

Grand Blanc Community Schools
Grand Blanc, Michigan



A Tradition of Excellence - Our Plan for the Future

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007

GRAND BLANC COMMUNITY SCHOOLS
11920 South Saginaw
Grand Blanc, Michigan 48439



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007

Prepared by:

Dana J. Taylor, CPA
Business Manager

GRAND BLANC COMMUNITY SCHOOLS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2007

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11920 South Saginaw
Grand Blanc, MI 48439

Phone: (810)591-6000
Fax: (810)591-6018
www.grandblancschools.org

September 21, 2007

Board of Education
Grand Blanc Community Schools
11920 South Saginaw Street
Grand Blanc, Michigan 48439

Dear Board Members:

This is the Comprehensive Annual Financial Report of the Grand Blanc Community Schools for the fiscal year ended June 30, 2007. The district's management is responsible for the accuracy, completeness, and fair presentation of the financial information and related disclosures. We believe that the information presented in this report fairly states the financial position and results of operations of the district. The financial information and related disclosures are intended to enable the reader to gain an understanding of the district's financial position at June 30, 2007.

Report Organization

This report is organized into four sections. The Introductory Section presents the organizational chart for the district as well as the Certificate of Excellence in Financial Reporting (CAFR) award received for the fiscal year ended June 30, 2006. The Association of School Business Officials (ASBO) International awards the CAFR certificate to districts that meet or exceed the reporting principles and standards set by ASBO.

The Financial Section contains the auditor's opinion letter and the Management's Discussion and Analysis report. The Management's Discussion and Analysis report provides a more detailed analysis of the financial condition of the District and can be found on pages 11 – 17 of this report. The District's basic financial statements, fund financial statements and required supplemental information are also contained in this section. The district received an unqualified audit opinion on its financial statements for the year ended June 30, 2007. There were no scope limitations.

The Single Audit Section presents the auditor's compliance reports regarding Federal revenue as well as the Schedule of Expenditures of Federal Awards.

The Statistical Section presents selected financial and demographic information on a multi-year basis when appropriate.

District Background

Grand Blanc Community Schools provides public education to students in Kindergarten through twelfth grades. Additional services include programs for children ages 0-3 years, Early Start and Head Start programs for three and four year old children, and community education classes for adult enrichment. The District also provides Parks and Recreation programs for community members in collaboration with Grand Blanc Township and the City of Grand Blanc.

Board of Education

Michael E. Blondell, *President* Jane L. Brewer, *Vice President* Debra C. Hancock, *Secretary* Larry Polzin, *Treasurer*
Susan R. Edwards, *Trustee* Lisa A. Kunkleman, *Trustee* Lillian G. Mason, *Trustee*

Administration

Michael L. Newton, Ph.D., *Superintendent* Norman M. Abdella, Ed.D., *Assistant Superintendent*
James P. Adams II, *Director of Operations* Dana J. Taylor, C.P.A., *Director of Business Affairs* Diane L. Wilbur, *Director of Personnel*

Competitive Environment

There are two charter schools currently located within the district: Woodland Park Academy and Grand Blanc Academy. Woodland Park Academy provides educational services to approximately 344 students in the Kindergarten through eighth grades. Most of these students reside outside the Grand Blanc Community Schools district. Woodland Park Academy is chartered and controlled by Central Michigan University. Grand Blanc Academy is a charter school managed by Mosaica and provides educational services to approximately 451 students in Kindergarten through the eighth grades. Neither charter school is directed or controlled by the Grand Blanc Community Schools Board of Education.

Private schools located within the district include Holy Family Catholic School. Holy Family provides educational services to approximately 496 students in grades Kindergarten through eighth, 98% of whom are residents of the district. Holy Family is not directed or controlled by the Grand Blanc Community Schools Board of Education.

Strategic Plan

All activities of the Grand Blanc Community Schools are guided by a strategic plan that has been refined through annual review since its inception in 1989. Through this process, the Board of Education provides a rich, comprehensive general education program for students. Additionally, quality programs are provided in Special, Compensatory, and Vocational Education as well as enrichment opportunities for academically gifted students. These programs contributed to student success demonstrated by the following sample of district-wide achievements:

- Student scores on the Michigan Educational Assessment Program (MEAP) at all grade levels continue to be among the best in Michigan, and Grand Blanc High School's average MEAP scores continue to rank in the top 1% of all high schools in the state
- Every graduate in the Class of 2007 passed the MEAP Reading, Science, Writing and Mathematics tests. Grand Blanc High School is one of the few schools in Michigan that requires its graduates to meet this standard
- \$1,512,000 in Michigan Promise scholarship money was earned by the class of 2007
- The student drop-out rate for 2007 was less than 1%
- Surveys reveal high degrees of student satisfaction regarding their acceptance at school regardless of cultural, ethnic, gender, academic, or other individual differences
- Students, support staff, faculty, and administrators earned many honors and awards.

Academic Achievement

The district has committed to the use of the national Baldrige criteria for performance excellence. These standards are more comprehensive than the North Central Accreditation and meet or exceed those standards.

The academic achievement of students within the district is formally measured by the results of the Michigan Educational Assessment Program (MEAP) and the American College Test (ACT). The MEAP provides a comparison of Grand Blanc students with a state-established standard in reading, writing, mathematics, science and social studies. The ACT results are used to determine the level of preparation for our college-bound high school students. The average ACT scores of our students consistently exceed state and national averages.

Federal legislation requires that each State have a single school accountability system that addresses all public schools. This accountability system must include Adequate Yearly Progress (AYP) in conformity with the specific federal requirements. Michigan's school accountability system (Education Yes!) seeks to provide feedback to schools and parents on how they are faring based on high standards for all students. Each school building is given a Composite Grade based on 1) *achievement status* to measure how well a school is educating its students; 2) *achievement change* to measure whether student achievement is improving or declining, and 3) *achievement growth* to measure whether students are demonstrating at least one year of academic growth for each year of instruction (AYP). The Composite Grade is the overall grade for the school, arrived at by combining results over 2 years. Many schools will not receive a letter grade under Education Yes! due to insufficient data for the calculations. In our district, insufficient data is the result of a building operating for the first time as an elementary school and too few students in a rating category. All other buildings earned an "A" Composite Grade and met AYP as illustrated below:

<u>Building</u>	<u>Composite Grade</u>	<u>AYP Status</u>
Anderson Elementary (K-2)	A	Met AYP
Brendel Elementary (K-5)	No Grade	First year
Cook Elementary (K-2)	A	Met AYP
Indian Hill Elementary (K-5)	A	Met AYP
Mason Elementary (3-5)	A	Met AYP
McGrath Elementary (3-5)	A	Met AYP
Myers Elementary (K-5)	A	Met AYP
Perry Kindergarten	No Grade	Too few
Perry City School	A	Met AYP
Reid Elementary (K-5)	A	Met AYP
Middle School East (6-8)	No Grade	First year
Middle School West (6-8)	No Grade	First year
High School (9-12)	A	Met AYP

The State of Michigan also contracted with Standard & Poor's to conduct an analysis of Michigan school districts based on school district data for the years 1997-1999 through June 30, 2006. The most recent report listed the Grand Blanc Community School district as an "outperforming school district," one of just 43 school districts named state-wide. An outperforming school district is one that reports significantly higher percentages of students who are proficient or above on state reading and math tests than other school districts with similar levels of poverty.

The complete Standard & Poor's evaluation report and the Michigan School Report Cards can be located through the Michigan Department of Education website at www.michigan.gov/mde.

Economic Environment

Michigan voters approved the state constitutional amendment known as Proposal A in the spring of 1994. Funding of district operations shifted dramatically from local property tax revenue to State Aid as a result of this amendment. This is illustrated in the ten-year history of the General Fund revenues that appear in the Statistical Section of this report. Voter approval of the district's Sinking Fund in 2005 and the 2004 bond issues provide additional funding for essential capital projects.

The declining automobile industry continues to significantly influence the economy in Grand Blanc. However, commercial and residential real estate developments have grown within the

district fueled by growth from northern Oakland County and southern Genesee County. This growth ensures the stability of the district debt levies as well as the Capital Projects-Building and Site levy.

Student enrollment has increased over 1,400 students in the last five years. To service the continued enrollment growth, the district completed the construction of two new middle school buildings, as well as a transportation building and additions and renovations to other district facilities. For these capital projects, the voters of the community approved a \$94,000,000 qualified bond issue in March 2004. The new construction was substantially complete on June 30, 2007. The district's current bond rating by Moody's Investor Service is AAA.

Accounting Environment

Internal Controls: Internal controls are administered under the direction of the Board of Education and the Superintendent. In addition to budgetary controls for expenditures, receipting processes and other areas of financial management are reviewed on a continuing basis. The district believes its internal controls are adequate and can be relied upon to reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Budgetary Controls: The district uses the combination of a centralized and site-based budgeting process. This system of budgetary controls is designed to effectively allocate resources to maximize student benefit. All budgeted expenditures focus on the educational goals, building-level school improvement plans and the overall strategic plans of the district. It is district policy to preserve an unrestricted fund balance of 5%, based on total funds available to appropriate. This policy has allowed the district to continually improve quality educational services to the students of the district.

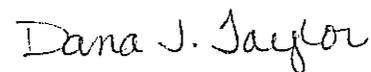
Cash Management: The district's cash management policy and procedure is designed to ensure maximum interest earnings on available cash balances with minimal principal investment risk. The district invests its available cash balances in certificates of deposit, interest-bearing checking accounts, United States Treasury and Agency bonds and A1P1 rated commercial paper. The Board annually adopts a 100% summer tax levy that has enabled the district to avoid borrowing against State Aid to fund cash flow needs.

Risk Management: The district self-funds employee dental and optical care benefits. A plan administrator collects premiums from the district based on actual claims paid in the prior year. Excess contributions may be returned to the district or netted against current year premium payments. Past results of these programs have been favorable when compared to fully insured programs offered by insurance companies. All other employee insurances are purchased from reputable companies. Terms of property, general liability and worker compensation insurance policies appear on the insurance schedule in the Statistical Section of this report.

We thank the members of the Board of Education for their continued guidance and support. Copies of this report are available for public distribution upon request.

Sincerely,


Michael Newton, Ph.D.
Superintendent of Schools


Dana J. Taylor, CPA
Business Manager



This Certificate of Excellence in Financial Reporting is presented to

GRAND BLANC COMMUNITY SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

John D. Musso

President
Executive Director

GRAND BLANC COMMUNITY SCHOOLS
11920 SOUTH SAGINAW STREET
GRAND BLANC, MICHIGAN 48439

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PRINCIPAL OFFICIALS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

BOARD OF EDUCATION

MR. MICHAEL BLONDELL	PRESIDENT
MRS. JANE BREWER	VICE PRESIDENT
MRS. SUSAN EDWARDS	SECRETARY
MR. LARRY POLZIN	TREASURER
MRS. LILIAN MASON	TRUSTEE
MRS. DEBRA HANCOCK	TRUSTEE
MRS. LISA KUNKLEMAN	TRUSTEE

SUPERINTENDENT
MICHAEL NEWTON, Ph.D.

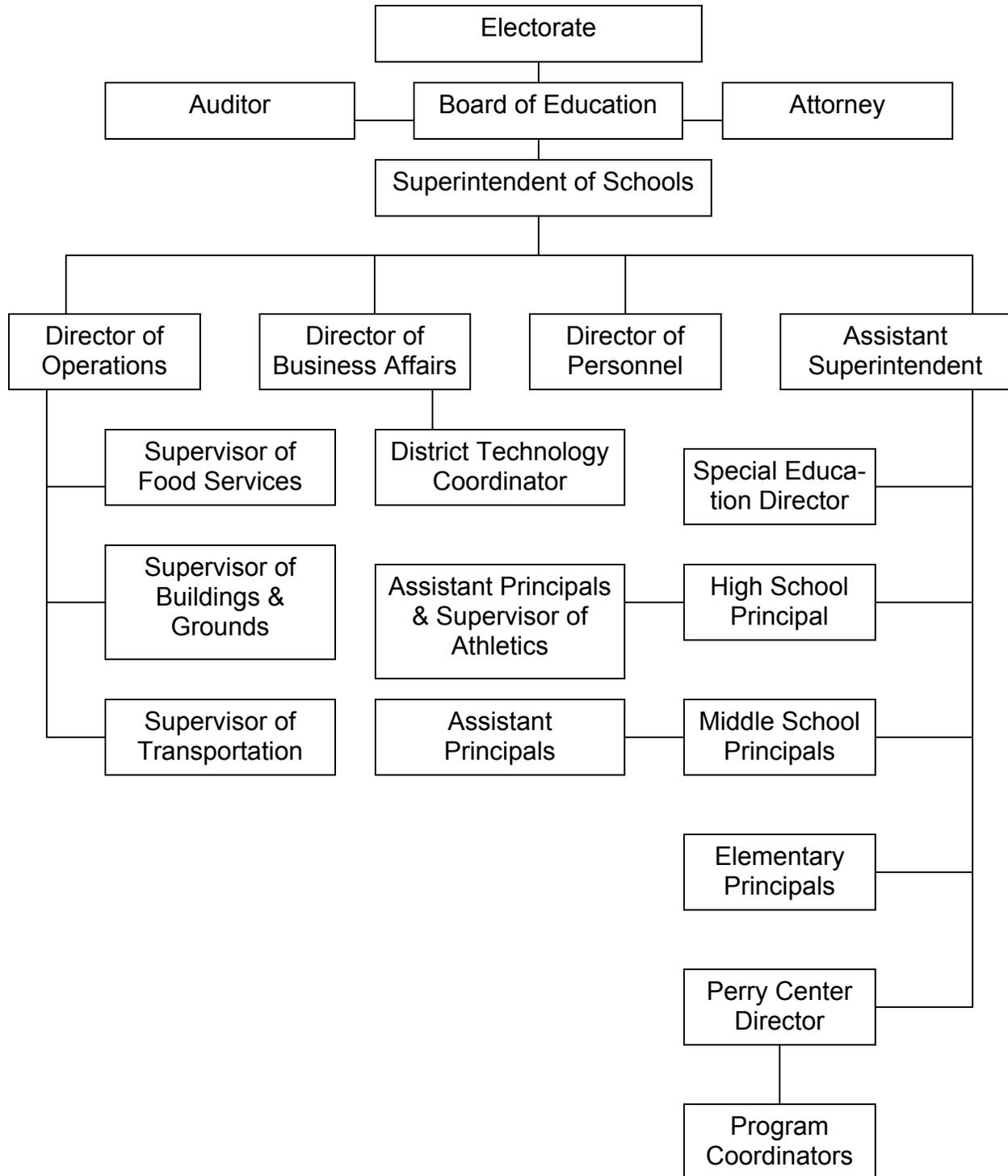
ASSISTANT SUPERINTENDENT
NORMAN ABDELLA, Ed.D.

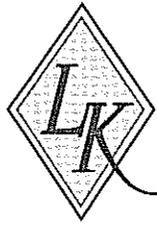
DIRECTOR OF OPERATIONS
J.P. ADAMS

PERSONNEL DIRECTOR
DIANE WILBUR

BUSINESS MANAGER
DANA J. TAYLOR, CPA

GRAND BLANC COMMUNITY SCHOOLS
 ADMINISTRATIVE ORGANIZATIONAL CHART
 JULY 2007





Lewis & Knopf, CPAs, P.C.

Serving You with Trust and Integrity

September 21, 2007

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Grand Blanc Community Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Blanc Community Schools, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Grand Blanc Community School's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Grand Blanc Community Schools, as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21 2007 on our consideration of the Grand Blanc Community School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis information and budgetary comparison information on pages through 11 – 17 and page 37, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grand Blanc Community School's basic financial statements. The additional information on pages 39 - 85 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

LEWIS & KNOPF, P.C.

CERTIFIED PUBLIC ACCOUNTANTS



11920 South Saginaw
Grand Blanc, MI 48439

Phone: (810)591-6000
Fax: (810)591-6018
www.grandblancschools.org

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

Our discussion and analysis of Grand Blanc Community Schools' financial performance, a GASB 34 requirement, provides an overview of the School District's financial activities for the fiscal year ended June 30, 2007.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June, 2000.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The School District's annual report includes fund financial statements and district-wide financial statements. The fund financial statements are comparable to statements presented in years prior to June 30, 2002 except that the General Fixed Assets and General Long Term Debt account groups are no longer reported. The fund-level statements are reported using a modified accrual basis of accounting. That is, only those assets that are "measurable" and "currently available" are reported, and liabilities are recognized to the extent they would normally be paid with current financial resources. Fund financial statements report the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds – the General Fund, Special Services Funds, Capital Projects Funds, and Debt Service Fund.

The District-wide Statement of Net Assets and Statement of Activities are new and are reported using the full accrual basis of accounting. With this method all of the District's assets and liabilities, and all of the current year revenues and expenditures, are reported regardless of when cash is received or paid. These statements provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. For example, the Statement of Activities details how the District's services were financed in the short-term and the amount that remains for future spending. The Statement of Net Assets aggregates the District's restricted and unrestricted assets as well as short and long-term obligations recorded in all funds.

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's *net assets* – the difference between assets and liabilities, as reported in the Statement of Net Assets, is one way to measure the School District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets, as reported in the Statement of Activities, is one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues and expenses indicates the School District's *operating results*. However, the School District's goal is to provide services to its students, not to generate profits as commercial entities do. Many other non-financial factors, such as the quality of the education provided and the safety of the schools, must also be considered when assessing the *overall health* of the School District. Standard & Poor's is contracted by the Michigan Department of Treasury to rate all Michigan school districts on the basis of academic performance compared to overall costs. Grand Blanc Community Schools is ranked in the top 1% of all school districts in the state.

Board of Education

Michael E. Blondell, *President* Jane L. Brewer, *Vice President* Debra C. Hancock, *Secretary* Larry Polzin, *Treasurer*
Susan R. Edwards, *Trustee* Lisa A. Kunkleman, *Trustee* Lillian G. Mason, *Trustee*

Administration

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Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

The School District's net assets totaled \$35,248,206 at June 30, 2007 and \$43,096,353 at June 30, 2006. At June 30, 2007, \$15,950,415 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and legislation that limits the School District's ability to use those net assets for day-to-day operations.

	June 30, <u>2007</u>	June 30, <u>2006</u>
Assets		
Current assets	\$ 27,786,200	\$ 48,906,217
Capital assets net of depreciation	117,933,721	32,802,893
Construction in progress	<u>0</u>	<u>79,482,842</u>
 Total assets	 \$ 145,719,921	 \$ 161,191,952
Liabilities		
Current liabilities	\$ 10,612,457	\$ 13,771,802
Long-term liabilities	<u>99,859,258</u>	<u>104,323,797</u>
 Total liabilities	 110,471,715	 118,095,599
Net Assets		
Invested in capital assets, net of related debt	14,770,913	19,074,565
Restricted for capital projects	3,490,349	6,050,930
Restricted for debt service	495,615	206,445
Other purposes	540,915	641,669
Unrestricted	<u>15,950,415</u>	<u>17,122,744</u>
 Total net assets	 <u>35,248,206</u>	 <u>43,096,353</u>
 Total liabilities and net assets	 <u>\$ 145,719,921</u>	 <u>\$ 161,191,952</u>

The \$15,950,415 in unrestricted net assets of governmental activities represents District funds that have not been committed contractually or for debt obligations and are available for future use.

Total net assets decreased approximately \$7.86 million in 2006-07. The major components of the net decrease in net fixed assets are as follows:

➤ Depreciation expense

The provisions of GASB 34 require districts to maintain a record of annual depreciation expense and accumulated depreciation. The net increase in accumulated depreciation is a reduction in net assets. Depreciation expense is recorded using a straight-line method over the estimated useful lives of the assets. In accordance with generally accepted accounting principles, depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. For the year ended June 30, 2007 the net increase in accumulated depreciation was \$2,825,771.

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

➤ Capital acquisitions

Capital outlay for the year ended June 30, 2007 totaled \$87,956,599. Combined with current year depreciation and the effect of fixed asset disposals, net capital assets increased by \$85,130,828. Of that amount, \$79,482,842 was reclassified from work-in-progress because the District's capital projects were completed during the year.

➤ Debt repayment

The district levies property taxes for the specific purpose of retiring debt. The collection of these taxes and the resultant repayment of debt decreases the District's long-term principal obligations and, as a result, the net assets of the district increase. The District repaid \$3,182,605 of long-term debt in the current fiscal year.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities. Below is a summary of the District-wide results of operations for the year ended June 30, 2007 and June 30, 2006:

	June 30, <u>2007</u>	June 30, <u>2006</u>
General revenue		
Property taxes levied for general operations	\$ 10,558,750	\$ 9,855,024
State of Michigan aid, unrestricted	50,114,906	46,378,046
Property taxes levied for debt service	8,038,977	7,656,254
Property taxes levied for building & site	1,772,864	1,719,643
Other – federal, state and local	<u>2,391,412</u>	<u>2,544,273</u>
Total general revenue	72,876,929	68,153,240
Program revenue		
Charges for services – local	3,440,198	3,307,549
Operating grants – federal and state	<u>6,087,190</u>	<u>5,624,985</u>
Total revenues	82,404,317	77,085,774
Expenses		
Instruction	57,564,741	38,260,514
Support services	22,827,205	23,156,981
Community services	430,040	501,180
Food services	2,728,402	3,197,625
Athletics	819,762	775,698
Child Care	939,603	837,130
Interest on long-term debt	4,871,941	4,798,255
Depreciation (unallocated)	<u>70,770</u>	<u>132,471</u>
Total expenses	90,252,464	71,659,854
Increase (Decrease) in net assets	<u>(7,848,147)</u>	<u>5,425,920</u>
Net assets – July 1	<u>43,096,353</u>	<u>37,670,433</u>
Net assets – June 30	<u>\$ 35,248,206</u>	<u>\$43,096,353</u>

Grand Blanc Community Schools – Grand Blanc, Michigan
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

GOVERNMENTAL FUNDS FINANCIAL HIGHLIGHTS

Our financial statements provide the following insights about the results of this year's operations:

The overall condition of the governmental funds has declined from the prior year. In the General Fund, the excess of expenditures over revenue totaled \$1.7 million. Primarily, the decline in fund balance is attributable to costs associated with the first year of operations for the two new middle schools and the Brendel building as an elementary school. Increased operating expenditures included additional administrative, pupil support, transportation and custodial staff costs as well as utility costs and buses.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, before student enrollment counts are known. Therefore, it is expected that there will be changes between the initial budget and subsequent budgets, as actual enrollments and resultant staffing requirements are known. Currently, the most significant budgeted funds are the General Fund and the Capital Projects Funds. During the fiscal year ended June 30, 2007, the School District amended the budgets of these major governmental funds three times, none of them in significant amounts.

General Fund

In the general fund, the actual revenue and other financing sources totaled \$67.7 million. This is above the original budget estimate of \$65.2 million and the final amended budgeted amount of \$66.9 million, a variance of 1%. The actual expenditures and other financing uses of the general fund totaled \$69.4 million. This is above the original budget estimate of \$67.8 million and below the final amended budgeted amount of \$71 million. The variances between the actual revenues and the original and final revenue budgets are due primarily to the following:

- Higher than projected local revenue due to local grants
- Higher than anticipated investment income
- Adjustments to various federal and state grants

The variances between the actual General Fund expenditures and the original and final expenditure budgets are primarily due to under-spending in capital purchases and supply costs.

General Fund revenues totaled \$67.7 million and total expenditures \$69.4 million for the year. The fund balance was approximately \$16.5 million at June 30, 2007.

Capital Projects Funds

The Capital Projects Funds receive revenues from property taxes and building and site bond issues used for the purposes approved by the voters for each issue, as well as interest income from investment of bond proceeds. The actual revenue and other financing sources in the Capital Projects Funds totaled \$2.3 million.

The actual expenditures in the capital projects funds totaled \$18.7 million and included expenditures for Sinking Fund and capital projects funded by the 2004 bond issue as described below.

The 2004 issue was for the purpose of acquiring a site for a new middle school; erecting equipping and furnishing two new middle schools and related athletic fields, and preparing developing and improving the sites therefore; acquiring, installing and equipping school buildings for technology improvements; remodeling, reequipping and refurbishing the Grand Blanc Middle School main campus building to provide a high school building and preparing, developing and improving the site therefore; erecting, equipping and furnishing a Grand Blanc High School and preparing, developing and improving the site therefore; acquiring sites for a new transportation

Grand Blanc Community Schools – Grand Blanc, Michigan
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2007

services building and a new maintenance and grounds building and preparing developing and improving the sites therefore.

The 2005 Building and Site Sinking Fund was for the purpose of repair, acquisition or construction of capital facilities or equipment held by the School District. The District collects building and site millage across total property values. However, taxable value is capped according to state law at amounts less than market value related to inflation rate growth.

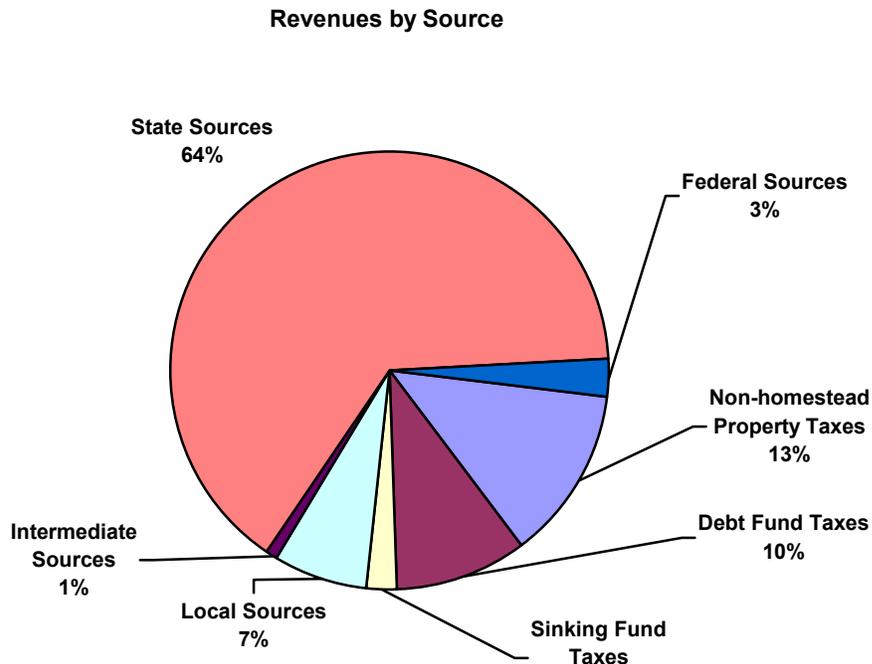
GOVERNMENTAL FUND EXPENDITURES

The following chart illustrates that general fund comprises 69% of all the expenditures within the governmental funds of the School District compared to 48% in the prior year due to 2004 capital projects expenditures. For the year ended June 30, 2007, expenditures totaled \$100.6 million for all District programs. The ending fund balance for all funds was equal to \$22.3 million of which \$3.5 million was reserved for the 2004 bond issue.

	Expenditures June 30, 2007 (In millions)	% Of TOTAL	Expenditures June 30, 2006 (In millions)	% Of TOTAL
General Fund	\$69.40	69%	\$61.20	60%
Capital Projects Funds	18.70	19%	53.50	29%
Other Non-major Funds	<u>12.54</u>	<u>12%</u>	<u>12.40</u>	<u>11%</u>
Total	<u>\$100.64</u>	100%	<u>\$127.10</u>	100%

TOTAL REVENUES & OTHER FINANCING SOURCES

Revenues and other financing sources for all governmental funds totaled \$82.4 million. The following graph illustrates the District revenues and other financing sources by source as a percentage of total revenue and other financing sources:



Grand Blanc Community Schools – Grand Blanc, Michigan
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Unrestricted State Aid

The district is predominately funded by State Aid, which has increased on a per-pupil basis between years at a modest rate until 2003-04 when an executive order was issued by the State to reduce school funding by \$74 per pupil. State revenues to the District increased by \$3.7 million as the result of increased enrollment and an increase in the per-pupil allocation of \$210. State Aid membership, which is a blended count of 25% of the February and 75% of the September student count, was 8,227 and 7,848 in 2006-07 and 2005-06 respectively. The state per-pupil allocation was \$7,565 for 2006-07 and \$7,355 for the 2005-06 school year.

Property Taxes

The District levies 18 mills of property taxes on all Non-Homestead property located within the district for General Fund operations. The levy is assessed on the taxable value of the property. The increase in taxable value is limited to the lesser of the inflation rate of the prior year or 5%. When a property is sold, the taxable valuation of the sold property is readjusted to the State Equalized Value, which is approximately 50% of market value. The 2006-07 Non-Homestead property tax levy totaled approximately \$10.6 million.

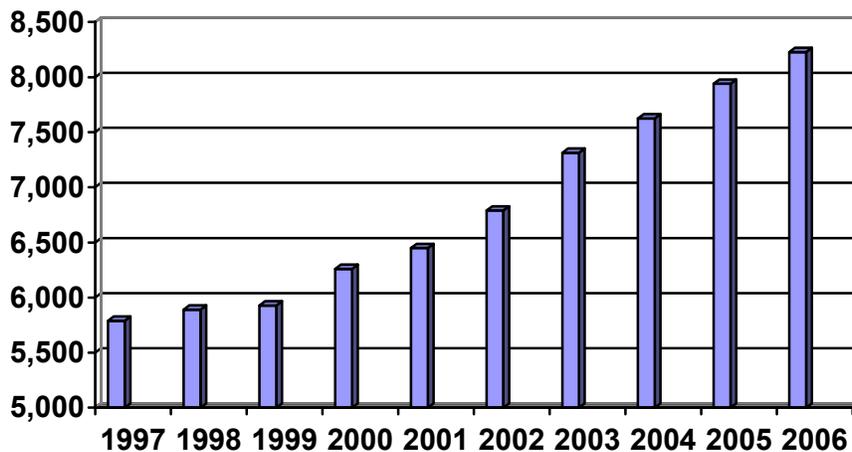
The District levies 4.47 mills of property taxes on all classes of property located within the district for bonded debt retirement. This levy is not subject to rollback provisions and is used to pay the principal and interest on bond obligations. The total amount levied for debt retirement in the current year was \$8 million.

The District's sinking fund is used for the repair and maintenance of buildings and equipment. The voters approved a one mill, five-year levy beginning in the year 2005. This levy is subject to rollback provisions and is currently equal to 1.0 mills. The total amount collected in 2006-07 for this purpose was \$1.8 million.

ENROLLMENT

The District's September 2006 enrollment totaled 8,227 students. This is an increase in enrollment of 287 students from the prior year September count. Grand Blanc Community Schools is geographically located in the southeastern portion of Genesee County. This area is experiencing growth along the I-75 corridor fueled by growth in Southeastern Michigan. The District anticipates moderate growth in the near future due to the decreasing residential construction within its boundaries. Enrollment growth over the last ten years can be illustrated as follows:

Enrollment Growth



Enrollment is important to the financial health of the District because State funding is based on a per-pupil formula.

Grand Blanc Community Schools – Grand Blanc, Michigan
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2007, the School District had \$145.9 million invested in land and buildings, furniture and equipment, vehicles and buses. Of this amount, \$27.9 million has been depreciated. Net book value totals \$118 million. Additions for the year totaled \$88 million and were comprised of site improvements, buildings and additions, and bus and equipment purchases. The district's buildings range in years of construction from 1924 (The Perry Center) to 2006 (the Middle School East and Middle School West buildings). The majority of the buildings were constructed in the 1950's and 1960's. The district is committed to the timely repairs and maintenance of its facilities. Computer purchases are under the District's capitalization threshold of \$5,000 and are expensed accordingly.

Capital Assets at Year End
 (Net of Depreciation)
 (In Millions)

	Governmental	Activities
	<u>2007</u>	<u>2006</u>
Land and Improvements	\$ 5.24	\$ 4.30
Buildings and Additions	106.83	24.15
Furniture and Equipment	3.56	2.30
Vehicles & Buses	<u>2.35</u>	<u>2.05</u>
Total	<u>\$ 117.93</u>	<u>\$ 32.80</u>

Debt

OUTSTANDING DEBT AT YEAR-END

At June 30, 2007, the School District had \$98.8 million in bonds outstanding for Capital Projects. The District collects property taxes for the retirement of bonded debt obligations across total property values. Therefore, total growth in valuation is an important element in determining the District's ability to retire bonded debt and/or to incur additional bonded debt as increased enrollment may require.

Additionally, the District had \$914,929 in installment loans outstanding for buses, portable classrooms, copiers and technology equipment including computers.

The estimated liability for unpaid sick days, including salary-related payments was \$774,427 at June 30, 2007. Vacation time earned but not used and payable amounted to \$20,690.

For more detailed information regarding capital assets and debt administration, please review the Notes to the Basic Financial Statements located in the financial section of this report.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to give an overview of the financial conditions of the Grand Blanc Community School District. If you should desire additional detailed financial program audits, they can be obtained by contacting the following person:

Dana J. Taylor, CPA
 Business Manager
 Grand Blanc Community Schools
 11920 S. Saginaw Street
 Grand Blanc, MI 48439
 Office Telephone (810) 591-6008, Fax (810) 591-6018
 Or Email – dtaylor@grandblancschools.org

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2007

		Governmental Activities
Assets		
Current Assets		
Cash, cash equivalents and investments	\$	18,175,384
Accounts receivable		124,753
Due from other governmental units		9,295,473
Inventory		27,485
Prepaid costs		163,105
Total current assets		27,786,200
Non-Current Assets		
Land and land improvements		5,235,962
Buildings and improvements		128,964,021
Equipment and furniture		6,135,802
Vehicles		5,543,126
Less: accumulated depreciation		(27,945,190)
Net fixed assets		117,933,721
Total assets	\$	145,719,921
Liabilities		
Current Liabilities		
Accounts payable		653,049
Salaries payable		4,755,607
Payroll deductions and withholdings		2,996
Accrued interest on long-term debt		817,852
Deferred revenue		113,135
Current portion of accumulated unpaid benefits		205,515
Current portion of long-term obligations		4,064,303
Total current liabilities		10,612,457
Non-Current Liabilities		
Noncurrent portion of accumulated unpaid benefits		589,602
Noncurrent portion of long-term obligations		95,640,626
Deferred charges for debt issue premiums & other debt issue costs		3,629,030
Total non-current liabilities		99,859,258
Total liabilities		110,471,715
Net Assets		
Net Assets		
Invested in capital assets, net of related debt		14,770,913
Restricted for:		
Capital projects		3,490,348
Debt service		495,615
Other purposes		540,915
Unrestricted		15,950,415
Total net assets		35,248,206
Total liabilities and net assets	\$	145,719,921

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES
JUNE 30, 2007

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs				
Governmental Activities				
Instruction				
Basic programs	\$ 50,046,213	\$	\$ 173,032	\$ (49,873,181)
Added needs	7,518,528		4,777,708	(2,740,820)
Support services	22,827,205		121,389	(22,705,816)
Community services	430,040	261,520	17,700	(150,820)
Food services	2,728,402	2,059,846	997,361	328,805
Athletics	819,762	176,705		(643,057)
Child care	939,603	942,127		2,524
Interest on long-term debt net of amortization of debt issue premium	4,871,941			(4,871,941)
Unallocated depreciation	70,770			(70,770)
Total governmental activities	\$ 90,252,464	\$ 3,440,198	\$ 6,087,190	(80,725,076)
General Purpose Revenues				
				10,558,750
				1,772,864
				8,038,997
				50,114,906
				162,674
				1,332,868
				895,870
				72,876,929
				(7,848,147)
				43,096,353
				\$ 35,248,206

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	Capital Projects Funds	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 12,243,953	\$ 3,636,683	\$ 2,294,748	\$ 18,175,384
Accounts receivable	65,186	-	59,567	124,753
Due from other governmental units	9,295,473	-	-	9,295,473
Interest receivable	-	-	-	-
Inventory	-	-	27,485	27,485
Prepaid costs	55,626	-	107,479	163,105
	<u>\$ 21,660,238</u>	<u>\$ 3,636,683</u>	<u>\$ 2,489,279</u>	<u>\$ 27,786,200</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 431,606	\$ 146,335	\$ 75,108	\$ 653,049
Salaries payable	4,755,607	-	-	4,755,607
Payroll deductions and withholdings	2,996	-	-	2,996
Deferred revenue	85,985	-	27,150	113,135
	<u>5,276,194</u>	<u>146,335</u>	<u>102,258</u>	<u>5,524,787</u>
Fund Balance				
Reserved for capital outlay		993,197		993,197
Reserved for debt retirement		2,497,151	1,313,467	3,810,618
Reserved for other purposes	540,915		-	540,915
Unreserved				-
Designated for other purposes	673,025			673,025
Undesignated	15,170,104			15,170,104
School Service Fund			1,073,554	1,073,554
	<u>16,384,044</u>	<u>3,490,348</u>	<u>2,387,021</u>	<u>22,261,413</u>
	<u>\$ 21,660,238</u>	<u>\$ 3,636,683</u>	<u>\$ 2,489,279</u>	<u>\$ 27,786,200</u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2007

Total Governmental Fund Balances	\$	22,261,413
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of net assets	\$ 145,878,911	
Accumulated depreciation	<u>(27,945,190)</u>	117,933,721
Construction in progress		-
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	\$ 98,790,000	
Notes payable	914,929	
Compensated absences payable	<u>795,117</u>	
Total long-term liabilities		(100,500,046)
Deferred charges/credits for debt issue premiums and debt issue costs are reported as liabilities in the statement of net assets and as current year expenditures or other financing sources in the governmental funds		
		(3,629,030)
In the statement of net assets, interest has been accrued on bonds payable as of June 30, 2007		
		<u>(817,852)</u>
Total net assets - governmental activities	\$	<u><u>35,248,206</u></u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 10,558,750	\$ 1,772,864	\$ 8,038,997	\$ 20,370,611
Other local sources	1,883,539	529,344	3,420,829	5,833,712
Interdistrict sources	518,186			518,186
State sources	53,095,077		179,865	53,274,942
Federal sources	1,589,370		817,496	2,406,866
Total revenues	<u>67,644,922</u>	<u>2,302,208</u>	<u>12,457,187</u>	<u>82,404,317</u>
Current Expenditures				
Instruction				
Basic programs	32,141,709			32,141,709
Added needs	7,518,528			7,518,528
Total instruction	<u>39,660,237</u>	<u>-</u>	<u>-</u>	<u>39,660,237</u>
Support services				
Pupil services	3,236,020			3,236,020
Instructional staff services	3,377,579			3,377,579
General administration	776,826			776,826
School administration	4,016,052			4,016,052
Business services	1,532,658			1,532,658
Operation and maintenance	9,447,297			9,447,297
Pupil transportation	3,830,163			3,830,163
Central services	1,537,316			1,537,316
Community services	430,040			430,040
Other supporting services			4,491,517	4,491,517
Total support services	<u>28,183,951</u>	<u>-</u>	<u>4,491,517</u>	<u>32,675,468</u>
Capital Projects				
Capital outlay and other costs		18,726,081		18,726,081
Debt service				
Principal			2,965,000	2,965,000
Interest and fiscal charges			5,050,853	5,050,853
Total debt service	<u>-</u>	<u>-</u>	<u>8,015,853</u>	<u>8,015,853</u>
Total expenditures	<u>67,844,188</u>	<u>18,726,081</u>	<u>12,507,370</u>	<u>99,077,639</u>
Excess (deficiency) of revenues over (under) expenditures	(199,266)	(16,423,873)	(50,183)	(16,673,322)
Other financing sources				
Interfund transfers			646,807	646,807
Total other financing sources	<u>-</u>	<u>-</u>	<u>646,807</u>	<u>646,807</u>
Other financing uses				
Installment loan payments	620,465			620,465
Interfund transfers	646,807			646,807
Building & construction services	296,832			296,832
Total other financing uses	<u>1,564,104</u>	<u>-</u>	<u>-</u>	<u>1,564,104</u>
Excess (deficiency) of other financing sources over (under) other financing uses	<u>(1,564,104)</u>	<u>-</u>	<u>646,807</u>	<u>(917,297)</u>
Net changes in fund balance	(1,763,370)	(16,423,873)	596,624	(17,590,619)
Fund balance - July 1	<u>18,147,414</u>	<u>19,914,221</u>	<u>1,790,397</u>	<u>39,852,032</u>
Fund balance - June 30	<u>\$ 16,384,044</u>	<u>\$ 3,490,348</u>	<u>\$ 2,387,021</u>	<u>\$ 22,261,413</u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Total net change in fund balances - governmental funds \$ (17,590,619)

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

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives as depreciation expense. This is the amount by which capital outlay
exceeded depreciation in the current period.

Capital Outlay	\$ 87,956,599	
Depreciation Expense	<u>(2,825,771)</u>	85,130,828

Repayment of bond principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net assets. This
is the amount of repayments reported as expenditures in the governmental
funds. 2,965,000

Repayment of note principal is an expenditure in the governmental funds, but the
repayment reduces long-term liabilities in the statement of net assets. This is
the amount of repayments reported as expenditures in the governmental funds. 578,399

Accumulated unpaid benefits are recorded as liabilities in the statement of net
assets, but are not recorded in the governmental funds statement. The decrease
in accumulated unpaid benefits at June 30, 2007 was 330,109

Interest on long-term debt in the statement of activities includes accrued interest
while the governmental funds statement does not. The decrease in accrued
interest at June 30, 2007 was 23,875

Amortization of debt issue premium and other debt issue costs are recorded in
the statement of activities over the life of the bonds. This is the amount of the
amortization of premium and other debt issue costs for the current year 197,103

Expenditures for the construction project that is in progress. The expenditures
are recorded in the capital projects fund as capital outlay. However, on the
government-wide financial statements these expenditures are recorded on the
statement of net assets as an asset "Construction in Progress." The decrease in
construction in progress at June 30, 2007 was (79,482,842)

Change in net assets of governmental activities \$ (7,848,147)

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2007

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>960,299</u>
Liabilities	
Due to student and other groups	\$ <u>960,299</u>

See accompanying notes to the basic financial statements.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Grand Blanc Community Schools conform to generally accepted accounting principles as applicable to school districts. The following is a summary of the significant accounting policies:

In June 1999 the Governmental Accounting Standards Board (GASB) issued *Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section to provide an analysis of the District's overall financial position and results of operations.
- Financial statements prepared with full accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements and notes to the financial statements.

Reporting Entity

The accompanying basic financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing arrangements. Based on application of the criteria, the entity does not contain component units.

The District receives funding from local, state, federal and inter-district government sources and must comply with the accompanying requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" body that has separate legal standing and is fiscally independent of the governmental entities. As such, the Board of Education has decision-making authority, the authority to levy taxes, and determine its budget, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Basic Financial Statements – Government-wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities. Fiduciary funds are not included in the government-wide financial statements.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts: invested in capital assets net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs by function are normally covered by general revenue (property taxes, state and federal sources, interest income, etc.).

The District does not allocate indirect costs. Inter-fund transactions have been eliminated in the government-wide financial statements.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into five generic fund types in a broad fund category as follows:

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund

The General Fund is used to record the general operations of the District pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Special Revenue Funds - Special Revenue Funds are used to segregate the transactions of particular activities from regular revenue and expenditure accounts. The District maintains full control of these funds. The District maintains three school service funds: Cafeteria, Athletic and Community Service Funds.

Debt Service Funds - The Debt Service Funds are used to record tax and interest revenue and the payment of general long-term debt principal, interest and related cost. The District maintains a common debt service fund for the 2001 and 2004 bond issues.

Capital Projects Funds - The District maintains two capital projects funds: the Sinking Fund and the 2004 Bond Issue Fund. The Capital Projects Funds are used to account for resources for the acquisition or construction of capital facilities or equipment held by the School District and include capital project activities funded with bonds issued after May 1, 2004. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code.

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent.

Activities (Agency) Funds - Agency Funds are used to account for assets held by the School District as an agent, custodial in nature (assets equal liabilities) and are reported using the economic resources measurement focus.

Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Accrual

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of Significant Accounting Policies (continued)

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The availability period used for revenue recognition is 60 days. Expenditures and compensated absences are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

Those revenues susceptible to accrual are property taxes, state aid, interest revenue, grants and charges for services. Other revenue is recorded when received.

The District reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Cash & Investments – Cash and cash equivalents include amounts in demand deposits and certificates of deposit. The District reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and No. 40 Deposits and Investment Risk Disclosures. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that 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. Accordingly, investments in banker acceptances and commercial paper are recorded at amortized cost.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by no less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Inventories - Items purchased for future use are recorded as inventory and charged to expenditure accounts when requisitioned for use. Cafeteria Fund has recorded commodity inventory at fair market value as determined by the USDA.

Capital Assets – Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. The District has adopted a \$5,000 capitalization threshold for recording capital assets. Donated fixed 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 and depreciated over the remaining useful lives of the related fixed assets.

Depreciation on all assets is computed on the straight-line basis over the estimated useful lives as follows:

Buildings and additions	20 – 50 years
Buses and other vehicles	5 – 10 years
Furniture and equipment	5 – 20 years

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of Significant Accounting Policies (continued)

Use of Estimates - The preparation of financial statements in conformity with 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.

Concentrations - Substantially all of the District's employees work under collective bargaining agreements. All contracts except the clerical contract expire on August 31, 2009. The clerical contract expired in 2006 and is currently being negotiated.

Compensated Absences - Teachers earn sick days at the rate of 11 days per year. Other employees earn sick days depending on the number of months employed and their union contract. Employees, either upon retirement and acceptance into the Michigan School Employee's Retirement System or upon resignation after ten (10) years with the District, shall be compensated at the rate of \$50.00 per day of unused accumulated personal sick leave to a maximum of one hundred (100) days. Total estimated liability for unpaid sick days, including salary-related payments was \$774,427 and \$990,920 at June 30, 2007 and 2006, respectively.

Vacation time earned but not used and payable at June 30, 2007 and 2006, amounted to \$20,690 and \$134,306 respectively.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2007 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are rendered.

Economic Dependency - The district receives approximately 77% of its operating revenue from the State of Michigan.

Note 2 - Budget and Budgetary Accounting

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General, Special Revenue, and Debt Retirement Funds and an informational study of Capital Project Funds of school districts prior to the expenditure of monies in a fiscal year. The district amended its General Fund budget three times and its Athletics Fund twice during the year. None of the amendments were significant.

The Board of Education adopts appropriations utilizing the modified accrual basis of accounting for all governmental funds. The appropriation level adopted by the Board is the level of control authorized by the act. The Act requires expenditures to be budgeted on a functional basis. A district is not considered to be in violation of the Act if reasonable procedures are in use by the District to detect violations.

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

1. The District's superintendent submits to the Board of Education a proposed budget by July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The superintendent is authorized to transfer budgeted amounts between functions within any fund with the approval of the Budget and Finance Committee; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
4. Budgets for the General, Debt Service, Capital Projects, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.

GRAND BLANC COMMUNITY SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2007

5. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations, which were amended.
6. Appropriations lapse at year-end and, therefore, cancel all encumbrances. These appropriations are reestablished at the beginning of the following year.

Note 3 - Deposits and Investments

As of June 30, 2007, the District had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Standard & Poor's, Moody's Rating</u>	<u>Percentage</u>
Money Market	\$ 1,105,754	0.0027		7.60
Certificates of Deposit	4,215,460	0.1683		28.97
Commercial Paper	9,229,641	0.1402	AAA	63.43
Total Fair Value	\$ <u>14,550,855</u>			<u>100.00</u>
Portfolio weighted average maturity		<u>0.1402</u>		

1 day maturity equals 0.0027, one year equals 1.00.

Interest rate risk In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Credit risk State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2007, the District's investment in commercial paper was rated AAA by Standards & Poor's and by Moody's Investors Service.

Concentration of credit risk The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District did not have any investments in U.S. Treasuries at June 30, 2007.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2007, \$13,146,846 of the District's bank balance of \$13,357,914 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

Foreign currency risk The District is not authorized to invest in investments which have this type of risk.

Deposits – Including Fiduciary Funds of \$349,637	\$ 4,584,828
Investments – Including Fiduciary Funds of \$610,662	14,550,855
Total	<u>\$ 19,135,683</u>

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

Note 3 - Deposits and Investments (continued)

The above amounts are reported in the financial statements as follows:

Cash Agency Fund	\$ 349,637
Cash – District Wide	4,235,191
Investments – Agency Fund	610,662
Investments – District Wide	<u>13,940,193</u>
 TOTAL	 <u>\$ 19,135,683</u>

Note 4 – Due from other Governmental Units

The amount due from other governmental units consists of State Aid due to the District from the State of Michigan and various federal grants. The receivable was \$9,295,473 at June 30, 2007.

Note 5 - Property Taxes

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the District's boundaries. Approximately 99% of the District's tax base is within Genesee County.

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

Property taxes are recognized in the accounting period when they become measurable and available to finance operations. Available means when due or past due and receivable within the current period and collected no longer than 60 days after the current period.

Note 6 - Changes in Capital Assets

Summary of capital asset transactions:

	Balance June 30, 2006	Additions	Disposals and Adjustments	Balance June 30, 2007
Assets not depreciated – Land & Improvements	\$ 4,284,941	\$ 951,021	\$ -	\$5,235,962
Other Capital Assets:				
Buildings & additions	43,312,317	85,651,704		128,964,021
Furniture & equipment	5,157,205	2,091,745	1,113,148	6,135,802
Buses & other vehicles	<u>5,167,849</u>	<u>819,733</u>	<u>444,456</u>	<u>5,543,126</u>
Subtotal	53,637,371	88,563,182	1,557,604	140,642,949
Accumulated Depreciation:				
Buildings & additions	19,154,354	2,974,306		22,128,660
Furniture & equipment	2,850,785	535,774	809,329	2,577,230
Buses & other vehicles	<u>3,114,280</u>	<u>525,029</u>	<u>400,009</u>	<u>3,239,300</u>
Subtotal	<u>25,119,419</u>	<u>4,035,109</u>	<u>1,209,338</u>	<u>27,945,190</u>
Net other capital assets	<u>28,517,952</u>	<u>84,528,073</u>	<u>348,266</u>	<u>112,697,759</u>
Net capital assets	<u>\$ 32,802,893</u>	<u>\$ 85,479,094</u>	<u>\$ 348,266</u>	<u>\$117,933,721</u>

Depreciation for fiscal year ended June 30, 2007 totaled \$2,825,771.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

Note 6 - Changes in Capital Assets (continued)

Depreciation expense was allocated to governmental functions when appropriate. Depreciation expense that was not allocated appears on the statement of activities as "unallocated". Depreciation was recorded on the statement of activities as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 2,496,544
Support Services	243,048
Athletics	15,409
Unallocated	<u>70,770</u>
 Total depreciation expense	 \$ <u>2,825,771</u>

The following schedule illustrates the changes of capital assets by function:

Capital Assets by Function	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance June 30, 2006</u>
Instruction	\$ 21,386,409	\$ 83,082,340	\$ 611,486	\$ 103,857,263
Support Services	5,442,444	6,319,490	444,456	11,417,478
Athletics	1,028,267		5,923	1,022,344
Unallocated	<u>29,965,192</u>	<u>112,373</u>	<u>495,739</u>	<u>29,581,826</u>
Subtotal	57,922,312	89,514,203	1,557,604	145,878,911
Accumulated Depreciation				
Instruction	7,840,071	2,878,803	382,259	10,336,615
Support Services	3,385,420	643,057	400,009	3,628,468
Athletics	463,584	21,332	5,923	478,993
Unallocated	<u>13,430,344</u>	<u>491,917</u>	<u>421,147</u>	<u>13,501,114</u>
Subtotal	<u>25,119,419</u>	<u>4,035,109</u>	<u>1,209,338</u>	<u>27,945,190</u>
 Net Capital Assets	 <u>\$ 32,802,893</u>	 <u>\$ 85,479,094</u>	 <u>\$ 348,266</u>	 <u>\$ 117,933,721</u>

Note 7 - Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2007:

	<u>Compensated Absences</u>	<u>Bonds</u>	<u>Installment Loans</u>	<u>Total</u>
Balance July 1, 2006	\$ 1,125,226	\$ 101,755,000	\$ 1,518,127	\$ 104,398,353
Additions	20,690			20,690
Retirements & payments	<u>350,799</u>	<u>2,965,000</u>	<u>603,198</u>	<u>3,918,997</u>
 Balance June 30, 2007	 <u>795,117</u>	 <u>98,790,000</u>	 <u>914,929</u>	 <u>100,500,046</u>
 Less: current portion	 <u>205,515</u>	 <u>3,550,000</u>	 <u>514,303</u>	 <u>4,269,818</u>
 Total due after one year	 <u>\$ 589,602</u>	 <u>\$ 95,240,000</u>	 <u>\$ 400,626</u>	 <u>\$ 96,230,228</u>

Installment loans consist of two loans for portable classrooms, one loan for buses and two loans for computers and other technology equipment. The original amounts of these loans totaled \$2,463,217 and require annual principal payments plus interest calculated at 2.60% to 4.44%.

GRAND BLANC COMMUNITY SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2007

Note 7 - Long-Term Debt (continued)

The general obligation bonds are payable from the Debt Service Fund and consist of the 2001 and 2004 issues. The \$20,000,000 issue in 2001 was for erecting, equipping and furnishing a new elementary school and additions at several other elementary schools and remodeling at the Brendel campus of the Middle School. The 2004 issue was for the purpose of acquiring a site for a new middle school; erecting equipping and furnishing two new middle schools and related athletic fields, and preparing developing and improving the sites therefore; acquiring, installing and equipping school buildings for technology improvements; remodeling, reequipping and refurbishing the Grand Blanc Middle School main campus building to provide a high school building and preparing, developing and improving the site therefore; erecting, equipping and furnishing a Grand Blanc High School and preparing, developing and improving the site therefore; acquiring sites for a new transportation services building and a new maintenance and grounds building, and preparing developing and improving the sites therefore. As of June 30, 2007, the fund had a balance of \$1,313,467 for use to pay this debt. Future debt and interest calculated at 3.50% to 5.63% will be payable from future tax levies.

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

Year Ended June 30,	Principal	Interest	Total
2008	\$ 3,550,000	\$ 4,907,113	\$ 8,457,113
2009	4,200,000	4,765,113	8,965,113
2010	2,610,000	4,561,113	7,171,113
2011	2,925,000	4,464,813	7,389,813
2012	3,280,000	4,324,000	7,604,000
2012 – 2016	21,875,000	18,743,750	40,618,750
2017 – 2021	27,350,000	12,431,876	39,781,876
2022 – 2026	27,500,000	5,500,000	33,000,000
2027 - 2028	<u>5,500,000</u>	<u>275,000</u>	<u>5,775,000</u>
Total	<u>\$ 98,790,000</u>	<u>\$ 59,972,776</u>	<u>\$ 158,762,776</u>

Future principal and interest requirements for the installment loans to be paid from General Fund monies are as follows:

Year Ended June 30,	Principal	Interest	Total
2008	\$ 514,303	\$ 26,612	\$ 540,915
2009	196,557	13,267	209,824
2010	102,034	6,734	108,768
2011	<u>102,035</u>	<u>2,245</u>	<u>104,280</u>
Total	<u>\$ 914,929</u>	<u>\$ 48,858</u>	<u>\$ 963,787</u>

The payment dates of vacation days payable and compensated absences are indeterminable. These payments are typically paid from the corresponding Fund in which employee salaries are paid.

Gross interest expenditures for 2006-2007, in the General and Debt Service Funds were \$45,408 and \$5,050,363 respectively. The district received premium of \$948,131 on its 2001 bond issue, and \$4,478,493 on its 2004 bond issue, which represents monies received in excess of face value. This premium, net of bond issuance costs, is amortized in the statement of net assets over the life of the bonds on a straight-line basis. Net premium amortization amounted to \$197,103 and is offset against the interest expense on the statement of net assets.

GRAND BLANC COMMUNITY SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007

Note 8 – Pension Plan

Plan Description

The District contributes to the statewide Michigan Public School Employees' Retirement System (MPERS), a cost sharing multiple-employer defined benefit pension plan administered by the nine-member board of the MPERS. The MPERS provides retirement benefits and postretirement benefits for health, dental and vision. The MPERS was established by Public Act 136 of 1945 and operated under the provisions of Public Act 300 of 1980, as amended. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. That report may be obtained by writing to Michigan Public School Employees Retirement System, P.O. Box 30171, Lansing, Michigan 48909 or by calling (800) 381-5111.

Funding Policy

Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990 contributes a permanently fixed rate of 3.9% of gross wages. The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990 when it was reduced to 3.9%. Members first hired January 1, 1990 or later and returning members who did not work between January 1, 1987 and December 31, 1989 contribute at the following graduated permanently fixed contribution rates: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000.

Basic plan members make no contributions. For a limited period ending December 31, 1992, an active Basic Plan member could enroll in the MIP by paying the contributions that would have been made had enrollment occurred initially on January 1, 1987 or on the date of hire, plus interest. MIP contributions at the rate of 3.9% of gross wages begin at enrollment. Market rate interest is posted to member accounts on July 1st on all MIP monies on deposit for twelve months. If a member leaves MPERS service and no pension is payable, the member's accumulated contribution plus interest, if any, are refundable.

The District is required to contribute the full actuarial funding contribution amounts to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rates for the year ended June 30, 2007 were 16.34% of payroll through September 30, 2006 and 17.74% effective October 1, 2006. The contribution requirements of the plan members and the District are established and may be amended by the MPERS Board of Trustees. The District employer contributions to MPERS for the years ended June 30, 2007, 2006 and 2005 were \$6,489,246, \$5,466,332, and \$4,785,515, respectively, equal to the required contribution for each year.

The District is not responsible for the payment of retirement benefits. This is the responsibility of the State of Michigan.

Note 9- Post-Employment Benefits Other than Pension Benefits

Under the MPERS Act, all retirees participating in the MPERS Pension Plan have the option of continuing health, dental and vision coverage. Retirees who have this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental and vision. Required contributions for post-employment health care benefits are included as part of the District's total contribution to the MPERS plan discussed above.

Note 10 - Fund Balance

Reserves and Designations

Reservations of fund balance are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Specific reservations of the fund balance accounts are summarized below. Reserve for debt service was created to restrict the use of funds to the payment of debt principal and interest.

Reserved for other purposes -

2007-2008 debt service on existing notes

\$ 540,915

GRAND BLANC COMMUNITY SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2007

Note 10 - Fund Balance (continued)

Designations of unreserved fund balances are created to indicate tentative plans for the use of current financial resources in the future. Specific designations of the fund balances are summarized below:

Designated for other purposes –

A portion of the total sick pay, which is estimated at June 30, 2007 to be \$774,427 and will be owed by the Grand Blanc School District to employees who meet either of the following two conditions: (1) upon retirement and acceptance into the Michigan School Employees Retirement System, or (2) upon resignation after ten (10) years with the School District.	\$ 184,825
Contingencies	303,200
Cost of compliance with ADA requirements	160,000
Liability Insurance Deductible	<u>25,000</u>
	\$ <u>673,025</u>

Note 11 - Contingencies and Commitments

The District has received federal and state grants for specific purposes. These grants are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

The district has a remaining construction commitment on its 2004 Capital Projects Fund in the amount of \$2,497,151 at June 30, 2007.

Note 12 – Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees. The District participates in SET-SEG (risk pool) for claims related to general liability, umbrella, auto and workers compensation and Great American Insurance Company for errors and omissions. The shared-risk pool program in which the District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. The amount of claim settlements has not exceeded insurance coverage in any of the past three years. Premiums for the year ended June 30, 2007 totaled, \$444,143 and the school district received dividend refunds of \$77,119.

The District self-insures it's dental and vision programs. Annual maximum payments vary by group and are summarized in the following tables:

Dental:

<u>Group</u>	<u># Participants</u>	<u>Annual Maximum</u>	<u>Orthodontics Rider</u>
Teachers Maintenance Foremen, Administrators	445	\$ 1,500	\$ 1,500
Maintenance staff	32	1,200	750
Clerical staff	20	600	0
Transportation staff	41	1200	0

GRAND BLANC COMMUNITY SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2007

Note 12 – Risk Management (continued)

Vision:

<u>Group</u>	<u>#</u> <u>Participants</u>	<u>Exam</u>	<u>Lenses</u>					
			<u>Single</u>	<u>Bi-Focal</u>	<u>Tri-focal</u>	<u>Lenticular</u>	<u>Frames</u>	<u>Contacts</u>
Administrators	26	\$50	\$120	\$140	\$180	\$200	\$65	\$200
Clerical without Health Insurance	5	32	84	96	120	144	18	200
Clerical with Health Insurance	25	16	42	48	60	72	9	100
Transportation	36	16	21	24	30	0	9	50

Funds on deposit to cover incurred claims totaled \$120,814 at June 30, 2007. Management believes that funds on deposit are more than sufficient to cover claims incurred but not reported, of which amounts are not material.

Note 13 - Sinking Funds

The Capital Project Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of Section 1212(1) of the Revised School Code and the applicable section of the Revised Bulletin for School District Audits of Bonded Construction Funds and of Sinking Funds in Michigan. Voters in the school district authorized 1 mill on May 3, 2005 that expires in June of 2009.

Note 14 – Interfund Transfers

The District made the following interfund transfers during the year:

	<u>General</u> <u>Fund</u>	<u>School Service</u> <u>Funds</u>
To:		\$646,807
From:	\$646,807	

The transfers were for the purpose of funding student athletic activities provided by the District.

Note 15 – Operating Leases

The District leases equipment under certain non-cancelable operating leases as summarized below:

- Copier equipment lease dated June 30, 2005 for a term of 60 months. The total cost of the lease is \$82,559
- Copier equipment lease dated June 30, 2005 for a term of 60 months. The total cost of the lease is \$114,995.
- Copier equipment lease dated June 30, 2005 for a term of 72 months. The total cost of the lease is \$440,692.
- Copier equipment lease dated June 31, 2005 for a term of 72 months. The total cost of the lease is \$264,744.

The future minimum lease payments are as follows:

<u>Year ended June 30,</u>	<u>Payment Amount</u>
2008	\$ 157,083
2009	157,083
2010	157,083
2011	<u>117,573</u>
Total	<u>\$ 588,822</u>

Total rent expense for the fiscal year ended June 30, 2007 totaled \$157,083.

REQUIRED SUPPLEMENTARY INFORMATION

GRAND BLANC COMMUNITY SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 11,155,945	\$ 11,649,863	\$ 12,442,289	\$ 792,426
Interdistrict sources	472,655	493,884	518,186	24,302
State sources	52,004,449	53,188,217	53,095,077	(93,140)
Federal sources	1,530,274	1,622,341	1,589,370	(32,971)
Total revenues	<u>65,163,323</u>	<u>66,954,305</u>	<u>67,644,922</u>	<u>690,617</u>
Expenditures				
Education				
Instruction				
Basic programs	30,378,048	32,318,001	32,141,709	176,292
Added needs	7,608,247	7,539,799	7,518,528	21,271
Supporting services				
Pupil services	2,940,860	3,273,713	3,236,020	37,693
Instructional staff	3,392,107	3,676,767	3,377,579	299,188
General administration	643,444	905,023	776,826	128,197
School Administration	4,020,051	4,096,695	4,016,052	80,643
Business services	1,652,465	1,614,827	1,532,658	82,169
Operation and maintenance	9,080,376	9,281,519	9,447,297	(165,778)
Transportation	3,901,244	4,101,934	3,830,163	271,771
Central services	2,384,476	2,020,087	1,537,316	482,771
Community services	445,584	527,935	430,040	97,895
Total expenditures	<u>66,446,902</u>	<u>69,356,300</u>	<u>67,844,188</u>	<u>1,512,112</u>
Excess (deficiency) of revenues over (under) expenditures	(1,283,579)	(2,401,995)	(199,266)	2,202,729
Other financing sources	566,000	-	-	-
Other financing uses	1,420,820	1,560,441	1,564,104	(3,663)
Excess (deficiency) of other financing sources over (under) other financing uses	<u>(854,820)</u>	<u>(1,560,441)</u>	<u>(1,564,104)</u>	<u>(3,663)</u>
Net changes in fund balance	(2,138,399)	(3,962,436)	(1,763,370)	2,199,066
Fund balance - July 1	<u>15,381,573</u>	<u>18,147,414</u>	<u>18,147,414</u>	<u>-</u>
Fund balance - June 30	<u>\$ 13,243,174</u>	<u>\$ 14,184,978</u>	<u>\$ 16,384,044</u>	<u>\$ 2,199,066</u>

OTHER SUPPLEMENTAL INFORMATION

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Special Revenue Funds				Non-major Governmental Funds Total
	School Lunch Fund	Athletics Fund	Community Service Fund	Debt Service Fund	
Assets					
Cash and investments	\$ 773,314	\$ 2,255	\$ 205,712	\$ 1,313,467	\$ 2,294,748
Accounts receivable	56,215	3,352			59,567
Prepaid expenses	106,975		504		107,479
Inventory	27,485				27,485
	<u>963,989</u>	<u>5,607</u>	<u>206,216</u>	<u>1,313,467</u>	<u>2,489,279</u>
Total assets	\$ 963,989	\$ 5,607	\$ 206,216	\$ 1,313,467	\$ 2,489,279
Liabilities					
Accounts payable	\$ 54,558	\$ 5,607	\$ 14,943		\$ 75,108
Deferred revenue			27,150		27,150
	<u>54,558</u>	<u>5,607</u>	<u>42,093</u>	-	<u>102,258</u>
Total liabilities	54,558	5,607	42,093	-	102,258
Fund balances					
Reserved for debt service				1,313,467	1,313,467
Undesignated, Reported in school service fund	909,431	-	164,123		1,073,554
	<u>909,431</u>	<u>-</u>	<u>164,123</u>		<u>1,073,554</u>
Total liabilities and fund balance	\$ 963,989	\$ 5,607	\$ 206,216	\$ 1,313,467	\$ 2,489,279

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds			Debt Service Fund	Non-major Governmental Funds Total
	School Lunch Fund	Athletics Fund	Community Service Fund		
Revenues					
Revenues from local sources					
Food sales	\$ 2,056,844	\$	\$	\$	\$ 2,056,844
Athletics admissions		176,705			176,705
Property Taxes				8,038,997	8,038,997
Other local sources	3,002		942,127	242,151	1,187,280
State aid	179,865				179,865
Federal aid	817,496				817,496
Total Revenues	<u>3,057,207</u>	<u>176,705</u>	<u>942,127</u>	<u>8,281,148</u>	<u>12,457,187</u>
Other financing sources					
Operating transfers		<u>646,807</u>			<u>646,807</u>
Total revenue and other financing sources	<u>3,057,207</u>	<u>823,512</u>	<u>942,127</u>	<u>8,281,148</u>	<u>13,103,994</u>
Expenditures					
School service funds:					
Salaries	713,049	461,899	687,732		1,862,680
Employee benefits	241,555	130,623	171,056		543,234
Purchased services	289,154	68,290	4,523		361,967
Supplies and materials	1,385,575	31,626	39,534		1,456,735
Capital Outlay	95,976	2,392	34,267		132,635
Other	3,093	128,682	2,491		134,266
Debt retirement fund:					
Principal				2,965,000	2,965,000
Interest and fiscal charges				5,050,853	5,050,853
Total expenditures	<u>2,728,402</u>	<u>823,512</u>	<u>939,603</u>	<u>8,015,853</u>	<u>12,507,370</u>
Excess (deficiency) of revenues and other financing sources over expenditures	328,805	-	2,524	265,295	596,624
Fund balance - July 1	<u>580,626</u>	<u>-</u>	<u>161,599</u>	<u>1,048,172</u>	<u>1,790,397</u>
Fund balance - June 30	<u>\$ 909,431</u>	<u>\$ -</u>	<u>\$ 164,123</u>	<u>\$ 1,313,467</u>	<u>\$ 2,387,021</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

	<u>Sinking Fund</u>	<u>2004 Bond Issue</u>	<u>Total</u>
Revenues			
Property tax levy	\$ 1,772,864	\$	\$ 1,772,864
Earnings on investments	76,335	445,442	521,777
Other local revenues	<u>7,567</u>		<u>7,567</u>
Total revenues	1,856,766	445,442	2,302,208
Expenditures			
Remodeling and improvements	1,946,690		1,946,690
Buildings & Additions	-	14,683,270	14,683,270
Furniture & Equipment	<u>199,700</u>	<u>1,896,421</u>	<u>2,096,121</u>
Total expenditures	<u>2,146,390</u>	<u>16,579,691</u>	<u>18,726,081</u>
Excess (deficiency) of revenues over expenditures	(289,624)	(16,134,249)	(16,423,873)
Fund balance July 1	<u>1,282,821</u>	<u>18,631,400</u>	<u>19,914,221</u>
Fund balance June 30	<u>\$ 993,197</u>	<u>\$ 2,497,151</u>	<u>\$ 3,490,348</u>

GRAND BLANC COMMUNITY SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
FOR THE YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2006

	Totals	
	June 30, 2007	June 30, 2006
Local sources		
Property tax levy	\$ 10,558,750	\$ 9,855,024
Earnings on investments	811,091	581,558
Tuition from patrons	125,733	106,655
Rentals	67,077	213,559
Contributions and grants	162,674	203,129
Interest on delinquent taxes	80,053	43,833
Medicaid	101,504	123,245
Other	<u>535,407</u>	<u>399,745</u>
Total revenues from local sources	12,442,289	11,526,748
State sources		
Grants - unrestricted		
State school aid	50,114,906	46,378,046
Grants - restricted		
Special education	1,939,455	1,813,061
At risk	647,807	588,614
Vocational education	115,509	111,920
Early childhood education	105,600	72,600
Other	<u>171,800</u>	<u>146,895</u>
Total revenues from state sources	53,095,077	49,111,136
Federal sources		
Grants - restricted		
Special education - I.D.E.A. flowthru	1,096,491	902,009
Title I	215,179	221,713
Medicaid outreach	32,108	34,960
Vocational education	49,421	48,108
Title II	113,678	172,629
Preschool incentive	23,580	30,992
Title V	1,619	3,099
Other	<u>57,294</u>	<u>116,663</u>
Total revenues from federal sources	1,589,370	1,530,173
Interdistrict sources		
County special education tax	<u>518,186</u>	<u>498,414</u>
Total revenues from interdistrict sources	518,186	498,414
Other sources		
Equipment loans	<u>-</u>	<u>988,890</u>
Total revenues and other sources	\$ <u>67,644,922</u>	\$ <u>63,655,361</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2006

	Salaries & Benefits	Purchased Services	Supplies & Materials	Other Expenses	Totals	
					June 30, 2007	June 30, 2006
Instruction						
Basic Programs						
Elementary	\$ 9,921,944	51,278	383,277	11,483	\$ 10,367,982	\$ 9,541,918
Middle school	5,133,464	19,706	298,945	8,296	5,460,411	4,657,179
High school	5,676,928	103,263	108,247	31,104	5,919,542	5,606,785
Other basic programs	173,681	7,129	5,143	2,250	188,203	254,208
Employee benefits	10,188,771				10,188,771	9,306,943
Added needs						
Special education	3,299,481	119,970	152,026	3,551	3,575,028	3,484,569
Vocational education	578,026	38,886	126,288	928	744,128	733,538
Other added needs	895,661	26,160	5,245		927,066	846,986
Employee benefits	2,227,721				2,227,721	2,149,563
Total instruction	38,095,677	366,392	1,079,171	57,612	39,598,852	36,581,689
Supporting services						
Pupil services						
Guidance services	904,527	98,937	37,969		1,041,433	816,252
Health services	1,980	42,681	35		44,696	8,378
Psychological services	134,024	933			134,957	144,963
Speech pathology audiology	333,741	1,113	585		335,439	293,957
Social work services	292,405	1,062			293,467	318,373
Other pupil services	94,029	480,279			574,308	470,881
Employee benefits	811,719				811,719	662,560
Instructional staff						
Improvement of instruction	615,436	117,036	779,436	8,949	1,520,857	1,041,901
Media-printed material	595,844	6,089	247,485	319	849,737	744,240
Media -audiovisual		305	18,115		18,420	32,387
Supervision direction - Inst. Staff	286,414	225		1,286	287,925	202,016
Employee benefits	631,783				631,783	432,724
General administration						
Board of education	4,000	311,986		23,350	339,336	278,205
Executive administration	304,900	9,602	10,749	14,252	339,503	470,627
Employee benefits	97,986				97,986	128,849
School administration						
Office of the principal	2,428,525	118,814	45,874		2,593,213	2,151,661
Other school administration	212,691	389	15,574		228,654	255,147
Employee benefits	1,194,185				1,194,185	994,192
Business services						
Fiscal services	276,236	172,906	26,393	486,127	961,662	467,592
Employee benefits	157,000				157,000	137,804
Operations & maintenance						
Operation & maintenance of plant	1,854,006	2,840,176	2,745,654	711	7,440,547	5,758,494
Security services		35,000			35,000	65,734
Employee benefits	1,056,081				1,056,081	1,014,842

(continued)

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
FOR THE YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2006

	<u>Salaries & Benefits</u>	<u>Purchased Services</u>	<u>Supplies & Materials</u>	<u>Other Expenses</u>	Totals <u>June 30, 2007</u>	<u>June 30, 2006</u>
Supporting services (continued)						
Pupil transportation						
Pupil transportation services	1,361,372	426,737	511,300	1,266	2,300,675	2,123,512
Employee benefits	572,139				572,139	505,891
Central services						
Communication services	87,522	148,417	12,491	2,612	251,042	195,014
Staff services	239,756	77,275	7,104	1,640	325,775	279,633
Support services technology	232,517	208,474	13,693		454,684	428,405
Other central services		29,991			29,991	61,984
Employee benefits	231,573				231,573	187,001
Total support services	15,012,391	5,128,427	4,472,457	540,512	25,153,787	20,673,219
Community services						
Community services direction	201,774	98,587	18,832	6,776	325,969	322,204
Other community services	23,475	252	4,365		28,092	78,982
Employee benefits	67,129				67,129	96,731
Total community services	292,378	98,839	23,197	6,776	421,190	497,917
Capital outlay						
Basic instruction				16,800	16,800	2,735
Added needs				44,584	44,584	64,852
Supporting services				2,608,975	2,608,975	1,959,044
Total capital outlay	-	-	-	2,670,359	2,670,359	2,026,631
Total expenditures	53,400,446	5,593,658	5,574,825	3,275,259	67,844,188	59,779,456
Other financing uses						
Installment loan payments				620,465	620,465	639,777
Interfund transfers				646,807	646,807	544,969
Fiscal agent disbursements					-	1,375
Building & construction services				296,832	296,832	250,010
Total other financing uses	-	-	-	1,564,104	1,564,104	1,436,131
Total expenditures and other financing uses	\$ 53,400,446	\$ 5,593,658	\$ 5,574,825	\$ 4,839,363	\$ 69,408,292	\$ 61,215,587

GRAND BLANC COMMUNITY SCHOOLS
 OTHER SUPPLEMENTAL INFORMATION
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
Assets				
Cash and cash equivalents	\$ <u>827,366</u>	\$ <u>2,151,923</u>	\$ <u>2,018,990</u>	\$ <u>960,299</u>
Liabilities				
Due to student and other groups	\$ <u>827,366</u>	\$ <u>2,151,923</u>	\$ <u>2,018,990</u>	\$ <u>960,299</u>

GRAND BLANC COMMUNITY SCHOOLS
 OTHER SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE - DEBT RETIREMENT FUND
 FOR THE YEAR ENDED JUNE 30, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenues from local sources				
Property Taxes	\$ 7,691,410	\$ 7,691,410	\$ 8,038,997	\$ 347,587
Other local sources	<u>213,260</u>	<u>213,260</u>	<u>242,151</u>	<u>28,891</u>
Total Revenues	7,904,670	7,904,670	8,281,148	376,478
Expenditures				
Principal	2,965,000	2,965,000	2,965,000	-
Interest and fiscal charges	<u>5,051,262</u>	<u>5,051,262</u>	<u>5,050,853</u>	<u>409</u>
Total expenditures	<u>8,016,262</u>	<u>8,016,262</u>	<u>8,015,853</u>	<u>409</u>
Excess (deficiency) of revenues over expenditures	(111,592)	(111,592)	265,295	376,887
Fund balance - July 1	<u>1,048,172</u>	<u>1,048,172</u>	<u>1,048,172</u>	<u>-</u>
Fund balance - June 30	<u><u>\$ 936,580</u></u>	<u><u>\$ 936,580</u></u>	<u><u>\$ 1,313,467</u></u>	<u><u>\$ 376,887</u></u>

GRAND BLANC COMMUNITY SCHOOLS
 OTHER SUPPLEMENTAL INFORMATION
 BUGETARY COMPARISON SCHEDULE - SCHOOL LUNCH FUND
 YEAR ENDED JUNE 30, 2007

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from local sources				
Food sales	\$ 2,097,794	\$ 2,097,794	\$ 2,056,844	\$ (40,950)
Other local sources	9,500	9,500	3,002	(6,498)
State aid	146,380	129,374	179,865	50,491
Federal aid	<u>545,256</u>	<u>545,256</u>	<u>817,496</u>	<u>272,240</u>
Total Revenues	2,798,930	2,781,924	3,057,207	275,283
Expenditures				
School service funds:				
Salaries	730,615	730,615	713,049	17,566
Employee benefits	281,058	281,058	241,555	39,503
Purchased services	284,643	284,643	289,154	(4,511)
Supplies and materials	1,217,380	1,217,380	1,385,575	(168,195)
Capital Outlay	275,000	60,000	95,976	(35,976)
Other	<u>4,096</u>	<u>4,096</u>	<u>3,093</u>	<u>1,003</u>
Total expenditures	<u>2,792,792</u>	<u>2,577,792</u>	<u>2,728,402</u>	<u>(150,610)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	6,138	204,132	328,805	124,673
Fund balance - July 1	<u>580,626</u>	<u>580,626</u>	<u>580,626</u>	-
Fund balance - June 30	<u>\$ 586,764</u>	<u>\$ 784,758</u>	<u>\$ 909,431</u>	<u>\$ 124,673</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
BUGETARY COMPARISON SCHEDULE - ATHLETICS FUND
YEAR ENDED JUNE 30, 2007

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from local sources				
Athletics admissions	\$ 211,246	\$ 211,246	\$ 176,705	\$ (34,541)
Total Revenues	211,246	211,246	176,705	(34,541)
Other financing sources				
Operating transfers	631,819	631,819	646,807	14,988
Total revenue and other financing sources	843,065	843,065	823,512	(19,553)
Expenditures				
School service funds:				
Salaries	457,901	457,901	461,899	(3,998)
Employee benefits	137,228	137,228	130,623	6,605
Purchased services	59,286	59,286	68,290	(9,004)
Supplies and materials	29,072	29,072	31,626	(2,554)
Capital Outlay	298	298	2,392	(2,094)
Other	159,280	159,280	128,682	30,598
Total expenditures	843,065	843,065	823,512	19,553
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	-
Fund balance - July 1	-	-	-	-
Fund balance - June 30	\$ -	\$ -	\$ -	\$ -

GRAND BLANC COMMUNITY SCHOOLS
 OTHER SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE - SCHOOL SERVICE FUND
 YEAR ENDED JUNE 30, 2007

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from local sources				
Tuition	\$ 992,764	\$ 920,000	\$ 942,127	\$ 22,127
Total Revenues	992,764	920,000	942,127	22,127
Expenditures				
School service funds:				
Salaries	724,003	682,955	687,732	(4,777)
Employee benefits	213,232	198,057	171,056	27,001
Purchased services	10,100	10,850	4,523	6,327
Supplies and materials	60,790	47,700	39,534	8,166
Capital Outlay	12,000	20,526	34,267	(13,741)
Other	8,500	8,500	2,491	6,009
Total expenditures	1,028,625	968,588	939,603	28,985
Excess (deficiency) of revenues and other financing sources over expenditures	(35,861)	(48,588)	2,524	51,112
Fund balance - July 1	161,599	161,599	161,599	-
Fund balance - June 30	\$ 125,738	\$ 113,011	\$ 164,123	\$ 51,112

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
DETAIL SCHEDULE OF BONDED INDEBTEDNESS
JUNE 30, 2007

	Date of Issue	Amount of Issue	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Fiscal Year Interest Requirements	Total
Debt Retirement Fund							
2001 Building & Site Bonds							
	11/29/01	\$ 20,000,000					
				11/1/07		\$ 306,806	\$ 306,806
			4.00%	5/1/08	\$ 550,000	306,807	856,807
				11/1/08		295,806	295,806
			4.00%	5/1/09	600,000	295,806	895,806
				11/1/09		283,806	283,806
			4.25%	5/1/10	660,000	283,806	943,806
				11/1/10		269,781	269,781
			4.25%	5/1/11	725,000	269,781	994,781
				11/1/11		254,375	254,375
			5.00%	5/1/12	1,000,000	254,375	1,254,375
				11/1/12		229,375	229,375
			5.50%	5/1/13	1,000,000	229,375	1,229,375
				11/1/13		201,875	201,875
			5.50%	5/1/14	1,000,000	201,875	1,201,875
				11/1/14		174,375	174,375
			5.63%	5/1/15	1,000,000	174,375	1,174,375
				11/1/15		146,250	146,250
			5.63%	5/1/16	1,000,000	146,250	1,146,250
				11/1/16		118,125	118,125
			5.63%	5/1/17	1,000,000	118,125	1,118,125
				11/1/17		90,000	90,000
			5.63%	5/1/18	1,000,000	90,000	1,090,000
				11/1/18		61,875	61,875
			5.63%	5/1/19	1,100,000	61,875	1,161,875
				11/1/19		30,938	30,938
			5.63%	5/1/20	1,100,000	30,938	1,130,938
					<u>\$ 11,735,000</u>	<u>4,926,775</u>	<u>\$ 16,661,775</u>

For the purpose of erecting, equipping and furnishing a new elementary school, classroom additions at Indian Hill Elementary School, and gymnasiums and multi-purpose rooms at Indian Hill and Reid Elementary Schools; remodeling, reequipping and refurbishing Cook Elementary School to provide a K-2 facility; erecting, remodeling, equipping and furnishing cafeteria, media center and music facilities at the Brendel campus of Grand Blanc Middle School; upgrading electrical service in school buildings; acquiring, installing, and equipping school buildings for technology improvements and purchasing school buses.

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
DETAIL SCHEDULE OF BONDED INDEBTEDNESS
JUNE 30, 2007

	Date of Issue	Amount of Issue	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Fiscal Year Interest Requirements	Total
Debt Retirement Fund							
2004	Building & Site Bonds						
	5/4/04	\$ 90,105,000					
				11/1/07		\$ 2,146,750	\$ 2,146,750
			4.00%	5/1/08	\$ 3,000,000	2,146,750	5,146,750
				11/1/08		2,086,750	2,086,750
			5.00%	5/1/09	3,600,000	2,086,750	5,686,750
				11/1/09		1,996,750	1,996,750
			3.50%	5/1/10	1,950,000	1,996,750	3,946,750
				11/1/10		1,962,625	1,962,625
			5.00%	5/1/11	2,200,000	1,962,625	4,162,625
				11/1/11		1,907,625	1,907,625
			5.00%	5/1/12	2,280,000	1,907,625	4,187,625
				11/1/12		1,850,625	1,850,625
			5.00%	5/1/13	2,675,000	1,850,625	4,525,625
				11/1/13		1,783,750	1,783,750
			5.00%	5/1/14	3,000,000	1,783,750	4,783,750
				11/1/14		1,708,750	1,708,750
			5.00%	5/1/15	3,300,000	1,708,750	5,008,750
				11/1/15		1,626,250	1,626,250
			5.00%	5/1/16	3,750,000	1,626,250	5,376,250
				11/1/16		1,532,500	1,532,500
			5.00%	5/1/17	4,150,000	1,532,500	5,682,500
				11/1/17		1,428,750	1,428,750
			5.00%	5/1/18	4,200,000	1,428,750	5,628,750
				11/1/18		1,323,750	1,323,750
			5.00%	5/1/19	4,225,000	1,323,750	5,548,750
				11/1/19		1,218,125	1,218,125
			5.00%	5/1/20	4,725,000	1,218,125	5,943,125
				11/1/20		1,100,000	1,100,000
			5.00%	5/1/21	5,500,000	1,100,000	6,600,000
				11/1/21		962,500	962,500
			5.00%	5/1/22	5,500,000	962,500	6,462,500
				11/1/22		825,000	825,000
			5.00%	5/1/23	5,500,000	825,000	6,325,000
				11/1/23		687,500	687,500
			5.00%	5/1/24	5,500,000	687,500	6,187,500
				11/1/24		550,000	550,000
			5.00%	5/1/25	5,500,000	550,000	6,050,000
				11/1/25		412,500	412,500
			5.00%	5/1/26	5,500,000	412,500	5,912,500
				11/1/26		275,000	275,000
			5.00%	5/1/27	5,500,000	275,000	5,775,000
				11/1/27		137,500	137,500
			5.00%	5/1/28	5,500,000	137,500	5,637,500
					\$ 87,055,000	\$ 55,046,000	\$ 142,101,000

For the purpose of acquiring a site for a new middle school; erecting equipping and furnishing two new middle schools and related athletic fields, and preparing developing and improving the sites therefore; acquiring, installing and equipping school buildings for technology improvements; remodeling, reequipping and refurbishing the Grand Blanc Middle School main campus building to provide a high school building and preparing, developing and improving the site therefore; erecting, equipping and furnishing Grand Blanc High School and preparing, developing and improving the site therefore; acquiring sites for a new transportation services building and a new maintenance and grounds building and erecting, equipping and furnishing a new transportation services building and a new maintenance and grounds building, and preparing, developing and improving the sites therefore.

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
INSTALLMENT LOAN CONTRACTS
JUNE 30, 2007

Amount: \$ 988,890

Date Issued: July 26, 2005 Purpose: For the purchase of computer equipment.

Due Date	Annual Interest Rate	Principal	Interest	Total
7/1/07	3.25%	\$ 27,870	\$ 997	\$ 28,867
8/1/07		27,945	922	28,867
9/1/07		28,021	846	28,867
10/1/07		28,097	770	28,867
11/1/07		28,173	694	28,867
12/1/07		28,249	618	28,867
1/1/08		28,326	541	28,867
2/1/08		28,403	465	28,868
3/1/08		28,479	388	28,867
4/1/08		28,557	311	28,868
5/1/08		28,634	233	28,867
6/1/08		28,711	156	28,867
7/1/08		28,789	78	28,867
		<u>\$ 368,254</u>	<u>\$ 7,019</u>	<u>\$ 375,273</u>

Amount: \$ 394,389

Date Issued: October 7, 2002

Purpose: For the purchase of school buses.

Due Date	Annual Interest Rate	Principal	Interest	Total
9/30/07	2.99%	\$ 65,731	\$ 3,931	\$ 69,662
9/30/08		65,734	1,966	67,700
		<u>\$ 131,465</u>	<u>\$ 5,897</u>	<u>\$ 137,362</u>

Amount: \$ 161,630

Date Issued: August 1, 2003

Purpose: For the purchase of copier equipment.

Due Date	Annual Interest Rate	Principal	Interest	Total
7/1/07	2.60%	\$ 3,534	\$ 16	\$ 3,550
8/1/07		3,539	11	3,550
		<u>\$ 7,073</u>	<u>\$ 27</u>	<u>\$ 7,100</u>

GRAND BLANC COMMUNITY SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
INSTALLMENT LOAN CONTRACTS
JUNE 30, 2007

Amount: \$ 582,158

Date Issued: March 1, 2002

Purpose: Refinance installment loan dated September 19, 2000 for the purchase of portable classrooms.

Due Date	Annual Interest Rate	Principal	Interest	Total
9/1/07	4.44%	\$ 64,684	\$ 5,692	\$ 70,376
3/1/08			4,269	4,269
9/1/08		64,684	4,269	68,953
3/1/09			2,846	2,846
9/1/09		64,684	2,846	67,530
3/1/10			1,423	1,423
9/1/10		64,685	1,423	66,108
		<u>\$ 258,737</u>	<u>\$ 22,768</u>	<u>\$ 281,505</u>

Amount: \$ 336,150

Date Issued: March 1, 2002

Purpose: Refinance installment loan dated September 19, 2000 for the purchase of portable classroom improvements.

Due Date	Annual Interest Rate	Principal	Interest	Total
9/1/07	4.44%	\$ 37,350	\$ 3,287	\$ 40,637
3/1/08			2,465	2,465
9/1/08		37,350	2,465	39,815
3/1/09			1,643	1,643
9/1/09		37,350	1,643	38,993
3/1/10			822	822
9/1/10		37,350	822	38,172
		<u>\$ 149,400</u>	<u>\$ 13,147</u>	<u>\$ 162,547</u>



September 21, 2007

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of
Grand Blanc Community Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Blanc Community Schools, as of and for the year ended June 30, 2007, which collectively comprise the Grand Blanc Community Schools' basic financial statements and have issued our report thereon dated September 21, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Grand Blanc Community Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grand Blanc Community Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Grand Blanc Community Schools' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Grand Blanc Community Schools' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Grand Blanc Community Schools' financial statements that is more than inconsequential will not be prevented or detected by the Grand Blanc Community Schools' internal control.

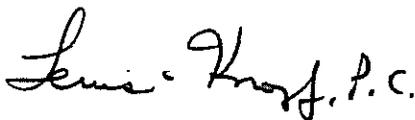
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Grand Blanc Community Schools' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grand Blanc Community Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the finance committee, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LEWIS & KNOFF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



September 21, 2007

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education of
Grand Blanc Community Schools

Compliance

We have audited the compliance of Grand Blanc Community Schools with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Grand Blanc Community Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Grand Blanc Community Schools' management. Our responsibility is to express an opinion on Grand Blanc Community Schools' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Grand Blanc Community Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Grand Blanc Community Schools' compliance with those requirements.

In our opinion, Grand Blanc Community Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Grand Blanc Community Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Grand Blanc Community Schools' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Grand Blanc Community Schools' internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Blanc Community Schools, as of and for the year ended June 30, 2007, and have issued our report thereon dated September 21, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Grand Blanc Community Schools' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the finance committee, management, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LEWIS & KNOFF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GRAND BLANC COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Award Grant/Entitlement Program Amount	Inventory/ Accrued (Deferred) Revenue at July 1, 2006	Prior Year Expenditures	Current Year Cash Payments/ In Kind Received	Current Year Expenditures	Inventory Accrued (Deferred) Revenue at June 30, 2007
<u>US Dept of Agriculture</u> <u>Passed through Mich Dept of Ed</u>								
Food Distribution	10.550	N/A	\$ 120,925	\$ -	\$ -	\$ 120,925	\$ 120,925	-
Entitlement Commodities		N/A	614			614	614	-
Bonus Commodities								
Total Food Distribution			121,539	-	-	121,539	121,539	-
National School Breakfast Program	10.553	N/A	75,893	2,477	78,370	2,477	-	-
		N/A	91,426			91,426	91,426	-
Total National School Breakfast Program			167,319	2,477	78,370	93,903	91,426	-
National School Lunch Program	10.555	N/A	483,416	12,972	483,416	12,972	-	-
		N/A	571,344			571,344	571,344	-
Total National School Lunch Program			1,054,760	12,972	483,416	584,316	571,344	-
Special Milk	10.556	N/A	3,498	252	3,498	252	-	-
		N/A	1,839			1,839	1,839	-
Total Special Milk			5,337	252	3,498	2,091	1,839	-
Total Nutrition Cluster			1,227,416	15,701	565,284	680,310	664,609	-
Total Department of Agriculture			1,348,955	15,701	565,284	801,849	786,148	-
<u>US Department of Education</u> <u>Passed through Mich Dept of Ed</u>								
Title I - Educationally Deprived	84.010	071530/0607	221,713			144,117	215,179	71,062
Handicapped Preschool	84.027	060440/SPSR	4,700	4,700	4,700	4,700	-	-
Drug Free Schls & Communities	84.186	072860/06076	19,792			11,547	17,700	6,153
Title V	84.298	070250/0607	1,619			1,619	1,619	-
Technology Literacy Challenge	84.318	074290/0607	2,276			2,276	2,276	-
Improving Teacher Quality	84.367	070520/0607	170,449			69,956	113,678	43,722
Emergency Response & Crisis Mgt	84.184E	Q184EO30509	2,868	2,868	2,868	2,868	-	-
Total Passed through Mich Dept of Ed			423,417	7,568	7,568	237,083	350,452	120,937
<u>Passed through GISD</u>								
Special Education - Grants to States	84.027	060450-0506	1,058,816	215,357	902,009	372,164	156,807	-
		070450-0607	939,684			744,072	939,684	195,612
		050490/TS	6,329	6,329	6,329	6,329	-	-
		050490/TS	3,100			3,100	3,100	-
Total Special Education - Grants to States			2,007,929	221,686	908,338	1,125,665	1,099,591	195,612
Perkins Regional Allocation	84.048	053520-7012-15	49,421			49,421	49,421	-
Preschool Grants	84.173	060460-0506	30,992	1,246	30,992	1,246	-	-
		070460-0607	23,580			20,024	23,580	3,556
Infant and Toddler	84.181	051340-190	13,751			13,751	13,751	-
		071340-190	12,221			6,404	12,221	5,817
Total Passed Through GISD			2,137,894	222,932	939,330	1,216,511	1,198,564	204,985
Total Dept of Education			2,561,311	230,500	946,898	1,453,594	1,549,016	325,922

(Continued)

GRAND BLANC COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Award Grant/ Entitlement Program Amount	Inventory/ Accrued (Deferred) Revenue at July 1, 2006	Prior Year Expenditures	Current Year Cash Payments/ In Kind Received	Current Year Expenditures	Inventory Accrued (Deferred) Revenue at June 30, 2007
<u>US Department of Labor</u>								
<u>Passed through GISD</u>								
WIA Title I Year Round Youth Services	17.259	007-K-04	\$ 782	\$ 782	\$ 782	\$ 782	\$ -	\$ -
			246			246	246	-
Total Passed Through GISD			1,028	782	782	1,028	246	-
<u>US Dept of Health & Human Services</u>								
Learn & Serve	94.004	MCSC/SBLS/I-140/07	8,000				8,000	8,000
<u>Passed through Genesee County</u>								
Headstart Breakfast Program	93.600	N/A	33,003	4,246	33,003	4,246		
			31,348	-	-	31,348	31,348	-
Total Passed through Genesee County			64,351	4,246	33,003	35,594	31,348	-
<u>Passed through GISD</u>								
Medicaid Outreach	93.778	N/A	32,108			32,108	32,108	-
Total Dept of Health & Human Services			104,705	4,246	33,003	67,948	71,702	8,000
Total Federal Awards			\$ 4,015,753	\$ 251,229	\$ 1,545,967	\$ 2,324,173	\$ 2,406,866	\$ 333,922

(concluded)

GRAND BLANC COMMUNITY SCHOOLS - GRAND BLANC, MICHIGAN
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

FEDERAL REVENUE RECOGNIZED FOR SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	<u>\$2,406,866</u>
FEDERAL REVENUE RECOGNIZED PER THE GENERAL PURPOSE FINANCIAL STATEMENTS	
General Fund	\$1,589,370
School Service Fund	<u>\$817,496</u>
TOTAL	<u>\$2,406,866</u>

- 1) The Schedule of Expenditures of Federal Awards had been prepared under the modified accrual basis of accounting.
- 2) Management has utilized the Grants Section Auditors Report (Form R7120) in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Form R7120 have been reconciled in the attached reconciliation on page 61 of this report.
- 3) As of the date of completion of fieldwork, the Schedule of Transfers to Sub-Recipients from the Intermediate School Districts was not available. The amounts shown on the Schedule of Federal Financial Assistance as flow through from the Intermediate School Districts may not be conclusive.

GRAND BLANC COMMUNITY SCHOOLS - GRAND BLANC, MICHIGAN
 RECONCILIATION OF FORM R 7120 " GRANT SECTION AUDITOR'S REPORT"
 TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

Current Payments Per the Grant Section Auditors Report (Form R 7120)	\$	967,884
<u>Less:</u> State Funded Grants		
School Breakfast Program State Funds	\$	<u>(50,491)</u>
Total State Funded Grants		(50,491)
<u>Add:</u> Grants Passed Through the Genesee Intermediate School District		1,249,647
Grants Passed Through Genesee County		35,594
Entitlement and Bonus Commodities (CFDA 10.550)		<u>121,539</u>
TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	\$	<u><u>2,324,173</u></u>

GRAND BLANC COMMUNITY SCHOOLS - GRAND BLANC, MICHIGAN
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2007

Section 1 - Summary of Auditors' Results

Type of auditors report issued: Unqualified

	<u>Yes</u>	<u>No</u>
Internal control over financial reporting		
Material weakness identified?		X
Reportable condition identified, not considered material weakness?		X
Noncompliance material to financial statement noted?		X

Federal Awards

Internal control over major programs		
Material weakness identified?		X
Reportable condition identified, not considered material weakness?		X
Audit findings required to be reported in accordance with sections 510(a) Circular 133?		X

Type of auditors report issued on compliance for major programs: Unqualified

Identification of major programs:

<u>CFDA No.</u>	<u>Name of federal program</u>
10.553	Nutrition Cluster
10.555	Nutrition Cluster
10.556	Nutrition Cluster

Dollar threshold used to distinguish type A and type B programs: \$300,000

Qualified as low risk auditee? X

Current Year Findings and Questioned Costs

There were no current year findings.

PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

Status of Prior Year Findings and Questioned Costs

There were no prior year findings.

GRAND BLANC COMMUNITY SCHOOLS
 FISCAL TREND INFORMATION
 NET ASSETS BY COMPONENT
 LAST FIVE FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Invested in Capital Assets Net of Related Debt	Restricted	Unrestricted	Total Net Assets
2007	\$ 14,770,913	\$ 4,526,878	\$ 15,950,415	\$ 35,248,206
2006	19,074,565	6,899,044	17,122,744	43,096,353
2005	18,581,996	3,512,715	15,575,722	37,670,433
2004	15,131,200	562,828	12,542,468	28,236,496
2003	10,318,162	2,624,224	11,354,270	24,296,656

GRAND BLANC COMMUNITY SCHOOLS
FINANCIAL TREND INFORMATION
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended				
	2007	2006	2005	2004	2003
Expenditures					
Instruction					
Basic programs	\$ 50,046,213	\$ 30,981,006	\$ 26,818,960	\$ 25,359,679	\$ 26,075,768
Added needs	7,518,528	7,279,508	7,167,245	6,384,967	5,092,266
Support services	22,827,205	23,156,981	20,825,320	20,909,329	18,014,807
Community services	430,040	501,180	589,472	496,691	467,949
Food services	2,728,402	3,197,625	2,486,820	2,248,200	1,953,964
Athletics	819,762	775,698	726,455	717,734	660,444
Child care	939,603	837,130	737,492	719,410	636,255
Interest on long-term debt net of amortization of debt issue premium	4,871,941	4,798,255	5,104,167	1,595,325	919,011
Unallocated depreciation	70,770	132,471	119,440	502,484	554,741
Total Expenditures	<u>90,252,464</u>	<u>71,659,854</u>	<u>64,575,371</u>	<u>58,933,819</u>	<u>54,375,205</u>
Program Revenues					
Charges for services					
Community services	261,520	320,214	330,653	307,483	204,552
Food services	2,059,846	1,927,847	1,798,140	1,635,989	1,418,291
Athletics	176,705	207,058	197,180	180,171	160,718
Child care	942,127	852,430	795,034	757,285	625,406
Operating grants and contributions	6,087,190	5,624,985	5,844,885	4,962,279	4,770,642
Total Program Revenues	<u>9,527,388</u>	<u>8,932,534</u>	<u>8,965,892</u>	<u>7,843,207</u>	<u>7,179,609</u>
Net revenue (expenditures)	(80,725,076)	(62,727,320)	(55,609,479)	(51,090,612)	(47,195,596)
General Revenues and Other Changes in Net Assets					
Property tax - General Fund	10,558,750	9,855,024	9,400,214	8,965,153	8,632,061
Property tax - Sinking Fund	1,772,864	1,719,643	1,550,846	1,438,474	1,358,426
Property tax - Debt Retirement Fund	8,038,997	7,656,254	7,140,692	2,649,495	2,455,545
State school aid - unrestricted	50,114,906	46,378,046	43,166,501	40,753,529	37,863,812
Unrestricted contributions	162,674	203,129	398,251	201,130	160,746
Investment earnings	1,332,868	1,712,919	2,911,622	349,753	656,041
Miscellaneous	895,870	628,225	475,290	672,918	249,791
Total General Revenue	<u>72,876,929</u>	<u>68,153,240</u>	<u>65,043,416</u>	<u>55,030,452</u>	<u>51,376,422</u>
Change in net assets	\$ (7,848,147)	\$ 5,425,920	\$ 9,433,937	\$ 3,939,840	\$ 4,180,826
Revenue per pupil:					
Local	\$ 3,285	\$ 3,261	\$ 3,409	\$ 2,435	\$ 2,441
Federal	296	282	306	291	271
Total Revenue per Pupil	<u>\$ 3,581</u>	<u>\$ 3,543</u>	<u>\$ 3,714</u>	<u>\$ 2,726</u>	<u>\$ 2,713</u>
Expense per Pupil	<u>\$ 11,100</u>	<u>\$ 9,131</u>	<u>\$ 8,562</u>	<u>\$ 8,173</u>	<u>\$ 8,090</u>
Student enrollment (blended count)	8,131	7,848	7,542	7,211	6,721

GRAND BLANC COMMUNITY SCHOOLS
 FINANCIAL TREND INFORMATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	General Fund			
	Reserved	Unreserved, Designated	Unreserved, Undesignated	Total
2007	\$ 540,915	\$ 673,025	\$ 15,170,104	\$ 16,384,044
2006	623,887	898,384	16,625,143	18,147,414
2005	316,732	450,642	14,940,266	15,707,640
2004	711,260	1,372,674	11,638,331	13,722,265
2003	803,817	285,000	10,957,837	12,046,654

Fiscal Year Ended June 30,	All Other Governmental Funds			
	Reserved		Unreserved	
	Capital Projects	Debt Service	School Service	Total
2007	\$ 3,490,348	\$ 1,313,467	\$ 1,073,554	\$ 5,877,369
2006	19,914,221	1,048,172	742,225	21,704,618
2005	70,618,260	816,083	1,141,004	72,575,347
2004	93,173,990	737,434	1,009,093	94,920,517
2003	2,936,220	567,678	842,591	4,346,489

GRAND BLANC COMMUNITY SCHOOLS
FINANCIAL TREND INFORMATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30,				
	2006-07	2005-06	2004-05	2003-04	2002-03
Revenues:					
Local	\$ 26,204,323	\$ 25,090,352	\$ 24,997,921	\$ 17,184,712	\$ 15,856,479
Interdistrict Sources	518,186	498,414	710,963	377,580	551,812
State	53,274,942	49,283,661	45,996,066	43,215,251	40,324,775
Federal	2,406,866	2,213,347	2,304,358	2,096,116	1,822,966
Total Revenues	82,404,317	77,085,774	74,009,308	62,873,659	58,556,032
Expenditures:					
Basic Programs	32,141,709	29,369,768	27,286,100	25,093,813	23,844,637
Added Needs	7,518,528	7,279,508	7,167,245	6,388,993	5,101,266
Support Services:					
Pupil	3,236,020	2,715,365	2,534,552	2,294,912	1,771,474
Instructional Staff	3,377,579	2,476,135	2,227,718	2,386,938	2,426,595
General Administration	776,826	877,681	638,947	639,249	777,522
School Admin	4,016,052	3,401,000		3,101,548	2,531,410
Business Services	1,532,658	883,459	3,357,898	860,262	1,855,361
Operations & Maintenance	9,447,297	7,268,643	833,394	7,348,312	6,701,072
Transportation	3,830,163	2,664,044	7,037,472	2,622,986	2,486,300
Central Services	1,537,316	2,342,673	2,869,033	1,170,008	555,036
Community Education	430,040	501,180	1,246,879	516,798	467,949
Other Supporting Services	4,491,517	4,786,782	4,526,248	3,662,035	3,250,663
Capital Projects					
Capital Outlay & Other Costs	18,726,081	53,456,978	26,722,186	5,124,292	17,105,931
Debt Service					
Principal	2,965,000	2,450,000	1,975,000	1,650,000	1,965,000
Interest and Other Costs	5,050,853	5,141,241	5,180,400	853,212	916,662
Total Expenditures	99,077,639	125,614,457	93,603,072	63,713,358	71,756,878
Excess (deficiency) of Revenues Over (Under) Expenditures	(16,673,322)	(48,528,683)	(19,593,764)	(839,699)	(13,200,846)
Other Financing Sources					
Equipment Loans	-	988,890	-	161,630	933,332
Bond Proceeds	-	-	-	90,105,000	
Bond Premium	-	-	-	4,478,493	
Interfund Transfers	646,807	544,969	512,939	514,254	499,726
Total Other Financing Sources	646,807	1,533,859	512,939	95,259,377	1,433,058
Other Financing Uses					
Installment Loan Payments	620,465	639,777	700,365	768,133	605,347
Interfund Transfers	646,807	544,969	512,939	514,254	499,726
Building Improvements	296,832	250,010			
Bond Issuance Costs				813,132	
Uncollectable Taxes				-	2,703
Fiscal Agent Disbursements		1,375	65,666	74,520	87,900
Total Other Financing Uses	1,564,104	1,436,131	1,278,970	2,170,039	1,195,676
Change in Fund Balance	\$ (17,590,619)	\$ (48,430,955)	\$ (20,359,795)	\$ 92,249,639	\$ (12,963,464)
Debt Service as a Percentage of Non-capital Expenditures	10.34%	10.96%	10.98%	4.46%	5.62%

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Real Property		Personal Property		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2006-07	Non-homestead	\$ 644,007,928	\$ 1,288,015,856	\$ 109,151,663	\$218,303,326	\$ 753,159,591	\$ 1,506,319,182
	Homestead	1,269,425,755	2,538,851,510	-	-	1,269,425,755	2,538,851,510
	Total	1,913,433,683	3,826,867,366	109,151,663	218,303,326	2,022,585,346	4,045,170,692
2005-06	Non-homestead	563,345,798	1,126,691,596	127,483,721	254,967,442	690,829,519	1,381,659,038
	Homestead	1,116,712,664	2,233,425,328	-	-	1,116,712,664	2,233,425,328
	Total	1,680,058,462	3,360,116,924	127,483,721	254,967,442	1,807,542,183	3,615,084,366
2004-05	Non-homestead	512,005,746	1,024,011,492	122,101,358	244,202,716	634,107,104	1,268,214,208
	Homestead	1,059,130,582	2,118,261,164	-	-	1,059,130,582	2,118,261,164
	Total	1,571,136,328	3,142,272,656	122,101,358	244,202,716	1,693,237,686	3,386,475,372
2003-04	Non-homestead	508,774,387	1,017,548,774	125,196,180	250,392,360	633,970,567	1,267,941,134
	Homestead	949,841,271	1,899,682,542	-	-	949,841,271	1,899,682,542
	Total	1,458,615,658	2,917,231,316	125,196,180	250,392,360	1,583,811,838	3,167,623,676
2002-03	Non-homestead	493,864,604	987,729,208	125,218,580	250,437,160	619,083,184	1,238,166,368
	Homestead	864,297,445	1,728,594,890	-	-	864,297,445	1,728,594,890
	Total	1,358,162,049	2,716,324,098	125,218,580	250,437,160	1,483,380,629	2,966,761,258
2001-02	Non-homestead	493,864,604	987,729,208	125,676,040	251,352,080	619,540,644	1,239,081,288
	Homestead	737,811,865	1,475,623,730	-	-	737,811,865	1,475,623,730
	Total	1,231,676,469	2,463,352,938	125,676,040	251,352,080	1,357,352,509	2,714,705,018
2000-01	Non-homestead	297,773,935	595,547,870	120,218,930	240,437,860	417,992,865	835,985,730
	Homestead	708,544,790	1,417,089,580	-	-	708,544,790	1,417,089,580
	Total	1,006,318,725	2,012,637,450	120,218,930	240,437,860	1,126,537,655	2,253,075,310
1999-00	Non-homestead	379,694,240	759,388,480	126,648,200	253,296,400	506,342,440	1,012,684,880
	Homestead	597,073,540	1,194,147,080	-	-	597,073,540	1,194,147,080
	Total	976,767,780	1,953,535,560	126,648,200	253,296,400	1,103,415,980	2,206,831,960
1998-99	Non-homestead	305,094,449	610,188,898	115,973,470	231,946,940	421,067,919	842,135,838
	Total	305,094,449	610,188,898	115,973,470	231,946,940	421,067,919	842,135,838
1997-98	Non-homestead	238,467,595	476,935,190	108,684,800	217,369,600	347,152,395	694,304,790
	Homestead	553,476,591	1,106,953,182	-	-	553,476,591	1,106,953,182
	Total	791,944,186	1,583,888,372	108,684,800	217,369,600	900,628,986	1,801,257,972

Source: Genesee County Equalization Department

Note: Estimated actual values are calculated at twice the assessed value to approximate market.

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Principal Taxpayers</u>	<u>March 31, 2007</u>			<u>March 31, 1998</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total</u>
General Motors Corp. - Metal Fabricating Division	\$ 22,371,400	1	1.11	(N)		
General Motors Corp. - Service Parts Operations	20,123,269	2	0.99	(N)		
Consumers Energy	18,327,624	3	0.91	(N)		
Ring Screw / Titan Fasteners	15,731,705	4	0.78	(N)		
Auker Associates	10,421,525	5	0.52	(N)		
Edward Rose Associates	9,868,900	6	0.49	(N)		
Walmart	9,469,107	7	0.47			
Knollwood	9,186,700	8	0.45	(N)		
Genesys Medsports	9,124,900	9	0.45			
Edward Rose Development Company	<u>9,002,588</u>	10	<u>0.45</u>			
Subtotal	133,627,718		6.62	-		-
All others	<u>1,888,957,628</u>		<u>93.38</u>			
Totals	<u>\$ 2,022,585,346</u>		<u>100.00</u>	<u>\$ -</u>		<u>-</u>

Source: Grand Blanc Township Assessor
(N) Data not available

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT
LAST TEN YEARS
(UNAUDITED)

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>	<u>Debt Principal Per Capita (Pop 46,460)</u>	<u>Percent of STV (A)</u>
General obligation bonds	\$ 98,790,000	100.00%	\$ 98,790,000	\$ 2,126	5.47%
Less: amount available in Debt Service Funds	<u>1,313,467</u>	100.00%	<u>1,313,467</u>	<u>30</u>	<u>0.07%</u>
Total direct debt	<u>97,476,533</u>	100.00%	<u>97,476,533</u>	<u>2,096</u>	<u>5.40%</u>
<u>Overlapping Debt (A)</u>					
City of Burton	10,635,000	10.93%	1,162,406	25	0.06%
City of Grand Blanc	3,835,000	100.00%	3,835,000	83	0.21%
Atlas Township	337,000	1.20%	4,044	-	0.00%
Grand Blanc Township	10,800,000	95.65%	10,330,200	222	0.57%
Holly	-	0.38%	-	-	0.00%
Mundy Township	-	23.08%	-	-	0.00%
Genesee County	34,156,674	15.89%	5,427,495	117	0.30%
Oakland County	106,286,871	0.00%	-	-	0.00%
Genesee Intermediate School District	-	15.15%	-	-	0.00%
Mott Community College	89,490,000	15.15%	13,557,735	292	0.75%
Bishop Airport Authority	<u>10,555,000</u>	15.89%	<u>1,677,190</u>	<u>36</u>	<u>0.09%</u>
Total overlapping debt	<u>266,095,545</u>		<u>35,994,069</u>	<u>775</u>	<u>1.14%</u>
Total direct and overlapping debt	<u>\$ 363,572,078</u>		<u>\$ 133,470,602</u>	<u>\$ 2,871</u>	<u>6.54%</u>

(A) - Overlapping debt amounts provided by the Municipal Advisory Council of Michigan.

GRAND BLANC COMMUNITY SCHOOLS
REVENUE CAPACITY INFORMATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2006-07	\$ 20,235,255	\$ 20,256,488	100.10%	-	\$20,256,488	100.10%	-	0.00%
2005-06	18,999,087	18,999,087	100.00%	-	18,999,087	100.00%	-	0.00%
2004-05	18,091,752	18,091,752	100.00%	-	18,091,752	100.00%	-	0.00%
2003-04	12,982,631	12,982,631	100.00%	-	12,982,631	100.00%	-	0.00%
2002-03	12,446,032	12,446,032	100.00%	-	12,446,032	100.00%	-	0.00%
2001-02	10,756,083	10,756,083	100.00%	-	10,756,083	100.00%	-	0.00%
2000-01	10,510,280	10,510,280	100.00%	-	10,510,280	100.00%	-	0.00%
1999-00	10,192,292	10,192,292	100.00%	-	10,192,292	100.00%	-	0.00%
1998-99	9,402,868	9,402,868	100.00%	-	9,402,868	100.00%	-	0.00%
1997-98	7,149,372	7,149,372	100.00%	-	7,149,372	100.00%	-	0.00%

Note: Taxable levy adjusted to collections. Amounts not collected from additional levy are not material.

GRAND BLANC COMMUNITY SCHOOLS
DEBT CAPACITY INFORMATION
RATIOS OF OUTSTANDING DEBT
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Installment Notes	Total Net Debt	Ratio of Net Bonded Debt to Assessed Value	Ratio of Net Debt to Personal Income	Total Net Debt Per Capita
2006-07	\$ 98,790,000	\$ 1,313,467	\$ 97,476,533	\$ 914,929	\$ 98,391,462	4.82%	(N)	\$ 2,093
2005-06	101,755,000	1,048,172	100,706,828	1,518,127	102,224,955	5.57%	0.03%	2,200
2004-05	104,205,000	816,083	103,388,917	1,077,930	104,466,847	6.11%	0.03%	2,271
2003-04	106,180,000	737,434	105,442,566	1,734,213	107,176,779	6.66%	0.03%	2,436
2002-03	17,725,000	567,678	17,157,322	2,236,829	19,394,151	1.16%	0.14%	482
2001-02	20,540,000	951,407	19,588,593	1,908,845	21,497,438	1.44%	0.12%	540
2000-01	2,475,000	706,237	1,768,763	1,507,550	3,276,313	0.16%	0.78%	83
1999-00	4,225,000	446,430	3,778,570	89,000	3,867,570	0.34%	0.65%	107
1998-99	5,785,000	227,117	5,557,883	217,840	5,775,723	1.32%	0.41%	161
1997-98	7,300,000	280,014	7,019,986	390,600	7,410,586	0.78%	0.32%	207

Note: Detail regarding the District's outstanding debt can be found in the notes to financial statements.
Personal Income data source - Regional Economic Information System, Bureau of Economic Analysis, April 2007
(N) - data not available

GRAND BLANC COMMUNITY SCHOOLS
DEBT CAPACITY INFORMATION
SCHEDULE OF OUTSTANDING BONDED DEBT
AS OF JUNE 30, 2007
LAST TEN FISCAL YEARS
(UNAUDITED)

	Rate	Interest		Total
		Principal	Interest	
Series 2001	4.00%	\$ 550,000	\$ 613,613	\$ 1,163,613
Series 2004	4.00%	3,000,000	4,293,500	7,293,500
Total 2008		<u>3,550,000</u>	<u>4,907,113</u>	<u>8,457,113</u>
Series 2001	4.00%	600,000	591,613	1,191,613
Series 2004	5.00%	3,600,000	4,173,500	7,773,500
Total 2009		<u>4,200,000</u>	<u>4,765,113</u>	<u>8,965,113</u>
Series 2001	4.25%	660,000	567,613	1,227,613
Series 2004	3.50%	1,950,000	3,993,500	5,943,500
Total 2010		<u>2,610,000</u>	<u>4,561,113</u>	<u>7,171,113</u>
Series 2001	4.25%	725,000	539,563	1,264,563
Series 2004	5.00%	2,200,000	3,925,250	6,125,250
Total 2011		<u>2,925,000</u>	<u>4,464,813</u>	<u>7,389,813</u>
Series 2001	5.00%	1,000,000	508,750	1,508,750
Total 2012		<u>1,000,000</u>	<u>508,750</u>	<u>1,508,750</u>
Series 2001	5.5% -5.63%	5,000,000	1,740,000	6,740,000
Series 2004	5.00%	16,875,000	17,003,750	33,878,750
Total 2013 - 2017		<u>21,875,000</u>	<u>18,743,750</u>	<u>40,618,750</u>
Series 2001	5% -5.63%	14,200,000	2,428,126	16,628,126
Series 2004	5.00%	13,150,000	10,003,750	23,153,750
Total 2018 - 2021		<u>27,350,000</u>	<u>12,431,876</u>	<u>39,781,876</u>
Series 2004	5.00%	27,500,000	5,500,000	33,000,000
Total 2022 - 2027		<u>27,500,000</u>	<u>5,500,000</u>	<u>33,000,000</u>
Series 2004	5.00%	5,500,000	275,000	5,775,000
Total 2028		<u>5,500,000</u>	<u>275,000</u>	<u>5,775,000</u>
Total		<u>\$ 96,510,000</u>	<u>\$ 56,157,526</u>	<u>\$ 152,667,526</u>

GRAND BLANC COMMUNITY SCHOOLS
DEBT CAPACITY INFORMATION
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS
(UNAUDITED)

Assessed Value	<u>\$ 2,022,585,346</u>	
Statutory bonding limit - 15% of state equalized value		\$ 303,387,802
Debt outstanding	\$ 98,790,000	
Less:		
Bonds not subject to debt limit	<u>87,055,000</u>	
Total debt applicable to debt limit		<u>11,735,000</u>
Legal Debt Margin		<u>\$ 291,652,802</u>
Ratio of legal debt margin to debt limit		96.13%

Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16 of the Michigan Constitution of 1963, and (2) deficit budget bonds authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

GRAND BLANC COMMUNITY SCHOOLS
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS
 (UNAUDITED)

Calendar Year	Grand Blanc Community Schools Population (Estimate) (1)	Percentage Students of Minority Ancestry (1)	Genesee County Population (Estimate) (2)	Genesee County Total Personal Income (Estimate) (2)	Genesee County Per Capita Income (Estimate) (2)	Genesee County Unemployment Rate (Estimate) (3)	Genesee County Construction (Estimate)
2006	46,723	18.1%	(N)	(N)	(N)	8.2%	(N)
2005	46,260	17.2%	442,732	\$ 12,197,417	\$ 27,550	7.8%	\$ 26,555,196
2004	45,802	15.1%	442,739	12,109,642	27,352	8.2%	26,114,358
2003	44,000	14.0%	441,712	12,279,118	27,799	8.3%	10,488,437
2002	40,000	14.1%	440,391	11,768,618	26,723	7.3%	15,863,400
2001	39,794	13.2%	438,754	11,428,292	26,429	6.0%	52,948,124
2000	39,400	12.9%	437,021	11,550,238	25,593	4.4%	15,200,000
1999	36,042	11.8%	434,409	11,117,952	24,955	5.0%	21,772,824
1998	35,874	12.3%	433,160	10,809,636	23,879	5.4%	23,564,359
1997	35,790	12.4%	432,978	10,339,077	23,661	5.2%	44,596,058

(1) Based on estimates from available District data.

(2) Regional Economic Information System, Bureau of Economic Analysis, April 2007

(3) Michigan Department of Labor & Economic Growth

(N) Data not available.

GRAND BLANC COMMUNITY SCHOOLS
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 PRINCIPAL EMPLOYERS
 (UNAUDITED)

<u>Taxpayer</u>	<u>Estimated Number of Employees</u>	<u>Percent of Total</u>	<u>Estimated Number of Employees</u>	<u>Percent of Total</u>
Genesys Health Systems	3,050	37.99%	(N)	(N)
General Motors Corp. - Service Parts Operation	1,200	14.95%	(N)	(N)
Grand Blanc Community Schools	1,000	12.46%	(N)	(N)
General Motors Corp. - Metal Fabricating Division	820	10.21%	(N)	(N)
Cadance Innovation	550	6.85%	(N)	(N)
Hutchings Automotive Pro/Mehr Tube	325	4.05%	(N)	(N)
Walmart	300	3.74%	(N)	(N)
Textron Fastening Systems	298	3.71%	(N)	(N)
Serra Automotive	265	3.30%	(N)	(N)
Sam's Club	220	2.74%	(N)	(N)
Totals	<u>8,028</u>	<u>100.00%</u>	<u>-</u>	<u>-</u>

(N) Data not available.

GRAND BLANC COMMUNITY SCHOOLS
 OPERATING INFORMATION
 FULL TIME EQUIVALENT (FTE) EMPLOYEES BY FUNCTION AND TYPE
 LAST TEN YEARS
 (UNAUDITED)

	Actual 2002-2003		Actual 2004-05		Actual 2005-06		Actual 2006-07		Projected 2007-08	
	FTE	%of Total	FTE	%of Total	FTE	%of Total	FTE	%of Total	FTE	%of Total
General Education Teachers	325.78	44.70%	329.78	47.34%	335.50	47.77%	354.55	46.82%	358.55	46.98%
Special Education Teachers	36.50	5.01%	39.00	5.60%	39.00	5.55%	38.50	5.08%	38.50	5.04%
Sp Ed Teacher Consultants	4.00	0.55%	4.00	0.57%	4.00	0.57%	4.00	0.53%	4.00	0.52%
Instructional Assistants	52.00	7.13%	51.00	7.32%	51.00	7.26%	48.00	6.34%	48.00	6.29%
Special Ed Other Support Staff	3.00	0.41%	3.00	0.43%	3.00	0.43%	3.00	0.40%	3.00	0.39%
Compensatory Education Teachers	14.50	1.99%	15.20	2.18%	15.20	2.16%	16.20	2.14%	16.20	2.12%
Career Technical/Teachers	9.00	1.23%	9.00	1.29%	9.00	1.28%	8.00	1.06%	7.00	0.92%
Guidance Counselors	10.00	1.37%	9.00	1.29%	9.00	1.28%	12.50	1.65%	12.50	1.64%
Other Student Support Staff	27.50	3.77%	29.60	4.25%	29.60	4.21%	36.00	4.75%	36.00	4.72%
Instructional Support	27.50	3.77%	4.00	0.57%	4.00	0.57%	5.50	0.73%	5.50	0.72%
Librarians/Media Specialists	27.50	3.77%	4.00	0.57%	4.00	0.57%	5.00	0.66%	5.00	0.66%
Library/Media Support Staff	11.00	1.51%	12.00	1.72%	12.00	1.71%	11.00	1.45%	11.00	1.44%
School Administrators	16.50	2.26%	16.50	2.37%	16.50	2.35%	16.00	2.11%	16.00	2.10%
School Admin. Support Staff	24.20	3.32%	24.20	3.47%	24.20	3.45%	28.00	3.70%	28.00	3.67%
Other Support Services Staff	132.36	18.16%	139.80	20.07%	139.80	19.91%	164.50	21.72%	167.50	21.95%
Directors/Supervisors	6.00	0.82%	6.00	0.86%	6.00	0.85%	6.00	0.79%	6.00	0.79%
Coordinators	1.50	0.21%	0.50	0.07%	0.50	0.07%	0.50	0.07%	0.50	0.07%
Total FTE's	728.84	100.00%	696.58	100.00%	702.30	100.00%	757.25	100.00%	763.25	100.00%

GRAND BLANC COMMUNITY SCHOOLS
 OPERATING INFORMATION
 GENERAL FUND
 EXPENDITURES AND OTHER FINANCING USES BY FUNCTION
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	2006-07	2005-06	2004-05	2003-04	2002-03
Expenditures					
Instruction					
Basic programs	\$ 32,075,488	\$ 29,367,033	\$ 27,279,182	\$ 25,034,059	\$ 23,844,637
Added needs	7,473,943	7,166,548	7,005,928	6,339,268	5,046,185
Adult education	49,421	48,108	50,424	45,699	46,081
Total instruction	<u>39,598,852</u>	<u>36,581,689</u>	<u>34,335,534</u>	<u>31,419,026</u>	<u>28,936,903</u>
Supporting services					
Pupil services	3,236,019	2,715,365	2,534,552	2,294,912	1,723,388
Instructional staff	3,308,722	2,453,268	2,181,881	2,305,431	2,327,897
General administration	776,825	877,681	638,947	639,249	777,522
School administration	4,016,052	3,401,000	3,357,898	3,101,549	2,531,410
Business services	1,118,662	605,396	558,456	515,813	761,908
Operation and maintenance	8,531,628	6,839,070	6,441,855	6,202,321	5,243,444
Pupil transportation	2,872,814	2,629,403	2,422,751	2,229,728	2,091,911
Central services	1,293,065	1,152,036	1,028,567	1,017,489	555,036
Total supporting services	<u>25,153,787</u>	<u>20,673,219</u>	<u>19,164,907</u>	<u>18,306,492</u>	<u>16,012,516</u>
Community services	421,190	497,917	523,805	496,691	466,337
Capital outlay	2,670,359	2,026,631	1,705,997	2,201,610	3,102,866
Debt service	620,465	639,777	700,365	768,133	605,347
Total expenditures	68,464,653	60,419,233	56,430,608	53,191,952	49,123,969
Other financing uses	943,639	796,354	578,605	588,774	590,329
Total expenditures and other financing uses	<u>\$ 69,408,292</u>	<u>\$ 61,215,587</u>	<u>\$ 57,009,213</u>	<u>\$ 53,780,726</u>	<u>\$ 49,714,298</u>
Official student enrollment	8,131	7,848	7,542	7,211	6,721
Expenditures per student	\$ 8,536	\$ 7,800	\$ 7,559	\$ 7,458	\$ 7,397

(continued)

GRAND BLANC COMMUNITY SCHOOLS
 OPERATING INFORMATION
 GENERAL FUND
 EXPENDITURES AND OTHER FINANCING USES BY FUNCTION
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	2001-02	2000-01	1999-00	1998-99	1997-98
Expenditures					
Instruction					
Basic programs	\$ 20,237,544	\$ 19,039,549	\$ 17,731,884	\$ 17,437,506	\$ 16,785,724
Added needs	4,828,109	4,474,480	4,031,010	3,719,471	3,514,861
Adult education	44,142	39,556	39,556	-	404
Total instruction	<u>25,109,795</u>	<u>23,553,585</u>	<u>21,802,450</u>	<u>21,156,977</u>	<u>20,300,989</u>
Supporting services					
Pupil services	1,396,880	1,345,186	1,358,513	1,187,709	1,225,321
Instructional staff	1,786,631	1,720,074	1,602,738	1,444,386	1,371,773
General administration	991,516	896,510	669,334	632,028	792,472
School administration	2,336,644	2,270,191	2,218,168	2,090,305	2,055,556
Business services	737,716	645,215	667,863	686,548	670,398
Operation and maintenance	4,854,699	4,706,877	4,248,060	4,113,046	3,929,997
Pupil transportation	1,793,946	1,775,919	1,482,656	1,689,540	1,620,126
Central services	2,925,851	3,809,941	2,879,574	2,369,706	2,578,928
Total supporting services	<u>16,823,883</u>	<u>17,169,913</u>	<u>15,126,906</u>	<u>14,213,268</u>	<u>14,244,571</u>
Community services	<u>567,178</u>	<u>481,208</u>	<u>466,851</u>	<u>446,399</u>	<u>463,520</u>
Capital outlay	<u>3,466,855</u>	<u>4,443,176</u>	<u>3,019,455</u>	<u>4,303,484</u>	<u>2,837,422</u>
Debt service	<u>251,563</u>	<u>171,003</u>	<u>140,722</u>	<u>194,180</u>	<u>207,929</u>
Total expenditures	<u>46,219,274</u>	<u>45,818,885</u>	<u>40,556,384</u>	<u>40,314,308</u>	<u>38,054,431</u>
Other financing uses	<u>670,494</u>	<u>322,823</u>	<u>579,128</u>	<u>1,865,183</u>	<u>728,086</u>
Total expenditures and other financing uses	<u>\$ 46,889,768</u>	<u>\$ 46,141,708</u>	<u>\$ 41,135,512</u>	<u>\$ 42,179,491</u>	<u>\$ 38,782,517</u>
Official student enrollment	6,449	6,260	5,927	5,891	5,789
Expenditures per student	\$ 7,271	\$ 7,371	\$ 6,940	\$ 7,160	\$ 6,699

GRAND BLANC COMMUNITY SCHOOLS
 OPERATING INFORMATION
 FREE & REDUCED LUNCH COUNT
 LAST TEN YEARS
 JUNE 30, 2007
 (UNAUDITED)

<u>Fiscal Year</u>	<u>Free and Reduced Eligible Count (October)</u>	<u>Student Count</u>	<u>% of Student Population</u>
2006-07	1,096	8,229	13%
2005-06	976	7,940	12%
2004-05	876	7,624	11%
2003-04	724	7,313	10%
2002-03	618	6,789	9%
2001-02	568	6,449	9%
2000-01	533	6,260	9%
1999-00	404	5,927	7%
1999-98	392	5,891	7%
1997-98	379	5,789	7%

GRAND BLANC COMMUNITY SCHOOLS
 OPERATING INFORMATION
 ENROLLMENT STATISTICS
 LAST TEN YEARS
 (UNAUDITED)

Fiscal Year	Total	Teaching Staff	Ratio Pupils to Teaching Staff
2006-07	8,229	431	19.09
2005-06	7,940	388	20.46
2004-05	7,624	387	19.70
2003-04	7,313	373	19.61
2002-03	6,789	368	18.45
2001-02	6,449	364	17.72
2000-01	6,260	362	17.29
1999-00	5,927	357	16.60
1998-99	5,891	349	16.88
1997-98	5,789	335	17.28

Note: Enrollment statistics based on full-time equivalents

GRAND BLANC COMMUNITY SCHOOLS
OPERATING INFORMATION
INSURANCE COVERAGE INFORMATION
LAST TEN YEARS
(UNAUDITED)

Coverage on Buildings, Contents and Property in the Open is written on an "All-Risk" basis for a blanket amount based on a statement of values. Amount of insurance is on an agreed amount basis with a \$10,000 deductible with the coinsurance clause waived annually upon the filing of the statement of values and is based on 90% replacement cost.

<u>Location and/or Item Covered</u>	<u>Buildings</u>	<u>Equipment</u>
High School East	\$ 70,104,688	\$ 2,581,163
High School West	35,553,723	1,353,837
Middle School East, 6100 Perry Road	29,853,717	1,500,000
Middle School West, 1515 East Reid Road	30,179,264	1,500,000
Bus Garage, Maple Road	2,500,862	-
Bus Garage, R-12500 Holly Road	399,511	135,784
Maintenance Garage	94,995	57,526
Perry Center Building	20,760,212	529,206
Perry storage shed	1,786	-
McGrath Elementary, 5288 Todd Street	20,761,985	579,942
Anderson Elementary, 5290 Leroy Street	4,424,796	403,208
Brendel Elementary, 223 Bush Street	9,816,671	574,242
Cook Elementary, 4433 E. Cook Road	9,017,239	527,536
Indian Hill Elementary, 11240 Woodbridge Drive	11,948,283	513,737
Myers Elementary & addition, 6085 Sun Valley Drive	5,790,532	739,425
Reid Elementary, 2103 East Reid Road	12,021,222	616,413
Mason Elementary 4437 E. Cook Road	15,876,420	410,000
Paul Madison Administration Building	3,426,488	113,749
Salt shed and Garage	6,819	-
Community Field - Playground and outside equipment	885,242	332,578
Batchelor Athletic Field	241,798	118,214
Maintenance Shop	66,015	26,573
Baseball and Softball fields	28,191	9,639
	<u>283,760,459</u>	<u>12,622,772</u>
Total Real & Personal Property (Excluding Floater Policies)		<u>\$ 296,383,231</u>

<u>Automobile Insurance</u>	
Bodily injury liability	\$ 5,000,000 each occurrence
Statutory no-fault coverages	Included
Uninsured motorist	\$ 1,000,000 each person
	\$ 1,000,000 each accident
Comprehensive (\$ 1,000 deductible)	All vehicles
Collision with \$ 1,000 deductible	All vehicles
<u>Comprehensive General Liability</u>	
Broad form coverage including personal injury coverages	\$ 5,000,000 each occurrence
<u>Excess Liability Insurance</u>	
Excess over General, Auto, School Board Liability and Employers' Liability	\$ 5,000,000 aggregate
<u>Workers' Compensation Insurance</u>	Statutory requirements

Statements of Values for various types of property insurance are compiled and filed with the insurance underwriters each year to keep the amount of protection in line with the values of properties owned.

GRAND BLANC COMMUNITY SCHOOLS
 OPERATING INFORMATION
 SUMMARY OF OWNED BUILDINGS AND SITES
 LAST TEN YEARS
 (UNAUDITED)

<u>Building</u>	<u>Year of Construction or Purchase</u>	<u>Number of Stories</u>	<u>Square Footage</u>	<u>Acreage</u>	<u>Number of Classrooms</u>	<u>Number of Students</u>
Instructional						
Elementary Schools						
Anderson	1966	1	39,939	10.0	19	425
Cook	1966	1	39,939	10.0	19	473
Indian Hill	1964	1	58,452	9.5	12	430
Mason	2002	1	72,326	20.0	18	443
McGrath	1955	1	103,000	20.0	31	420
Myers	1956	1	52,415	18.0	19	554
Reid	1964	1	66,536	12.0	20	536
Brendel	1959	1	58,053	17.0	22	397
Middle School East	2006	2	172,300	40.0	40	938
Middle School West	2006	2	172,300	37.3	40	896
High School						
West Campus	1975	2	160,000	58.0	60	670
East Campus	1963	2	399,633	99.0	64	1,821
Ezra W. Perry Center	1924	3	94,635	2.0	23	224
Total Instruction			<u>1,489,528</u>	<u>352.8</u>	<u>387</u>	<u>8,227</u>
Non-Instruction						
Administration Building	1970	1	4,425	1.0		
Maintenance Building	1963	1	10,880	3.0		
Pupil Transportation Buildi	2007	1	15,716	51.0		
Riverbend West Property	1970			11.9		
Total Non-Instruction			<u>31,021</u>	<u>66.9</u>		

GRAND BLANC COMMUNITY SCHOOLS
CONTINUING DISCLOSURE INFORMATION
REVENUES - GOVERNMENT-WIDE
(UNAUDITED)

	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Governmental Activities						
Program revenues:						
Charges for services:						
Community services	\$ 261,520	\$ 320,214	\$ 330,653	\$ 307,483	\$ 204,552	\$ 207,203
Food services	2,059,846	1,932,229	1,798,140	1,635,989	1,418,291	1,309,616
Athletics	176,705	207,058	197,180	180,171	160,718	147,932
Child care	942,127	852,430	795,034	757,285	625,406	593,538
Operating grants & contributions:						
Basic programs	173,032	152,330	178,239	804,937	888,548	1,001,735
Added needs	4,777,708	4,366,487	4,575,756	2,969,150	2,772,329	2,245,483
Support services	121,389	249,089	264,972	238,966	238,157	239,297
Community services	17,700	1,380	2,058	208,388	225,156	234,979
Food services	997,361	855,699	823,830	740,838	646,452	559,149
Total program revenues	9,527,388	8,936,916	8,965,862	7,843,207	7,179,609	6,538,932
General purpose revenues:						
Property tax - General Fund	10,558,750	9,855,024	9,400,214	8,965,153	8,632,061	8,006,654
Property tax - Sinking Fund	1,772,864	1,719,643	1,550,846	1,438,474	1,358,426	1,239,121
Property tax - Debt Retirement Fund	8,038,997	7,656,254	7,140,692	2,649,495	2,455,545	2,246,347
State school aid - unrestricted	50,114,906	46,378,046	43,166,501	40,753,529	37,863,812	36,070,764
Unrestricted contributions	162,674	203,129	398,251	201,130	160,746	184,688
Investment earnings	1,332,868	1,708,537	2,911,622	349,753	656,041	1,227,239
Miscellaneous	885,907	628,225	475,290	672,918	249,791	1,163,452
Total general purpose revenues	72,866,966	68,148,858	65,043,416	55,030,452	51,376,422	50,138,265
Total governmental activities	<u>\$ 82,394,354</u>	<u>\$ 77,085,774</u>	<u>\$ 74,009,278</u>	<u>\$ 62,873,659</u>	<u>\$ 58,556,031</u>	<u>\$ 56,677,197</u>

Note: Data is available for years beginning after June 30, 2001. Interfund transfers have been eliminated.

GRAND BLANC COMMUNITY SCHOOLS
CONTINUING DISCLOSURE INFORMATION
EXPENDITURES - GOVERNMENT-WIDE
(UNAUDITED)

	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Functions/Programs						
Governmental Activities						
Instruction						
Basic programs	\$ 50,046,213	\$ 30,981,006	\$ 26,818,960	\$ 25,359,679	\$ 26,075,768	\$ 23,473,819
Added needs	7,518,528	7,279,508	7,167,245	6,384,967	5,092,266	4,886,433
Support services	22,827,205	23,156,981	20,825,320	20,909,329	18,014,807	16,061,251
Community services	430,040	501,180	589,472	496,691	467,949	567,178
Food services	2,728,402	3,197,625	2,486,820	2,248,200	1,953,964	1,713,766
Athletics	819,762	775,698	726,455	717,734	660,444	675,462
Child care	939,603	837,130	737,492	719,410	636,255	615,338
Interest on long-term debt net of amortization of debt issue premium	4,871,941	4,823,054	5,104,167	1,595,325	919,011	761,787
Unallocated depreciation	<u>70,770</u>	<u>132,471</u>	<u>119,440</u>	<u>502,484</u>	<u>554,741</u>	<u>1,014,268</u>
Total governmental activities	<u>\$ 90,252,464</u>	<u>\$ 71,684,653</u>	<u>\$ 64,575,371</u>	<u>\$ 58,933,819</u>	<u>\$ 54,375,205</u>	<u>\$ 49,769,302</u>

Note: Data is available for years beginning after June 30, 2001. Interfund transfers have been eliminated.