DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2008

TABLE OF CONTENTS

Page

Independent Auditors' Report 1

Management's Discussion and Analysis 3

Basic Financial Statements
District-wide Financial Statements:
Statement of Net Assets 15

Statement of Activities 16

Fund Financial Statements:

Governmental Funds:
Balance Sheet 17

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities 18

Statement of Revenues, Expenditures, and Changes in Fund Balance 19

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 20

Fiduciary Fund:
Statement of Fiduciary Net Assets 21

Statement of Changes in Fiduciary Net Assets 22

Notes to Financial Statements 23

Required Supplemental Information
Budgetary Comparison Schedule - General Fund, Special Education Fund, and Career Technical Fund 36

Other Supplemental Information
Combining Balance Sheet - Nonmajor Governmental Funds 37

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds 38

TABLE OF CONTENTS

Page

General Fund:
Statement of Budgeted and Actual Revenues, Expenditures, and Changes in Fund Balance 39

Special Education Fund:
Statement of Budgeted and Actual Revenues, Expenditures, and Changes in Fund Balance 40

Career Technical Fund:
Statement of Budgeted and Actual Revenues, Expenditures, and Changes in Fund Balance 41

James R. Fitzharris Fund:
Balance Sheet 42

Statement of Budgeted and Actual Revenues, Expenditures, and Changes in Fund Balance 43

Clear Lake Fund:
Balance Sheet 44

Statement of Budgeted and Actual Revenues, Expenditures, and Changes in Fund Balance 45

Major Maintenance Fund:
Balance Sheet 46

Statement of Budgeted and Actual Revenues, Expenditures, and Changes in Fund Balance 47

Agency Funds:
Schedule of Changes in Assets and Liability Accounts 48

Schedule of Taxable Valuations, Tax Rates and Tax Levies 49

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October 28, 2008

Board of Education
Delta-Schoolcraft Intermediate
School District
Escanaba, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Delta-Schoolcraft Intermediate School District as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Delta-Schoolcraft Intermediate School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Delta-Schoolcraft Intermediate School District as of June 30, 2008 and the respective changes in financial position, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report under separate cover dated October 28, 2008 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 14 and page 36 are not a required part of the basic financial statements but are supplemental 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 supplemental 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 Delta-Schoolcraft Intermediate School District's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information 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.

Schneider, Larche, Haapala & Company, PLC

Certified Public Accountants

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DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2008

Delta-Schoolcraft Intermediate School District Management's Discussion and Analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the District's financial activities, identify changes in the District's financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and is intended to provide the financial results for the fiscal year ended June 30, 2008.

Generally accepted accounting principles (GAAP) according to GASB 34, requires the reporting of two types of financial statements: District-wide Financial Statements and Fund Financial Statements. These statements are organized so the reader can understand the Delta-Schoolcraft Intermediate School District's financial condition as a whole. The financial report includes the following:

Financial Section
Management's discussion and analysis
(MD&A)
(Required Supplemental Information)

Basic Financial Statements
District-wide Financial Statements
Fund Financial Statements
Notes to the Basic Financial Statements

Required Supplemental Information
(Other than MD&A expanded)

BASIC FINANCIAL STATEMENTS

District-wide Financial Statements

The District-wide statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two District-wide statements: the Statement of Net Assets and the Statement of Activities. These two statements report the School District's *net assets* - the difference between assets and liabilities, as reported in the Statement of Net Assets - to measure the School District's financial health, or *financial position.* Over time, *increases or decreases* in the School District's net assets - as reported in the Statement of Activities - are 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 our students, not to generate profits as commercial entities do. One must consider many other factors, such as the quality of the education provided and the safety of the schools to assess the *overall health* of the School District.

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

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

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund statements focus on the District's Major Funds rather than fund types. The fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period those goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

Fund types include the General Fund, Special Education Fund, Career Technical Fund, Cooperative Education Fund (James R. Fitzharris High School), School Service Fund (Clear Lake Outdoor Education Center), Debt Retirement Fund, Capital Projects Fund, and Fiduciary Fund. The General Fund, Special Education Fund, and Career Technical Fund are considered Major Funds of the district. Major Funds are used primarily to account for the requirements of the District. Revenues are derived from property taxes, state and federal grants, and other intergovernmental revenues. The School Service Fund is comprised of the Clear Lake Outdoor Education Activities. The Debt Retirement Fund is used to record the funding and payment of principal and interest on bonded debt. The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities. The Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for various student groups and related activities.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2008

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

ASSETS

		June 30, 2008		June 30, 2007
Current Assets	$	6,081,028	$	5,733,588
Capital Assets, Net Book Value		2,199,412		2,328,966
TOTAL ASSETS	$	8,280,440	$	8,062,554

LIABILITIES

Current Liabilities	$	1,480,162	$	1,218,514
Long-term Liabilities		742,980		790,941
TOTAL LIABILITIES	$	2,223,142	$	2,009,455

NET ASSETS

Invested in capital assets, net of related debt	$	1,977,528	$	2,101,560
Restricted		-		-
Unrestricted		4,079,770		3,951,539
TOTAL NET ASSETS	$	6,057,298	$	6,053,099
TOTAL NET ASSETS AND LIABILITIES	$	8,280,440	$	8,062,554

The School District's net assets totaled $6,057,298 and $6,053,099 for 2008 and 2007 respectively. Of this amount, $4,079,770 was unrestricted for 2008 and $3,951,539 for 2007. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for the day-to-day operations. Total net assets can be separated into three components: Invested capital assets net of related debt, restricted net assets for capital projects or for debt service, and unrestricted net assets.

Net capital assets are a combination of funds invested in capital assets less accumulated depreciation and related debt. At June 30, 2008, the original cost of capital assets is $4,971,215. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation expense is recorded on the original cost of the asset, less any estimated salvage value expensed over the estimated use life of the assets. Total accumulated depreciation is $2,771,803. Total debt related to capital assets totaled $221,884.

Restricted net assets for capital project funds are by their nature restricted for use by laws or regulations by the State of Michigan. There were no restricted net assets at June 30, 2008.

The results of the operations for the School District as a whole are reported in the Statement of Activities. A summary of the District-wide results of operations for the years ended June 30, 2008 and 2007 follows:

		June 30, 2008		June 30, 2007
Program Revenue:				
Charges for services	$	1,472,891	$	1,663,155
Operating grants and contributions		5,686,932		5,556,550
TOTAL PROGRAM REVENUE	$	7,159,823	$	7,219,705
General Revenue:				
Property taxes levied for general operation	$	3,356,976	$	3,175,474
State aid – unrestricted		777,851		770,149
Other – state and local		207,471		286,111
TOTAL GENERAL REVENUE	$	4,342,298	$	4,231,734
TOTAL REVENUE	$	11,502,121	$	11,451,439
Expenses:				
Instruction	$	3,149,365	$	2,875,575
Supporting services		7,371,657		7,032,595
Community services		124,042		140,570
Transfers or payments to other governmental units or not for profit entities		771,894		886,447
Interest on long-term debt		10,562		10,562
Unallocated depreciation		70,402		63,469
TOTAL EXPENSE	$	11,497,922	$	11,009,218
Increase (decrease) in net assets	$	4,199	$	442,221
Net assets, July 1		6,053,009		5,610,878
Net assets, June 30	$	6,057,298	$	6,053,099

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2008

The overall financial position of the School District fluctuates with the State of Michigan's economic health. The downturn in the State's economic health continues to have a negative impact on the financial condition of the funds that comprise Delta-Schoolcraft Intermediate School District.

The General fund had an increase in fund balance of $80,612 which was due to revenues exceeding the expenditures for the fiscal year 2007-2008. The gain was projected and expected. This figure includes incoming fund modifications in an amount of $8,225. Factors contributing to the net income included staff reductions during the middle of the academic year, one less month of insurance costs and lower than projected maintenance costs. Projections for the fiscal year 2008-2009 indicate expenditures will be greater than revenues.

The General fund equity balance will provide available resources to meet financial goals until June 2011. Several plans to extend the existing resources are being reviewed. As of June 30, 2008 a total amount of $203,752 of fund equity was reserved to meet accumulated unpaid benefits of $188,316 and $15,436 of inventory reserve.

The Special Education fund realized $21,276 of excess revenues over expenditures for the fiscal year 2007-2008. The Special Education fund now has an optimal balance to provide the long term financial resources necessary to achieve the financial goals of the District. A significant portion of fund equity is earmarked as reserved. The total fund balance reserve at the end of the fiscal year was $583,468, of which $283,154 is designated for future terminal leave benefits and $300,314 represents the maximum contingency to be returned to the Michigan Department of Community Health upon audit adjustment. This audit reserve represents the Medicaid Administrative Outreach Program claims submitted dating back to January 2003 which may have to be returned to Community Health depending on a decision at the federal level.

The Career Technical Education fund realized $130,231 of excess revenues over expenditures for fiscal year ending June 30, 2008. The gain was recognized due to the combinations of a staff assignments and a review of budget projections with capital outlay and supply purchases being delayed.

One of the major funding sources for the Career-Technical Education Fund is a reimbursement from the State for the added cost of instruction. To receive the added cost funds there is a requirement to maintain local expenditures from year to year. In the upcoming 2008-2009 fiscal year the added cost requirement will bring a review of the five year needs plan addressing staffing levels and capital outlay purchases.

Future concerns include the Career Technical building trades program where the students assist in building houses and then sell them by advertised bid. At the close of 2007-2008 we had one house on the market for over two years and one nearing market position. Housing sales in Delta County have slowed and a need for cash flow may prompt the Board of Education to sell the house that has been on the market for two years under actual construction costs. Expenditures in excess over proceeds for the house will be recognized upon the sale of the house.

Current projections for the Career Technical fund indicate the assets necessary for the day-to-day operations for the upcoming and subsequent fiscal year are available with continued scrutiny of staffing levels and no unforeseen expenditures are necessary. Fund equity at the end of the current fiscal year is reserved in a total amount of $650,942 of which $146,457 is earmarked to meet accumulated unpaid benefits and $504,485 reflects the inventory consisting of the building construction program property.

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, usually before the State of Michigan enacts its' budget or most grants are awarded. Therefore, it is expected that there will be significant changes between the initial budget and subsequent budgets, as actual grant awards are known. The most significant funds budgeted are the General Fund, Special Education Fund, and Career-Technical Education Fund. The budgets are amended approximately three times during the year. Budgets do not include grant revenues and expenditures until the award letter is received, because a major portion of the district's funding is generated by these grant awards, budget amendments are necessary to include these funds.

General Fund

In the General Fund operations, the actual revenue (excluding $8,225 of fund modifications) was $2,987,072. This is above the original budget amount of $1,170,197 and below the final budget of $3,974,792, a variance of $987,720. The actual expenditures of the General Fund operations were $2,914,685, this is above the original budget of $1,440,806 and below the final budget of $3,905,663, a difference of $990,978, or a 25.37% variance compared to the final budget. These large variances are due to timing differences in when grant funds begin and end. Most of the grants we receive have performance periods that do not correspond to our fiscal year. It is the district's practice to budget the full state and federal grant award in the current fiscal year and then carry over both the revenue and expenditures to the subsequent period budget. The actual net revenues (excluding fund modifications) over expenditures were $72,387.

A fund balance modification is not reflected in the revenue total, which is a transfer from the Clear Lake fund of $8,225. The total increase in fund balance was $80,612.

The variances between the actual revenues and the original and final revenue budget are primarily due to the following:

The timing differences in when grant funds begin and end and the corresponding revenue being carried over to the subsequent budget period.

The Universal Service Fund E-Rate Discount revenue was lower than original projections.

The local district contributions for programming that were unexpended were brought forward to the upcoming fiscal year for summer programming expenditures.

On the expenditure side the variances between the actual expenditures and the original and final expenditure budget are due primarily because unexpended grant funds are carried forward to the next fiscal year to match revenues. Also, a change in the insurance coverage term to end August 31st instead of September 30th created a savings of approximately $75,400 district wide. Of this amount General fund realized $5,500 of savings.

Special Education Fund

In the Special Education Fund operations, the actual revenue was $5,485,130. This is above the original budget of $3,842,950 and below the final budget of $5,711,050, a variance of $225,920. The actual operations expenditures of the Special Education fund were $5,463,854. This is above the original budget of $3,893,901 and below the final budget of $5,959,259, a variance of $495,405 or 8.31% of the final budget. Budget variances are due to the full state and federal grant awards being budgeted in the current fiscal year and carrying over both the revenue and expenditures to the subsequent period budget. The actual net revenue over expenditures was $21,276.

The variance between the actual revenues and the original and final revenue budget was due primarily to grant funds being budgeted at full grant award amounts regardless of the award period exceeding the fiscal year, which results in carryover budgets.

The variances between the actual expenditures and the original and final expenditure budget are due primarily to the following.

Special Education had approximately $51,000 savings from changing the insurance coverage term.

Unexpended grant fund expenditures were carried forward to the next fiscal year to match revenues.

The maintenance and transportation expenditures were less than original projections.

Projected contract fees to Public Consulting Group and diagnostic services were less than projected.

Transfers to local area schools for center based programming & Medicaid were lower than projected.

An occupational therapist psychological position opening was not filled.

Several staff on mid year leave were not replaced.

Career Technical Education Fund

In the Career Technical Education Fund operations, the actual revenue was $2,363,251. This is above the original budget of $2,490,983 and above the final budget of $2,351,123, a variance of $12,128. The actual expenditures of the Career Technical Fund operations were $2,233,020. This is below the original budget of $2,566,337 and final budget of $2,363,724, yielding a variance of $130,704 or 5.53%. The actual net revenues exceeded expenditures by $130,231

The variances between the actual revenues and the original and final revenue budget were primarily due to additional added cost funds.

The variances between the actual expenditures and the original budget are due to the expenditures of the house built by the building construction program being carried forward into the next fiscal year to match revenues.

The Career Technical Fund had approximately $12,500 savings from the one month term change of insurance coverage.

GOVERNMENTAL FUND EXPENDITURES

Below is a summary of the governmental fund expenditures and their percentages as they relate to total governmental funds:

	2007-2008 Total Expenditures	Percentage	2006-2007 Total Expenditures	Percentage
General Fund	$ 2,914,685	26%	$ 2,733,139	25%
Special Education Fund	5,463,854	48%	5,371,324	48%
Career-Technical Fund	2,233,020	20%	2,293,894	21%
Other Funds	681,142	6%	672,765	6%
TOTAL EXPENDITURES	$ 11,292,701	100%	$ 11,071,122	100%

GOVERNMENTAL FUND REVENUES

Below is a summary of the governmental fund revenues and their percentages as they relate to total governmental sources:

	2007-2008 Total Revenues	Percentage	2006-2007 Total Revenues	Percentage
Federal/State/Local restricted	$ 5,821,105	51%	$ 5,897,754	51%
Property Taxes	3,341,278	29%	3,175,474	28%
Inter-district charges for services	1,203,316	10%	1,321,951	12%
State of Michigan-unrestricted	777,851	7%	770,149	7%
Other Federal/State/Local	358,572	3%	286,111	2%
TOTAL REVENUES	$11,502,122	100%	$11,451,439	100%

Operating Grants Federal, State, and Local

The district's primary operating sources are federal IDEA funds for Special Education, competitively awarded federal grants for the General Education Fund, and formula-based State Aid added cost funding for Career Technical Education.

Other restricted state funds are included in this category. These restricted grant funds are to be used specifically in accordance with program budget goals and objectives. We act as a fiscal agent for a portion of these funds allocating the resources to other governmental units. If unexpended, these funds must be returned to the State of Michigan or funding source. Local operating funds are contributions by local area business foundations and private sector companies for specific purposes.

Property Taxes

The District levied 2.3851 mills of property taxes on all property located within the District. General Fund's levy was .1346 mills, Special Education's levy was 1.3502 mills, and Career Technical Education's levy was .9003 mills. The levy is assessed on the taxable value of both homestead and non-homestead property. The State of Michigan's tax commission establishes an inflation factor each year that taxable value is allowed to increase by. These levies are subject to Headlee rollback provisions if the taxable value increases more than the inflation rate. Over the years the District has had their millage rate gradually "rolled back" from 2.65 mills to the current 2.3851 mills. The original levy consisted of .15 mills for General Education, 1.5 mills for Special Education and 1 mill for Career Technical Education. Only the constituent voters of the District, by electoral vote, can restore the original allocated 2.65 mills. The 2007-2008 taxable value for the property located within the District as revised and reported by the county treasurers was 1,385,711,741 generating $186,517 for the General Fund, $1,870,988 for the Special Education fund, and $1,247,556 for Career Technical Education for a District-Wide total of $3,305,061.

Charges for Services

These are funds received from local educational agencies located within the intermediate school district boundaries and outskirts. The primary responsibility of an intermediate school district is to provide services for all districts within its boundaries more economically than each could provide individually.

Special Education received $169,576 of service charges, of which $99,999 was collected on behalf of Escanaba Area Schools for Special Education Center Based programming. Each year the local districts within the intermediate district boundary pay a per pupil amount to the intermediate school district, which in turn is remitted in full to Escanaba Area Schools as a conduit type payment. The remaining $69,577 was generated by diagnostic staff services.

General Education received from local districts and other intermediate school districts amounts for technology, professional development, management and student information systems, and science and mathematics costs. The service charges totaled $234,558 for the fiscal year 2007-2008.

Career Technical Education charges $575 per student to attend classes at the Career Technical Center. In 2007-2008 $277,869 was generated from tuition for 529 students. Additionally, $31,681 was generated by other service charges.

Restricted State Aid

In the Special Education Fund the major state aid sections are based upon the current year allowable special education costs at 28.6138% plus transportation costs at 70.4165%. A deduction is then made from this amount for membership funding which is a blended count of students from two school years, with the remaining balance identified in a separate categorical. The State revenues are guaranteed at the 1996-1997 levels of funding for Special Education due to the Durant funding court settlement. In Career Technical Education the major state aid is a section called "Added Cost", which is derived from a ratio of per student hour to program costs.

The District's state aid increased $287,049 from the previous year. This increase was mainly attributable to a new Great Start Early Childhood grant in the amount of $60,000, $35,000 in increased funding under a Michigan School Readiness grant and approximately a $77,000 increase generated from the special education cost reimbursement formula. Most of the state aid grants run from October to September so unspent restricted funds are brought forward to the next school year. A six-year history shows a net total increase of 4.65% with $126,928 more funds than the 2002-2003 level.

2007-2008	$	2,856,516
2006-2007	$	2,569,467
2005-2006	$	2,371,577
2004-2005	$	2,338,449
2003-2004	$	2,337,220
2002-2003	$	2,729,588

Unrestricted State Aid

The District receives State Aid based on formula calculations for items approved by the legislature under the State School Aid Act, frequently referred to as categorical funds or sections. Each section of the State School Aid Act has criteria for award. In the General Fund, the major award to the District is unrestricted state aid, generated from section 81 of the School Aid Act. These funds are called general fund operating dollars and due to the unrestricted nature may be used by the District for any legal spending purpose.

Enrollment

The District's 2007-2008 blended enrollment count totaled 95.51 students. This is a increase of .80 students from the previous year. The District's enrollment is generated from students attending the Learning Center program operated under Special Education. For the previous five years the District's enrollment has remained stable with significant shifts in the disability of the student population. An increase in preschool children with severe disabilities that are the result of surviving major medical events have become a growing portion of the student membership. Another population increase is in the area of adolescent and young adult students with severe disabilities moving into our area and living in group homes or foster care homes. Several of the foster care homes in our area are the last placements for students before residential placements are necessary. The State reimburses for Special Education membership as part of the 28.6138% of cost plus 70.4165% of the cost of transportation reimbursement via two state aid sections, so minor changes in enrollment are not relevant to funding but have a significant impact on staffing needs.

Capital Assets

At the end of fiscal year 2008, the School District had $ 4,971,215 invested in capital assets classified as: buildings, land and improvements, vehicles and furniture, fixtures, and equipment. Of this amount, $2,771,803 is depreciated yielding a net book value of $2,199,412.

Outstanding Debt at Year End

Details of the long-term debt outstanding at June 30, 2008 are as follows:

The Durant Bonds are a legal obligation of the School District and represent debt to the District. Based on the Durant Settlement provisions, however, a State of Michigan appropriation is the only revenue source for making the annual debt service payments on the bonds.

Bonds payable consist of the Durant Resolution Package bonds originally scheduled for 15 annual installments. After refinancing, the payments range from $26,387 to $177,300 including the annual interest at 4.761353 %. Payments are due May 15 of each year. Two annual payments including the current fiscal year payment were deferred until 2009. The debt fund reflected the postponement of the refinanced May 15th state payment.

The estimated Durant Resolution Bonds debt service requirements for principal and interest to maturity as of June 30, 2008 are principal: $221,884 and interest: $80,391.

Accumulated unpaid benefits consist of the accrued liability for vacation, contract termination and sick pay. The following summarizes the accrued liability for vacation, termination and sick pay by fund.

General Fund	$	188,316
Special Education Fund	$	283,154
Career Technical Fund	$	146,457
James R. Fitzharris Fund	$	40,186
TOTAL	$	658,113

This report is designed to give an overview of the financial conditions of the Delta-Schoolcraft Intermediate School District. If you should desire additional detailed financial information it can be obtained by contacting either of the following persons:

Michael F. Koster, Superintendent
Leslie Massignan, Business Manager
Delta-Schoolcraft Intermediate School District
2525 Third Avenue South, Escanaba, Michigan 49829
Fax (906)786-9318 Office Phone (906)786-9300
Email - lama@dsisd.k12.mi.us

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2008

ASSETS

		Governmental Activities
Current Assets:		
Cash and cash equivalents	$	4,176,558
Due from other governmental units		992,516
Other receivables		293,701
Other assets		125,085
Inventory		493,168
TOTAL CURRENT ASSETS	$	6,081,028
Capital Assets:		
Buildings, land and improvements	$	2,966,135
Furniture, fixtures and equipment		1,875,760
Vehicles		129,320
Less: accumulated depreciation		(2,771,803)
NET CAPITAL ASSETS	$	2,199,412
TOTAL ASSETS	$	8,280,440

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$	262,235
Accrued salaries		261,063
Accrued interest on long-term debt		60,074
Other accrued liabilities		251,413
Deferred revenues		504,928
Current portion of accumulated unpaid benefits		10,459
Current portion of long-term obligations		129,990
TOTAL CURRENT LIABILITIES	$	1,480,162
Noncurrent Liabilities:		
Noncurrent portion of accumulated unpaid benefits	$	647,654
Noncurrent portion of long-term obligations		95,326
TOTAL NONCURRENT LIABILITIES	$	742,980
TOTAL LIABILITIES	$	2,223,142
Net Assets:		
Invested in capital assets, net of related debt	$	1,977,528
Restricted		-
Unrestricted		4,079,770
TOTAL NET ASSETS	$	6,057,298
TOTAL LIABILITIES AND NET ASSETS	$	8,280,440

See notes to financial statements.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the year ended June 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:				
Instruction	$ 3,149,365	$ 770,450	$ 1,215,048	$ (1,163,867)
Supporting services	7,371,657	358,266	4,265,284	(2,748,107)
Community services	124,042	92,781	-	(31,261)
Transfers or payments to other governmental units or not-for profit entities	771,894	251,394	206,600	(313,900)
Interest on long-term debt	10,562	-	-	(10,562)
Unallocated depreciation	70,402	-	-	(70,402)
TOTAL GOVERNMENTAL ACTIVITIES	$ 11,497,922	$ 1,472,891	$ 5,686,932	$ (4,338,099)

General Revenues:	
Property taxes-General Operation	$ 3,356,976
State of Michigan aid - unrestricted	777,851
Other - state and local	207,471
TOTAL GENERAL REVENUES	$ 4,342,298
Change in net assets	$ 4,199
Net assets - July 1, 2007	6,053,099
Net assets - June 30, 2008	$ 6,057,298

See notes to financial statements.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2008

	General Fund	Special Education Fund	Career Technical Fund	Other Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 939,802	$ 1,862,677	$ 720,919	$ 653,160	$ 4,176,558
Accounts receivable	121,981	125,921	29,230	16,569	293,701
Due from other governmental units	428,785	435,194	119,445	9,092	992,516
Due from other funds	16,060	-	-	-	16,060
Other assets	101,367	23,718	-	-	125,085
Inventory	15,436	-	504,485	-	519,921
TOTAL ASSETS	$ 1,623,431	$ 2,447,510	$ 1,374,079	$ 678,821	$ 6,123,841
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	$ 81,107	$ 85,345	$ 62,580	$ 33,203	$ 262,235
Due to other funds	-	4,029	10,959	1,072	16,060
Accrued salaries	29,414	175,223	48,766	7,660	261,063
Other accrued liabilities	35,723	159,830	40,990	14,870	251,413
Deferred revenues	478,233	21,765	-	4,930	504,928
TOTAL LIABILITIES	$ 624,477	$ 446,192	$ 163,295	$ 61,735	$ 1,295,699
FUND BALANCE:					
Reserved	$ 15,436	$ 300,314	$ 504,485	$ -	$ 820,235
Designated	188,316	283,154	146,457	40,186	658,113
Unreserved and undesignated	795,202	1,417,850	559,842	576,900	3,349,794
TOTAL FUND BALANCES	$ 998,954	$ 2,001,318	$ 1,210,784	$ 617,086	$ 4,828,142
TOTAL LIABILITIES AND FUND BALANCE	$ 1,623,431	$ 2,447,510	$ 1,374,079	$ 678,821	$ 6,123,841

See notes to financial statements.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2008

Total fund balances-governmental funds		$ 4,828,142
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of net assets	$ 4,971,215	
Accumulated depreciation	(2,771,803)	2,199,412
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:		
Durant Bonds	$ 221,884	
Capital leases	3,432	
Accumulated unpaid benefits	658,113	
Total long-term liabilities		(883,429)
In the statement of net assets, a valuation allowance on inventory is included as of June 30, 2008		(26,753)
In the statement of net assets, interest has been accrued on bonds payable as of June 30, 2008		(60,074)
Total net assets-governmental activities		$ 6,057,298

See notes to financial statements.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the year ended June 30, 2008

	General Fund	Special Education Fund	Career Technical Fund	Other Nonmajor Governmental Funds	Total
REVENUES					
Local sources	$ 319,249	$ 2,220,338	$ 1,299,702	$ 127,050	$ 3,966,339
State sources	971,190	1,306,002	413,747	49,987	2,740,926
Federal sources	1,462,075	1,789,214	340,252	-	3,591,541
Interdistrict sources and other	234,558	169,576	309,550	489,632	1,203,316
TOTAL REVENUES	$ 2,987,072	$ 5,485,130	$ 2,363,251	$ 666,669	$ 11,502,122
EXPENDITURES					
Current:					
Instruction	$ -	$ 1,438,887	$ 1,258,957	$ 371,471	$ 3,069,315
Supporting services	2,602,724	3,552,133	959,063	213,530	7,327,450
Community services	61	27,840	-	96,141	124,042
Payments to not-for-profit entites	227,654	-	-	-	227,654
Interdistrict and other	84,246	444,994	15,000	-	544,240
TOTAL EXPENDITURES	$ 2,914,685	$ 5,463,854	$ 2,233,020	$ 681,142	$ 11,292,701
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 72,387	$ 21,276	$ 130,231	$ (14,473)	$ 209,421
OTHER FINANCING SOURCES (USES)					
Operating transfers in	$ 8,225	$ -	$ -	$ -	$ 8,225
Operating transfers out	-	-	-	(8,225)	(8,225)
TOTAL OTHER FINANCING SOURCES (USES)	$ 8,225	$ -	$ -	$ (8,225)	$ -
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ 80,612	$ 21,276	$ 130,231	$ (22,698)	$ 209,421
Fund Balance, July 1	918,342	1,980,042	1,080,553	639,784	4,618,721
FUND BALANCE, JUNE 30	$ 998,954	$ 2,001,318	$ 1,210,784	$ 617,086	$ 4,828,142

See notes to financial statements.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2008

Total net change in fund balance-governmental funds		$ 209,419
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 depreciation exceeded capital outlay in the current period.		
Depreciation Expense	$ 147,925	
Capital Outlay	(18,371)	(129,554)
The statement of activities includes an estimated valuation loss on inventory while the governmental funds statement does not		(26,753)
Governmental funds report the repayment of bond and capital lease principal as expenditures, but the repayment reduces long-term obligations in the statement of net assets		2,091
Interest on long-term debt in the statement of activities includes accrued interest while the governmental funds statement does not.		(10,562)
Governmental funds report expenditures for payment of unpaid sick leave and early retirement incentive benefits as they occur. However, in the statement of activities those expenditures are accrued as they are earned.		
Accrued terminal sick leave and early retirement benefits for the year	$ 49,445	
Amount paid to employees	(9,003)	(40,442)
Change in net assets of Governmental Activities		$ 4,199

See notes to financial statements.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2008

	Private Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	$ 4,288	$ 20,898
TOTAL ASSETS	$ 4,288	$ 20,898
LIABILITES		
Due to student groups	$ -	$ 20,898
TOTAL LIABILITIES	$ -	$ 20,898
NET ASSETS		
Reserved for scholarships	$ 4,288	
TOTAL NET ASSETS	$ 4,288	

See notes to financial statements.

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the year ended June 30, 2008

		Private Purpose Trust
	ADDITIONS	
Contributions		$ 1,475
Interest		29
	TOTAL ADDITIONS	$ 1,504
	DEDUCTIONS	
Scholarships and transfers		$ 10,590
	TOTAL DEDUCTIONS	$ 10,590
	CHANGE IN NET ASSETS	$ (9,086)
Net assets, July 1		13,374
	NET ASSETS, JUNE 30	$ 4,288

See notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational and financial relationships that determine which of these governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. Based on application of the criteria, the School District has no component units.

District-wide and Fund Financial Statements

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Fund-based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, unrestricted State aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government. When both restricted and unrestricted revenues are available for use, the District's policy is to use restricted or unrestricted resources based upon specific identified expenditures in their budget plan.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The School District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund and, accordingly, it is used to account for all financial resources except those required to be accounted for in another fund.

Special Education Fund - The Special Education Fund is used to account for financial resources to be used specifically for providing special education services to students within the School District.

Career Technical Fund - The Career Technical Education Fund is used to account for financial resources to be used specifically for providing vocational education services to students within the School District.

Additionally, the School District reports the following nonmajor governmental fund types:

The School District maintains two governmental special revenue funds, which account for the Alternative High School and Clear Lake activities.

The School District also maintains a Major Maintenance Fund which is used for the major repair of capital facilities.

Fiduciary Funds

Private-purpose Trust - Trust arrangement under which principal and income benefit individuals in the form of scholarships. The District maintains one private-purpose trust fund.

Agency Funds - Agency funds account for assets held by the District in a custodial capacity. The District maintains two agency funds.

Assets, Liabilities and Net Assets or Equity

Cash and Cash Equivalents - Cash and cash equivalents are stated at cost which approximates fair value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories - Inventories are valued at the lower of cost or market (first-in, first-out). Inventory costs accumulated for the Career Technical Trades Program house are accounted for as expenditures when consumed (when the house is sold) rather than when purchased. Other inventories are considered immaterial and are accounted for using the purchase method in both the District-wide and Fund financial statements.

Capital Assets - Capital assets, which include land, buildings, improvements, furniture and fixtures, equipment, and vehicles, are reported in the applicable governmental column in the District-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of $5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure-type assets.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 - 50 years
Vehicles	5 years
Furniture, fixtures and equipment	5 - 20 years

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Interfund Balances - In the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds". These amounts are eliminated in the Statement of Net Assets.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Accumulated unpaid benefits - The liability for accumulated unpaid benefits reported in the District-wide statements consists of accumulated unpaid vacation, accumulated unpaid sick leave, and a liability for accumulated contract termination payments. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive payments upon termination are included.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations - In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. In the fund financial statements governmental fund types recognize bond proceeds in the current period.

Net Asset Classifications - In the District-wide financial statements, equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted net assets - consists of net assets with constraints on their use that are externally imposed (by creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

3. Unrestricted net assets - all other net assets that do not meet the definition of either of the other two components.

Fund Balances - In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation. Designations of fund balance represent tentative management plans that are subject to change.

Budgets and Budgetary Accounting - The School District prepares annual budgets for its governmental funds on the modified accrual basis as required by state law. The general statute governing the School District's budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. The following procedures are followed in establishing budgetary data reflected in the financial statement:

1. In February or March, the Superintendent submits to the School Board proposed operating budgets for the fiscal year commencing the following July 1. Proposed budgets include projected expenditures and the means of financing them.

2. A formal public hearing is held on the proposed budgets for public comment.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. The General Fund operating expense budget must be submitted to local districts not later than May 1, of each year. Not later than June 1, of each year, the board of each constituent district shall adopt a board resolution expressing support or disapproval of the budget and submit any specific objection or proposed changes which the School District would consider at its June meeting.

4. At the June School Board meeting, the budgets for the ensuing year are legally enacted through adoption by the Board.

5. Formal budget amendments may be made only by the approval of a majority of the School Board.

NOTE B - BUDGET NONCOMPLIANCE

The School District has complied with the provisions of the Michigan Uniform Budgeting and Accounting Act (P.A. of 621 of 1978), with the exception of the following excesses of expenditures over budget:

Special Education Fund:		
Planning, research and development	$	3,120
James R. Fitzharris Fund:		
Office of the principal		1,700
Transportation		618

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and savings account deposits, money market accounts, certificates of deposit and the School District's share of investment pools, which are made up of U.S. Government obligations, U.S. Government Agency obligations, certificates of deposit, banker's acceptances, commercial paper and repurchase agreements.

NOTE C - CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents are stated at cost which approximates fair value. The investment pools are valued using the amortized cost method which values securities at their cost on the date of purchase and recording a constant amortization or accretion to maturity of any premium or discount. The following details cash and cash equivalents at June 30, 2008:

Type	Carrying Amount
Checking, savings, and certificate of deposits	$ 1,918,812
Michigan Liquid Asset fund Investment pools	2,282,932
	$ 4,201,744

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits will not be recovered. The District does not have a custodial credit risk policy. As of June 30, 2008, the bank balance of checking and savings deposits and certificates of deposit was $2,232,964, of which $221,733 was insured and $2,011,231 was uninsured and uncollateralized.

Credit Risk - State statutes govern the types of investments in which the School District is allowed to invest. The following are allowable investments: U.S. Government obligations and U.S. Agency obligations; certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured financial institutions; certain commercial paper; U.S. banker's acceptances; U.S. Government obligations or U.S. Agency obligation repurchase agreements; and mutual funds that invest in the preceding type investments.

The following details the credit quality distribution for the investment pools at June 30, 2008:

Type	Standard & Poors Rating	Percentage
Michigan Liquid Asset Fund Plus-Cash Management Series	AAA m	6%
Michigan Liquid Asset Fund Plus-Max Series	AAA m	94%

NOTE C - CASH AND CASH EQUIVALENTS (Continued)

Concentration of Credit Risk - The District's concentration of credit risk policy allows investments in U.S. Treasury securities and other securities completely guaranteed by the Treasury as to payment of principal and interest of up to 100% of such securities. Investments in other types of authorized securities may be made with the provision that no more than 50% of the total current investment portfolio consists of one type of security.

Interest Rate Risk - The District's interest rate risk policy authorizes deposits and investments with maturities not to exceed two years. The District's cash and cash equivalents are all held in saving accounts, money market accounts, certificates of deposit, and short-term highly liquid investment pools, which limits its exposure to such risk.

NOTE D - INTERFUND BALANCES AND TRANSFERS

Interfund balances as of June 30, 2008 consisted of the following:

Fund	Due From	Fund	Due To
Special Education	$ 4,029	General	$ 16,060
Career Technical	10,959		
James. R. Fitzharris	1,072		
	$ 16,060		$ 16,060

Interfund transfers for the year ended June 30, 2008 are as follows:

Fund	Interfund Transfer In	Fund	Interfund Transfer Out
General Fund	$ 8,225	Clear Lake Fund	$ 8,225
	$ 8,225		$ 8,225

NOTE E - CAPITAL ASSETS

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

	Balance June 1, 2007	Additions	Disposals	Balance June 30, 2008
Land	$ 2	$ -	$ -	$ 2
Buildings	2,813,272	-	-	2,813,272
Building/site improvements	152,861	-	-	152,861
Vehicles and trailers	129,320	-	-	129,320
Furniture, fixtures and equipment	1,903,959	18,371	46,570	1,875,760
	$ 4,999,414	$ 18,371	$ 46,570	$ 4,971,215
Accumulated depreciation	2,670,448	147,925	46,570	2,771,803
NET CAPITAL ASSETS	$2,328,966	$ (129,554)	$ -	$ 2,199,412

Depreciation for the fiscal year ended June 30, 2008 amounted to $147,925. Of this amount, $25,095 was recorded in instruction $52,428 was recorded in supporting services and $70,402 was unallocated in the Statement of Activities. The District determined that it was impracticable to allocate depreciation on the buildings to the various governmental activities as they service multiple functions.

NOTE F - LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2008 is summarized as follows:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amount Due Within One Year
Capital leases	$ 5,522	$ -	$ 2,091	$ 3,431	$ 2,197
Bonds payable	221,884	-	-	221,884	127,793
Accumulated unpaid benefits	617,671	49,445	9,003	658,113	10,459
	$ 845,077	$ 49,445	$ 11,094	$ 883,428	$ 54,136

NOTE F - LONG-TERM DEBT (Continued)

At June 30, 2008, the School District's Governmental Activities long-term debt consisted of the following:

Bonds payable consist of the Durant Resolution Package bonds payable; due in 5 annual installments ranging from $26,388 to $177,300 including interest at 4.76%. Payments are due May 15th of each year. The State of Michigan refinanced the Durant Bonds which delayed the annual payments until May 15, 2009. No interest was paid on the bonds for the year ended June 30, 2008. The Durant Bonds are a legal obligation of the School District, however based on the Durant Settlement provisions, a State of Michigan appropriation is the only revenue source for making the annual debt service payments on the bonds.

Capital leases payable consist of an equipment lease; due in quarterly installments of $582 including interest at 5% through November 2009, and secured by equipment.

Accumulated unpaid benefits consist of the accrued liability for vacation, sick leave and contract termination payments. The following summarizes the liability by fund:

General Fund	$ 188,316
Special Education Fund	283,154
Career Technical Fund	146,457
James R. Fitzharris Fund	40,186
	$ 658,113

The estimated debt service requirements for principal and interest to maturity, as of June 30, 2008 are as follows:

Year Ended	Durant Resolution Bonds		Capital Lease	
June 30	Principal	Interest	Principal	Interest
2009	$ 127,793	$ 68,930	$ 2,197	$ 131
2010	21,908	4,480	1,234	30
2011	22,951	3,437	-	-
Thereafter	49,232	3,544	-	-
	$ 221,884	$ 80,391	$ 3,431	$ 161

The debt service requirements for accumulated unpaid benefits is dependent upon the employees future use of this pay, thus future payments are unknown at June 30, 2008.

NOTE G - ACCUMULATED UNPAID BENEFITS

The following summarizes specific policies with regard to various types of accumulated unpaid benefits:

Vacation - Eligible employees may accumulate vacation days above normal annual accumulations. Upon termination, employees are entitled to payments, at their then current rate, of 100 percent of their accumulated vacation days up to maximum of thirty-five days.

Sick Pay - Employees may accumulated between 129 to 155 days of sick pay. Upon termination, certain groups of employees are entitled to payments, at their then current rate, of 20 to 50 percent of the accumulated sick days up to the maximum limit. The percentage of sick leave payments depends on the employees length of service and employee group.

Contract Termination - Certain employees may be paid a percentage of their contract upon termination of employment by retirement or death. These amounts are subject to certain dollar maximums.

NOTE H - PROPERTY TAXES

The School District's property tax is levied on July 1 and December 1, and is based on taxable valuation of property as of the preceding December 31.

Taxes are collected and remitted to the School District by the tax collecting units within the District and generally become delinquent seventy-five days after the levy date. Unpaid real property taxes as of February 28 are turned over to the County Treasurers for collection. The counties maintain tax revolving funds which permit them to pay the School District 100% of the delinquent real taxes within approximately two to three months after the delivery of the delinquent tax bills.

NOTE I - RESERVES AND DESIGNATIONS OF FUND BALANCES

As of June 30, 2008, the following fund balance reserves and designations were recorded:

General Fund:	
Designated for accumulated unpaid benefits	$ 188,316
Reserve for inventory	15,436
Special Education Fund:	
Designated for accumulated unpaid benefits	283,154
Reserve for medicaid outreach	300,314
Career Technical Fund:	
Designated for accumulated unpaid benefits	146,457
Reserve for inventory	504,485
James R. Fitzharris Fund:	
Designated for accumulated unpaid benefits	40,186

NOTE J - PENSION PLAN

Plan Description - The School District contributes to the Michigan Public School Employees Retirement System (MPSERS), a cost-sharing, multiple-employer, state-wide public employee defined benefit pension plan governed by the State of Michigan. MPSERS provides retirement, survivor and disability benefits to the State's public school employees. In addition, all retirees have the option of continuing health, dental and vision coverage, with a portion of the cost being borne by the retiree. MPSERS operates under the provisions of Public Act 300 of 1980, as amended, and operates within the Michigan Department of Management and Budget, Office of Retirement Systems. MPSERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to MPSERS at P.O. Box 30673, Lansing, Michigan 48909-8103, or by calling (517) 322-5103.

Funding Policy - Employees who are members of the Member Investment Plan (membership required for employees hired after December 31, 1989) are required by statute to contribute approximately 4% of their covered salary to the Plan. In addition, the School District is required by State statute to contribute at an actuarially determined rate. The current rate of 16.72% of covered payroll became effective October 1, 2007. The prior rate was 17.74%. The School District's contributions to MPSERS for the years ended June 30, 2008, 2007 and 2006 were $794,531, $804,139, and $703,490, respectively, and are equal to the required contributions for each year.

NOTE K - POST EMPLOYMENT BENEFITS

Under the MPSERS act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage. Retirees having these benefits contribute an amount equivalent to the monthly cost for Part B Medicare and 10% of the monthly premium for the health, dental, and vision coverage. Required contributions for postemployment health care benefits are included as part of the School Districts contributions to the MPSERS plan discussed above.

NOTE L - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty risks and workers' disability compensation. The pools are considered public entity risk pools. The School District pays annual premiums to each pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. Each of the pools maintain reinsurance for claims in excess of specified amounts for each occurrence with the overall maximum coverage being unlimited. The School District has not been informed of any special assessments being required. The School District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance.

NOTE M - *"DURANT"* SETTLEMENT PROCEEDS

In November 1998 the District issued bonds in the amount of $375,778, for one-half of the District's *"Durant"* settlement proceeds. Use of the bond proceeds is restricted to purposes as specified in Section 1351a of the Revised School Code and the District has complied with the applicable provisions of Section 1351a. The remaining one-half of the *"Durant"* settlement proceeds is being paid to the District over ten years beginning November 15, 1998. Use of these funds is also restricted for certain purposes, and any unspent funds at fiscal year end will be classified as a deferred revenue.

REQUIRED SUPPLEMENTAL INFORMATION

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND , SPECIAL EDUCATION FUND AND CAREER TECHNICAL FUND

For the year ended June 30, 2008

	General Fund				Special Education Fund				Career Technical Fund			
	Original Budget	Final Budget	Actual	Variance-Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES												
Local sources	$ 293,698	$ 367,510	$ 319,249	$ (48,261)	$ 2,218,196	$ 2,244,221	$ 2,220,338	$ (23,883)	$ 1,271,324	$ 1,299,215	$ 1,299,702	$ 487
State sources	427,714	1,289,191	971,190	(318,001)	1,256,636	1,309,734	1,306,002	(3,732)	387,200	401,893	413,747	11,854
Federal sources	125,400	1,969,087	1,462,075	(507,012)	70,000	1,986,114	1,789,214	(196,900)	337,959	339,459	340,252	793
Interdistrict sources and other	323,385	349,004	234,558	(114,446)	298,118	170,981	169,576	(1,405)	494,500	310,556	309,550	(1,006)
TOTAL REVENUES	$ 1,170,197	$ 3,974,792	$ 2,987,072	$ (987,720)	$ 3,842,950	$ 5,711,050	$ 5,485,130	$ (225,920)	$ 2,490,983	$ 2,351,123	$ 2,363,251	$ 12,128
EXPENDITURES												
Current:												
Instruction	$ -	$ -	$ -	$ -	$ 1,019,105	$ 1,593,806	$ 1,438,887	$ 154,919	$ 1,440,083	$ 1,311,879	$ 1,258,957	$ 52,922
Supporting services	1,360,506	3,362,918	2,572,433	790,485	2,364,065	3,816,409	3,552,133	264,276	952,548	1,036,845	959,063	77,782
Other central support	-	30,291	30,291	-	-	-	-	-	-	-	-	-
Community services	-	34,800	61	34,739	-	34,585	27,840	6,745	-	-	-	-
Payments to not-for profit entites	-	293,351	227,654	65,697	-	-	-	-	-	-	-	-
Intergovernmental charges	46,000	109,747	84,246	25,501	510,731	514,459	444,994	69,465	173,706	15,000	15,000	-
Capital Outlay:												
Building and Site Improvements	34,300	74,556	-	74,556	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	$ 1,440,806	$ 3,905,663	$ 2,914,685	$ 990,978	$ 3,893,901	$ 5,959,259	$ 5,463,854	$ 495,405	$ 2,566,337	$ 2,363,724	$ 2,233,020	$ 130,704
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (270,609)	$ 69,129	$ 72,387	$ 3,258	$ (50,951)	$ (248,209)	$ 21,276	$ 269,485	$ (75,354)	$ (12,601)	$ 130,231	$ 127,735
OTHER FINANCING SOURCES (USES)												
Operating transfers in	8,225	8,225	8,225	-	-	-	-	-	-	-	-	-
Operating transfers out	(20,000)	-	-	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (282,384)	$ 77,354	$ 80,612	$ 3,258	$ (50,951)	$ (248,209)	$ 21,276	$ 269,485	$ (75,354)	$ (12,601)	$ 130,231	$ 142,832
Fund Balance, July 1	918,342	918,342	918,342	-	1,980,042	1,980,042	1,980,042	-	1,080,553	1,080,553	1,080,553	-
FUND BALANCE, JUNE 30	$ 635,958	$ 995,696	$ 998,954	$ 3,258	$ 1,929,091	$ 1,731,833	$ 2,001,318	$ 269,485	$ 1,005,199	$ 1,067,952	$ 1,210,784	$ 142,832

OTHER SUPPLEMENTAL INFORMATION

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

	James R. Fitzharris Fund	Clear Lake Fund	Major Maintenance Fund	Total
ASSETS				
Cash and equivalents	$ 385,190	$ 52,314	$ 215,656	$ 653,160
Accounts receivable	12,895	3,674	-	16,569
Due from other governmental units	9,092	-	-	9,092
TOTAL ASSETS	$ 407,177	$ 55,988	$ 215,656	$ 678,821
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	$ 1,064	$ 32,139	$ -	$ 33,203
Other accrued liabilities	22,530	-	-	22,530
Deferred revenue	-	4,930	-	4,930
Due to other funds	1,034	38	-	1,072
TOTAL LIABILITIES	$ 24,628	$ 37,107	$ -	$ 61,735
FUND BALANCES:				
Designated	$ 40,186	$ -	$ -	$ 40,186
Unreserved and undesignated	342,363	18,881	215,656	576,900
TOTAL FUND BALANCE	$ 382,549	$ 18,881	$ 215,656	$ 617,086
TOTAL LIABILITIES AND FUND BALANCE	$ 407,177	$ 55,988	$ 215,656	$ 678,821

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

For the year ended June 30, 2008

	James R. Fitzharris Fund	Clear Lake Fund	Major Maintenance Fund	Debt Retirement Fund	Total
REVENUES					
Local sources	$ 23,169	$ 94,487	$ 9,394	$ -	$ 127,050
State sources	49,987	-	-	-	49,987
Interdistrict sources and other	489,632	-	-	-	489,632
TOTAL REVENUES	$ 562,788	$ 94,487	$ 9,394	$ -	$ 666,669
EXPENDITURES					
Current:					
Instruction	$ 371,471	$ -	$ -	$ -	$ 371,471
Supporting services	213,530	-	-	-	213,530
Community services	-	96,141	-	-	96,141
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
TOTAL EXPENDITURES	$ 585,001	$ 96,141	$ -	$ -	$ 681,142
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (22,213)	$ (1,654)	$ 9,394	$ -	$ (14,473)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	$ -	$ -	$ -	$ -	$ -
Operating transfers out	-	(8,225)	-	-	(8,225)
TOTAL OTHER FINANCING SOURCES (USES)	$ -	$ (8,225)	$ -	$ -	$ (8,225)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (22,213)	$ (9,879)	$ 9,394	$ -	$ (22,698)
Fund Balance, July 1	404,762	28,760	206,262	-	639,784
FUND BALANCE, JUNE 30	$ 382,549	$ 18,881	$ 215,656	$ -	$ 617,086

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF BUDGETED AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND

For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	$ 293,698	$ 367,510	$ 319,249	$ (48,261)
State sources	427,714	1,289,191	971,190	(318,001)
Federal sources	125,400	1,969,087	1,462,075	(507,012)
Interdistrict sources and other	323,385	349,004	234,558	(114,446)
TOTAL REVENUES	$ 1,170,197	$ 3,974,792	$ 2,987,072	$ (987,720)
EXPENDITURES				
Supporting services:				
Pre-School	$ -	$ 5,000	$ 5,000	$ -
Attendance services	2,500	1,000	-	1,000
Health Services	-	7,500	-	7,500
Other Pupil Services	-	192,905	101,227	91,678
Improvement of instruction	76,150	530,322	389,339	140,983
Audio visual and other media	-	1,420	-	1,420
Technology Assisted Instruction	21,815	11,084	9,083	2,001
Supervision of instruction	90,860	486,723	394,835	91,888
Other added needs	264,095	931,398	666,702	264,696
Board of education	27,908	27,728	20,408	7,320
Executive administration	254,208	252,305	243,714	8,591
Grant Procurement	-	2,767	2,555	212
Fiscal services	118,715	131,389	124,809	6,580
Central services	63,060	63,300	58,120	5,180
Other business services	1,600	2,370	2,207	163
Operations and maintenance	68,511	62,989	39,222	23,767
Security Services	-	81,900	40,115	41,785
Transportation	-	1,000	848	152
Planning, research and development	-	121,470	103,971	17,499
Information services	-	4,300	1,144	3,156
Staff/Personnel services	-	3,250	3,250	-
Data processing	371,084	440,798	365,884	74,914
TOTAL SUPPORTING SERVICES	$ 1,360,506	$ 3,362,918	$ 2,572,433	$ 790,485
Other Central Support	-	30,291	30,291	-
Community Services	-	34,800	61	34,739
Payments to not-for-profit entities	-	293,351	227,654	65,697
Transfers to other school districts	46,000	109,747	84,246	25,501
Building and Site Improvements	34,300	74,556	-	74,556
TOTAL EXPENDITURES	$ 1,440,806	$ 3,905,663	$ 2,914,685	$ 990,978
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (270,609)	$ 69,129	$ 72,387	$ 3,258
OTHER FINANCING SOURCES AND USES				
Operating transfers in	8,225	8,225	8,225	-
Operating transfers out	(20,000)	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (282,384)	$ 77,354	$ 80,612	$ 3,258
Fund balance, July 1	918,342	918,342	918,342	-
FUND BALANCE, JUNE 30	$ 635,958	$ 995,696	$ 998,954	$ 3,258

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF BUDGETED AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE SPECIAL EDUCATION FUND

For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	$ 2,218,196	$ 2,244,221	$ 2,220,338	$ (23,883)
State sources	1,256,636	1,309,734	1,306,002	(3,732)
Federal sources	70,000	1,986,114	1,789,214	(196,900)
Interdistrict sources and other	298,118	170,981	169,576	(1,405)
TOTAL REVENUES	$ 3,842,950	$ 5,711,050	$ 5,485,130	$ (225,920)
EXPENDITURES				
Instruction Elementary Education	$ -	$ 45,836	$ 38,821	$ 7,015
Instruction Special Education	1,019,105	1,547,970	1,400,066	147,904
TOTAL INSTRUCTION	$ 1,019,105	$ 1,593,806	$ 1,438,887	$ 154,919
Supporting services:				
Health services	$ 443,225	$ 512,330	$ 469,593	$ 42,737
Psychological services	-	416,106	376,728	39,378
Speech and audiology	493,020	492,609	460,949	31,660
Social work services	-	457,484	432,120	25,364
Visual aid services	-	7,500	3,795	3,705
Teacher consulting	-	103,060	102,448	612
Other pupil services	-	101,687	91,475	10,212
Improvement of instruction	18,375	101,623	97,157	4,466
Supervision of instruction	545,565	731,943	667,496	64,447
Board of education	5,000	4,755	4,755	-
Central services	59,210	55,740	49,436	6,304
Other business services	7,165	8,455	6,955	1,500
Operations and maintenance	221,575	207,571	178,755	28,816
Transportation	497,000	453,737	451,746	1,991
Planning, research and development	-	54,364	57,484	(3,120)
Staff/Personnel services	-	1,463	391	1,072
Data processing	73,930	105,982	100,850	5,132
TOTAL SUPPORTING SERVICES	$ 2,364,065	$ 3,816,409	$ 3,552,133	$ 264,276
Community services	$ -	$ 33,650	$ 284	$ 33,366
Other Community Services	-	935	27,556	(26,621)
Transfers to other governmental units	510,731	514,459	444,994	69,465
TOTAL EXPENDITURES	$ 3,893,901	$ 5,959,259	$ 5,463,854	$ 495,405
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (50,951)	$ (248,209)	$ 21,276	$ 269,485
Fund balance, July 1	1,980,042	1,980,042	1,980,042	-
FUND BALANCE, JUNE 30	$ 1,929,091	$ 1,731,833	$ 2,001,318	$ 269,485

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF BUDGETED AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAREER TECHNICAL FUND

For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	$ 1,271,324	$ 1,299,215	$ 1,299,702	$ 487
State sources	387,200	401,893	413,747	11,854
Federal sources	337,959	339,459	340,252	793
Interdistrict sources and other	494,500	310,556	309,550	(1,006)
TOTAL REVENUES	$ 2,490,983	$ 2,351,123	$ 2,363,251	$ 12,128
EXPENDITURES				
Instruction:				
Technical programs	$ 1,440,083	$ 1,307,354	$ 1,254,432	$ 52,922
Added needs instruction	-	4,525	4,525	-
TOTAL INSTRUCTION	$ 1,440,083	$ 1,311,879	$ 1,258,957	$ 52,922
Supporting services:				
Guidance services	$ 217,180	$ 244,288	$ 232,528	$ 11,760
Improvement of instruction	2,550	44,748	44,729	19
Technology assisted instruction	41,670	59,223	57,227	1,996
Supervision of instructional staff	159,136	246,044	240,007	6,037
Other added needs	22,946	2,717	2,698	19
Board of education	2,500	2,031	2,031	-
School building admninistration	139,875	66,270	57,425	8,845
Central services	60,100	63,770	57,379	6,391
Other business services	7,700	7,515	6,350	1,165
Operations and maintenance	192,393	187,923	158,608	29,315
Planning, research and development	-	10,996	10,996	-
Information services	-	92	-	92
Data processing	86,998	80,268	75,383	4,885
Staff personnel services	-	360	-	360
Other central support	-	20,600	13,702	6,898
Building improvements	-	-	-	-
Fixed charges	19,500	-	-	-
TOTAL SUPPORTING SERVICES	$ 952,548	$ 1,036,845	$ 959,063	$ 77,782
Transfers to other governmental units	$ 173,706	$ 15,000	$ 15,000	$ -
TOTAL EXPENDITURES	$ 2,566,337	$ 2,363,724	$ 2,233,020	$ 130,704
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (75,354)	$ (12,601)	$ 130,231	$ 142,832
Fund balance, July 1	1,080,553	1,080,553	1,080,553	-
FUND BALANCE, JUNE 30	$ 1,005,199	$ 1,067,952	$ 1,210,784	$ 142,832

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

BALANCE SHEET
JAMES R. FITZHARRIS FUND

June 30, 2008

ASSETS

Cash and equivalents	$	385,190
Accounts receivable		12,895
Due from other governmental units		9,092
TOTAL ASSETS	$	407,177

LIABILITIES AND FUND BALANCE

Accounts payable	$	1,064
Other accrued liabilities		22,530
Due to other funds		1,034
TOTAL LIABILITIES	$	24,628
Fund Balance:		
Designated	$	40,186
Unreserved and undesignated		342,363
TOTAL FUND BALANCE	$	382,549
TOTAL LIABILITIES AND FUND BALANCE	$	407,177

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF BUDGETED AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
JAMES R. FITZHARRIS FUND

For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	$ 16,500	$ 23,800	$ 23,169	$ (631)
State sources	48,500	49,987	49,987	-
Interdistrict and other	397,675	459,695	489,632	29,937
TOTAL REVENUES	$ 462,675	$ 533,482	$ 562,788	$ 29,306
EXPENDITURES				
Instruction	$ 377,585	$ 371,630	$ 371,471	$ 159
TOTAL INSTRUCTION	$ 377,585	$ 371,630	$ 371,471	$ 159
Supporting services:				
Board of education	$ 500	$ 502	$ 502	$ -
Office of the Principal	139,590	134,945	136,645	(1,700)
Central services	9,465	9,465	6,870	2,595
Business services	450	320	320	-
Operations and maintenance	73,210	70,776	55,264	15,512
Transportation	3,500	6,500	7,118	(618)
Data processing	6,545	7,145	6,811	334
TOTAL SUPPORTING SERVICES	$ 233,260	$ 229,653	$ 213,530	$ 16,123
TOTAL EXPENDITURES	$ 610,845	$ 601,283	$ 585,001	$ 16,282
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (148,170)	$ (67,801)	$ (22,213)	$ 45,588
Fund balance, July 1	404,762	404,762	404,762	-
FUND BALANCE, JUNE 30	$ 256,592	$ 336,961	$ 382,549	$ 45,588

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

BALANCE SHEET
CLEAR LAKE FUND

June 30, 2008

ASSETS

Cash and equivalents	$	52,314
Accounts receivable		3,674
TOTAL ASSETS	$	55,988

LIABILITIES AND FUND BALANCE

Accounts payable	$	32,139
Deferred Revenue		4,930
Due to other funds		38
TOTAL LIABILITIES	$	37,107
Fund Balance: unreserved and undesignated	$	18,881
TOTAL FUND BALANCE	$	18,881
TOTAL LIABILITIES AND FUND BALANCE	$	55,988

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF BUDGETED AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CLEAR LAKE FUND

For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	$ 108,445	$ 101,350	$ 94,487	$ (6,863)
TOTAL REVENUES	$ 108,445	$ 101,350	$ 94,487	$ (6,863)
EXPENDITURES				
Community Services:				
Other added needs	$ 70,000	$ 77,123	$ 78,198	$ (1,075)
Board of education	-	100	93	7
Central services	5,690	5,450	4,966	484
Other business services	375	300	289	11
Operation and maintenance	27,800	14,836	9,235	5,601
Other support services	4,000	4,000	3,360	640
TOTAL EXPENDITURES	$ 107,865	$ 101,809	$ 96,141	$ 5,668
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 580	$ (459)	$ (1,654)	$ (1,195)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(8,225)	(8,225)	(8,225)	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (7,645)	$ (8,684)	$ (9,879)	$ (1,195)
Fund balance, July 1	28,760	28,760	28,760	-
FUND BALANCE, JUNE 30	$ 21,115	$ 20,076	$ 18,881	$ (1,195)

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

BALANCE SHEET
MAJOR MAINTENANCE FUND

June 30, 2008

ASSETS

Cash and equivalents		$ 215,656
	TOTAL ASSETS	$ 215,656

LIABILITIES AND FUND BALANCE

Fund Balance: unreserved and undesignated		$ 215,656
	TOTAL FUND BALANCE	$ 215,656
	TOTAL LIABILITIES AND FUND BALANCE	$ 215,656

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

STATEMENT OF BUDGETED AND ACTUAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE MAJOR MAINTENANCE FUND

For the year ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources	$ 10,000	$ 10,000	$ 9,394	$ (606)
TOTAL REVENUES	$ 10,000	$ 10,000	$ 9,394	$ (606)
EXPENDITURES				
Other support services	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES	$ -	$ -	$ -	$ -
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 10,000	$ 10,000	$ 9,394	$ 1,731
OTHER FINANCING SOURCES (USES)				
Operating transfers in	$ 20,000	$ -	$ -	$ -
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ 30,000	$ 10,000	$ 9,394	$ (606)
Fund balance, July 1	206,262	206,262	206,262	-
FUND BALANCE, JUNE 30	$ 236,262	$ 216,262	$ 215,656	$ (606)

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

SCHEDULE OF CHANGES IN ASSETS AND LIABILITY ACCOUNTS
AGENCY FUNDS

For the year ended June 30, 2008

	Balance 07/01/07	Increases	Decreases	Balance 06/30/08
ASSETS				
Cash	$ 26,335	$ 75,047	$ 80,484	$ 20,898
LIABILITIES				
Due to Student Groups:				
Vocational student organizations	$ 20,383	$ 65,827	$ 71,826	$ 14,384
Learning center	5,952	9,220	8,658	6,514
	$ 26,335	$ 75,047	$ 80,484	$ 20,898

DELTA-SCHOOLCRAFT INTERMEDIATE SCHOOL DISTRICT

SCHEDULE OF TAXABLE VALUATIONS
TAX RATES AND TAX LEVIES

June 30, 2008

	State Taxable Valuation	Tax Rate Per $1,000 Valuation	Levy
Escanaba City	$ 255,851,672	2.3851	$ 610,232
Cornell Township	15,720,684	2.3851	37,495
Ford River Township	59,065,395	2.3851	140,877
Wells Township (Delta)	243,200,513	2.3851	580,058
Wells Township (Marquette)	1,236,640	2.3851	2,950
Gladstone City	86,137,023	2.3851	205,445
Escanaba Township	88,856,237	2.3851	211,931
Brampton Township	21,393,187	2.3851	51,025
Baldwin Township	26,741,841	2.3851	63,782
Bark River Township	32,666,217	2.3851	77,912
Harris Township	26,736,195	2.3851	63,768
Fairbanks Township	16,371,823	2.3851	39,048
Garden Township	39,263,489	2.3851	93,647
Nahma Township	30,410,089	2.3851	72,531
Inwood Township	34,442,446	2.3851	82,149
Bay de Noc Township	22,619,278	2.3851	53,949
Ensign Township	25,804,418	2.3851	61,546
Masonville Township	56,698,590	2.3851	135,232
Maple Ridge Township	22,497,842	2.3851	53,660
Ewing Township	6,919,516	2.3851	16,504
Turin Township	4,196,658	2.3851	10,009
Doyle Township	36,931,224	2.3851	88,085
Germfask Township	11,322,835	2.3851	27,006
Hiwatha Township	51,966,766	2.3851	123,946
Manistique Township	34,728,021	2.3851	82,830
Mueller Township	34,338,256	2.3851	81,900
Thompson Township	44,077,686	2.3851	105,130
Manistique City	55,517,200	2.3851	132,414
TOTALS	$ 1,385,711,741		$ 3,305,061

The levy is allocated as follows:

General Fund		0.1346	$ 186,517
Special Education Fund		1.3502	1,870,988
Career Tech Fund		0.9003	1,247,556
TOTALS		2.3851	$ 3,305,061