F—LONG-TERM OBLIGATIONS**

The School issues bonds, notes and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School.

The following is a summary of long-term obligations activity for the School for the year ended June 30, 2015:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due within</u> <u>one year</u>
<b>Governmental activities</b>					
Bonds	\$ 3,965,000	\$ -	\$ 90,000	\$ 3,875,000	\$ 95,000
Discount	(177,805)	-	(8,144)	(169,661)	-
	<u>\$ 3,787,195</u>	<u>\$ -</u>	<u>\$ 81,856</u>	<u>\$ 3,705,339</u>	<u>\$ 95,000</u>

General obligation bonds consist of the following:

	<u>Interest</u> <u>Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Balance</u>
General obligation bonds			
2006 Limited Obligation Revenue Bond	5-5.625%	October 2036	<u>\$ 3,875,000</u>

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**NOTE F—LONG-TERM OBLIGATIONS—Continued**

The annual requirements of principal and interest to amortize the bonded debt outstanding as of June 30, 2015 follow:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 95,000	213,625	\$ 308,625
2017	100,000	208,875	308,875
2018	105,000	203,875	308,875
2019	110,000	198,363	308,363
2020	115,000	192,588	307,588
2021-2025	680,000	864,250	1,544,250
2026-2030	900,000	654,687	1,554,687
2031-2035	1,185,000	372,094	1,557,094
2036-2037	585,000	41,484	626,484
	<u>\$ 3,875,000</u>	<u>\$ 2,949,841</u>	<u>\$ 6,824,841</u>

**NOTE G—EMPLOYEE BENEFITS**

*Employee Retirement System*

**Plan Description**

The Michigan Public School Employees' Retirement System (MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at <http://michigan.gov/orsschools/0,1607,7-206-36585---,00.html>.

**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.