

**WYOMING
PUBLIC SCHOOLS
Kent County, Michigan**

Comprehensive Annual Financial Report

For the year ended June 30, 2007

WYOMING PUBLIC SCHOOLS
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For the year ended June 30, 2007

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

October 19, 2007

The Board of Education
Wyoming Public Schools

We have audited the accompanying financial statements of the governmental activities, the major funds and the aggregate remaining fund information of Wyoming Public Schools (the "District") 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 the District's elected officials and management. Our responsibility is to express an opinion 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major funds and the aggregate remaining fund information of Wyoming Public Schools as of June 30, 2007, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2007 on our consideration of Wyoming Public Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Wyoming Public Schools. 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.

Hungerford, Aldrin, Nichols & Bente, P.C.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

This section of the Wyoming Public Schools' ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2007. Please read it in conjunction with the District's financial statements which immediately follow this section.

District-Wide Financial Statements

The first two statements are district-wide financial statements that provide short-term and long-term financial information about the District's overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The statements are compiled using the full accrual basis of accounting and more closely represent financial statements presented by business and industry. All of the District's assets and liabilities, both short- and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt and other long-term obligations of the District resulting in total net assets.

Over time, increases or decreases in the District's net assets is one indicator of whether its financial position is improving or deteriorating. To assess the District's overall financial health, one should consider additional factors which may include the State and region's economic condition, changes in the District's property tax base, and age and condition of its capital assets.

Fund Financial Statements

For the most part, the fund financial statements are comparable to financial statements for fiscal years prior to the required implementation of GASB Statement No. 34. The primary difference is that the Account Groups (General Fixed Asset and General Long-term Debt) are no longer reported. The fund level statements are reported on a modified accrual basis in that only those assets that are deemed "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The formats of the fund statements comply with requirements of the Michigan Department of Education's "Accounting Manual". In the state of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds categorized as Special Revenue, Debt Service, and Capital Projects Funds.

In addition to the governmental fund types mentioned above, the District is the trustee, or fiduciary, for assets that belong to others, typically student groups. The District is responsible for ensuring that the assets reported in these accounts are used only for their intended purposes by the groups to whom the assets belong. These monies are accounted for in the Student Activity Fund and the related financial activity is appropriately excluded from the district-wide financial statements as the assets do not belong to the District.

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

In the fund financial statements, capital assets purchased are considered expenditures in the year of acquisition with no asset being reported. The issuance of debt is treated as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt service are not recorded in the fund financial statements.

Summary of Net Assets

The following schedule summarizes the net assets for the fiscal years ended June 30, 2007 and 2006:

Assets	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Current assets	\$ 30,029,129	\$ 12,603,055
Non-current assets	46,854,276	48,056,178
Total Assets	76,883,405	60,659,233
Liabilities		
Current liabilities	9,775,147	8,614,786
Long-term liabilities	56,195,651	42,496,521
Total Liabilities	65,970,798	51,111,307
Net Assets		
Invested in capital assets, net of related	5,272,896	4,295,525
Restricted for debt service	798,180	413,890
Restricted for capital outlay	951,515	871,730
Unrestricted	3,890,016	3,966,781
Total Net Assets	\$ 10,912,607	\$ 9,547,926

Analysis of Financial Position

During the fiscal year ended June 30, 2007, the District's net assets increased by \$1,364,681. A few of the more significant factors affecting net assets during the year are discussed below:

- Cash Equivalents, Deposits and Investments

At June 30, 2007, the District's cash equivalents, deposits and investments amounted to \$20,789,153. This amount represents an increase of \$17,146,534, primarily as a result of the proceeds from voter-approved bonded debt.

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

- Capital Outlay Acquisitions

For the fiscal year ended June 30, 2007, \$285,571 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained below.

The net effect of the new capital assets, assets disposed of during the fiscal year, and the current year's depreciation is a net decrease to capital assets in the amount of \$1,173,605 for the fiscal year ended June 30, 2007.

- Depreciation Expense

GASB 34 requires school districts to maintain records of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in the net assets.

- Bonded Debt

For the fiscal year ended June 30, 2007, the District's bonded debt increased by \$12,890,000 as a result of issuance of voter-approved bonds in the amount of \$14,865,000 less the repayment of bonded debt issued in prior years.

- Accumulated Sick Leave

At June 30, 2007, the District had an obligation to employees for the portion of earned vacation and sick leave time that they would be entitled to upon separation in the amount of \$2,211,716.

Results of Operations

For the fiscal years ended June 30, 2007 and 2006, the results of operations, on a District-wide basis, were:

	Fiscal year ended June 30, 2007		Fiscal year ended June 30, 2006	
	Amount	%	Amount	%
General Revenues				
Property taxes	\$ 12,299,669	20.7%	\$ 11,839,609	20.4%
State sources, unrestricted	33,577,771	56.5%	32,489,830	56.1%
Investment earnings	611,261	1.0%	339,563	0.6%
Other	448,889	.8%	692,368	1.2%
Total general revenues	46,937,590	79.0%	45,361,370	78.3%

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

Program Revenues				
Charges for services	1,363,222	2.3%	1,895,954	3.3%
Operating grants	11,129,090	18.7%	10,695,169	18.4%
Total revenues	<u>59,429,902</u>	<u>100.0%</u>	<u>57,952,493</u>	<u>100.0%</u>
Expenses				
Instruction	33,952,765	58.5%	32,070,982	57.3%
Support services	18,344,043	31.6%	18,173,990	32.4%
Community services	51,026	0.1%	51,803	0.1%
Food services	2,282,710	3.9%	2,278,213	4.1%
Athletics	1,227,966	2.1%	1,145,390	2.0%
Other	8,675	0.0%	8,675	0.0%
Interest on long-term debt	2,198,036	3.8%	2,281,030	4.1%
Total expenses	<u>58,065,221</u>	<u>100.0%</u>	<u>56,010,082</u>	<u>100.0%</u>
Increase in net assets	<u>\$ 1,364,681</u>		<u>\$ 1,942,411</u>	

Analysis of Significant Revenues and Expenses

Significant revenues and expenditures are discussed in the segments below:

- **Property Taxes**

The District levied 18.0 mills of property taxes for operations on non-homestead property for the 2006 tax year. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of increase in the prior year's Consumer Price Index or 5%, whichever is less. At the time the property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is one half of the property's market value. The levy for operating purposes for the 2006-2007 fiscal year amounted to \$7,733,681, which represented a 3.1% increase over the prior year. At June 30, 2007, unpaid property taxes amounted to \$243,098.

- **State Sources**

The majority of the unrestricted state sources of revenues is comprised of the per student foundation allowance. The State of Michigan funds school districts based on a blended student enrollment which is calculated using 75% of the current year's fall count (September) and 25% of the prior year's spring count (February). For the 2006-2007 fiscal year, the District received \$7,113 per student full time equivalent. The student foundation allowance amount increased by \$210 over the 2005-2006 fiscal year.

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

- Operating Grants

The District receives a significant portion of its operating revenue from categorical grants. For the fiscal year ended June 30, 2007, federal, state, and other grants amounted to \$11,129,090. This represents a 4.1% increase over the \$10,695,169 received for the 2005-2006 fiscal year.

Comparative Expenditures

A comparison of the expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances is shown below:

Expenditures	Fiscal Year		Increase (Decrease)
	2006-2007	2005-2006	
Instruction	\$ 32,606,764	\$ 31,172,398	\$ 1,434,366
Supporting services	17,996,513	15,038,934	2,957,579
Food service activities	2,228,432	2,219,292	9,140
Athletic activities	1,136,629	1,052,677	83,952
Community services activities	49,147	49,925	(778)
Capital outlay	214,125	158,333	55,792
Interdistrict *	0	3,352,612	(3,352,612)
Subgrantee reimbursements	348,960	328,185	20,775
Debt service	4,230,257	4,830,711	(600,454)
Total expenditures	\$ <u>58,810,827</u>	\$ <u>58,203,067</u>	\$ <u>607,760</u>

**Per accounting rule changes from Michigan Department of Education effective for fiscal years beginning with 2006-2007, Interdistrict expenditures have been reclassified to be included with the amounts shown in the Instruction and Supporting Services categories*

General Fund Budgetary Highlights

The Uniform Budgeting Act of the State of Michigan requires that the local Board of Education approve the annual operating budget prior to the start of the fiscal year on July 1. Any amendments to the original budget must be approved by the Board prior to the close of the fiscal year on June 30.

For the 2006-2007 fiscal year, the District amended the general fund budget once. The Board adopted the budget revisions at a meeting in March, 2007.

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

The following schedule shows a comparison of the original general fund budget, the final amended budget, and actual totals from operations for the fiscal year ending June 30, 2007:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>	<u>% Variance With Final Budget</u>
Total Revenues	\$ 51,502,379	\$ 52,234,334	\$ 52,464,670	\$ 230,336	0.4%
Expenditures					
Instruction	\$ 31,569,396	\$ 32,888,925	\$ 32,606,764	\$ 282,161	0.9%
Supporting	15,511,174	18,139,047	17,996,513	142,534	0.8%
Community	55,857	65,028	49,147	15,881	24.4%
Interdistrict *	3,715,022	0	0	0	0.0%
Subgrantee reimbursements	334,020	352,693	348,960	3,733	1.1%
Total Expenditures	<u>\$ 51,185,469</u>	<u>\$ 51,445,693</u>	<u>\$ 51,001,384</u>	<u>\$ 444,309</u>	<u>0.9%</u>
Other Financing Uses	<u>\$ (975,120)</u>	<u>\$ (914,010)</u>	<u>\$ (1,039,450)</u>	<u>\$ (125,440)</u>	<u>(13.7%)</u>

**Per accounting rule changes from Michigan Department of Education effective for fiscal years beginning with 2006-2007, Interdistrict expenditures have been reclassified to be included with the amounts shown in the Instruction and Supporting Services categories*

The original budget adopted by the Board in June 2006 was amended once during the year. The amendment was approved in March 2007 and reflected necessary changes to both revenues and expenditures based on projections made by the Director of Finance.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2006-2007 fiscal year, the District had invested approximately \$80 million as the original cost in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment. This represents a net increase of approximately \$167,000 over the prior fiscal year. Depreciation expense for the year amounted to approximately \$1.4 million, bringing the accumulated depreciation to roughly \$33.6 million as of June 30, 2007.

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2007 Net Book Value</u>	<u>2006 Net Book Value</u>
Land	\$ 509,246	\$ 0	\$ 509,246	\$ 509,246
Construction in	209,034	0	209,034	0
Land Improvements	1,665,568	1,314,553	351,015	426,883
Buildings and	71,460,578	26,628,135	44,832,443	45,984,804
Furniture and	4,354,934	3,980,340	374,594	476,977
Vehicles	1,744,748	1,691,710	53,038	105,065
	<u>\$ 79,944,108</u>	<u>\$ 33,614,738</u>	<u>\$ 46,329,370</u>	<u>\$ 47,502,975</u>

Long-term Debt

At June 30, 2007, the District had approximately \$58.4 million in long-term obligations which included \$56,156,275 in outstanding bonded debt. Total outstanding debt increased as the District successfully passed a new bond issue in the amount of \$14,865,000 in February, 2007. Offsetting the new bonded debt was the retirement of \$1,975,000 of previously outstanding bonds. In addition to the bonded debt the District has obligations for accumulated vacation and sick leave estimated at roughly \$2.2 million at the end of the fiscal year.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its financial health in the future:

- The uncertainty of student foundation funding levels, as well as funding for other K-12 education programs, reflects the economic difficulties faced by the State of Michigan. Michigan continues to trail the national averages in most economic indicators. The impact of the State's economic problems is demonstrated by the number of families below the poverty level and an increasing percentage of Wyoming students who qualify for free and reduced-cost school lunches. Analysts have described the situation as a "single state recession" and are predicting a slow recovery to the situation. Furthermore, the economic difficulties are resulting in jobs leaving the State which ultimately leads to families moving and a loss of students for the District.
- In February 2007 the citizens supported the District's bond proposal which resulted in approximately \$15 million in funding for critical capital needs. New busses, educational technology, an athletic concessions stand, and lighting retrofits are among the many needs that will be addressed with the bond proceeds.

Wyoming Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

- With relatively flat or declining enrollment, lack of stability in the funding stream from the State, and rising costs in many areas including employee health insurance, retirement contribution costs, and utilities, District administration continues to be diligent in maintaining a reasonable level of reserves (fund balance). Measures to accomplish this include, but are not limited to, cooperative agreements with Kent Intermediate School District as well as neighboring public and parochial schools, modifications to health insurance offerings to both unionized and non-unionized employees, and application for and use of grant funding for programs to improve the education of students.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact the Director of Finance's office, Wyoming Public Schools, 3575 Gladiola Avenue SW, Wyoming, MI 49519.

BASIC FINANCIAL STATEMENTS

WYOMING PUBLIC SCHOOLS
Statement of Net Assets
June 30, 2007

	Governmental Activities
Assets	
Current Assets	
Cash equivalents, deposits and investments (Note B)	\$ 20,789,153
Taxes receivable (Note C)	305,501
Accounts receivable	177,532
Current portion of land contract receivable	30,600
Due from other governmental units (Note C)	7,399,705
Inventory (Note A)	109,877
Prepaid expenses	1,216,761
Total Current Assets	30,029,129
Noncurrent Assets	
Land contract receivable	524,906
Capital assets (Note E)	79,944,108
Less accumulated depreciation	(33,614,738)
Net capital assets	46,329,370
Total Noncurrent Assets	46,854,276
Total Assets	76,883,405
Liabilities	
Current Liabilities	
Accounts payable	296,318
Due to other governmental units	2,059,894
Accrued interest payable	520,495
Salaries payable	4,357,585
Deferred revenue	177,464
Current portion of long term obligations	2,363,391
Total Current Liabilities	9,775,147
Noncurrent Liabilities (Notes A, F)	
General obligation bonds payable	55,120,000
Durant non-plaintiff bonds payable	1,036,275
Capital leases payable	2,505
Accumulated sick leave	2,211,716
Unamortized bond premuim	188,546
Current portion of long term obligations	(2,363,391)
Total Noncurrent Liabilities	56,195,651
Total Liabilities	65,970,798
Net Assets	
Invested in capital assets, net of related debt	5,272,896
Restricted for:	
Debt service	798,180
Capital outlay	951,515
Unrestricted	3,890,016
Total Net Assets	\$ 10,912,607

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Assets
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$33,952,765	\$ 105,277	\$ 8,741,212	\$(25,106,276)
Supporting services	18,344,043	403,777	898,700	(17,041,566)
Community services	51,026	24,106	-	(26,920)
Food service	2,282,710	680,627	1,489,178	(112,905)
Athletics	1,227,966	149,435	-	(1,078,531)
Other	8,675	-	-	(8,675)
Interest on long-term debt	2,198,036	-	-	(2,198,036)
Total Governmental Activities	\$58,065,221	\$ 1,363,222	\$11,129,090	(45,572,909)
General Revenues				
Taxes:				
Property taxes, levied for general operations				7,723,092
Property taxes, levied for debt service				4,576,577
State school aid, unrestricted				33,577,771
Interest and investment earnings				611,261
Gain (loss) on sale/disposal of capital assets				(78,124)
Other				527,013
Total General Revenues				46,937,590
Change in Net Assets				1,364,681
Net Assets - Beginning of Year				9,547,926
Net Assets - End of Year				\$ 10,912,607

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	2007 Bond Projects Fund	Nonmajor Governmental Funds	Total
Assets				
Cash equivalents, deposits and investments (Note B)	\$ 4,921,134	\$15,258,106	\$ 609,913	\$ 20,789,153
Receivables:				
Taxes (Note C)	243,098	-	62,403	305,501
Accounts	39,044	-	-	39,044
Land contract	-	-	555,506	555,506
Due from other funds (Note D)	213,341	-	1,307,480	1,520,821
Due from other governmental units (Note C)	7,366,417	-	33,288	7,399,705
Inventory (Note A)	78,849	-	31,028	109,877
Prepaid expenditures	939,914	-	150,325	1,090,239
Total Assets	<u>\$13,801,797</u>	<u>\$15,258,106</u>	<u>\$ 2,749,943</u>	<u>\$ 31,809,846</u>
Liabilities and Fund Balances				
Liabilities				
Checks drawn against future deposits	\$ -	\$ -	\$ 88,742	\$ 88,742
Accounts payable	83,118	100,551	23,907	207,576
Due to other funds (Note D)	1,307,480	181,746	9,794	1,499,020
Due to other governmental units	1,999,835	-	60,059	2,059,894
Accrued salaries and related items	4,318,457	-	39,128	4,357,585
Compensated absences payable - current portion	45,886	-	-	45,886
Deferred revenue	420,562	-	617,909	1,038,471
Total Liabilities	<u>8,175,338</u>	<u>282,297</u>	<u>839,539</u>	<u>9,297,174</u>
Fund Balances				
Reserved for:				
Debt service	-	-	1,444,793	1,444,793
Capital outlay	-	14,975,809	396,009	15,371,818
Unreserved:				
Undesignated, reported in:				
General fund	5,626,459	-	-	5,626,459
Special revenue funds	-	-	69,602	69,602
Total Fund Balances	<u>5,626,459</u>	<u>14,975,809</u>	<u>1,910,404</u>	<u>22,512,672</u>
Total Liabilities and Fund Balances	<u>\$13,801,797</u>	<u>\$15,258,106</u>	<u>\$ 2,749,943</u>	<u>\$ 31,809,846</u>

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2007

Total governmental fund balances	\$ 22,512,672
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. The cost of assets is \$79,944,108 and accumulated depreciation is \$33,614,738.	46,329,370
Net bond refunding, discount and issuance costs are not expensed but are amortized over the life of the new bond issue.	(62,024)
The land contract receivable generated from the sale of property is recognized as revenue on the Statement of Activities in the year of sale.	555,506
Accounts receivable generated from computer services provided are recognized as revenue on the Statement of Activities in the year of sale.	116,687
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:	
General obligation bonds	\$(55,120,000)
Durant non-plaintiff bonds	(1,036,275)
Capital leases	(2,505)
Accumulated sick leave	(2,165,830)
	(58,324,610)
Accrued interest is not included as a liability in governmental funds	(520,495)
Deferred revenue recognized as revenue in the full accrual statements:	
Property taxes	305,501
	305,501
Total net assets - governmental activities	\$ 10,912,607

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2007

	General Fund	2007 Bond Projects Fund	Nonmajor Governmental Funds	Total
Revenues				
Local sources	\$ 9,246,987	\$ 130,353	\$ 5,700,020	\$ 15,077,360
State sources	35,952,741	-	133,444	36,086,185
Federal sources	2,842,209	-	1,355,734	4,197,943
Interdistrict sources	4,422,733	-	-	4,422,733
Total Revenues	52,464,670	130,353	7,189,198	59,784,221
Expenditures				
Current:				
Instruction	32,606,764	-	-	32,606,764
Supporting services	17,996,513	-	-	17,996,513
Community services	49,147	-	-	49,147
Food service	-	-	2,228,432	2,228,432
Athletics	-	-	1,136,629	1,136,629
Capital outlay	-	208,090	6,035	214,125
Subgrantee reimbursements	348,960	-	-	348,960
Debt service:				
Principal repayment	-	-	2,006,000	2,006,000
Interest and fiscal charges	-	-	2,026,630	2,026,630
Underwriter's discount	-	78,041	-	78,041
Bond issuance costs	-	119,586	-	119,586
Total Expenditures	51,001,384	405,717	7,403,726	58,810,827
Excess (Deficiency) of Revenues Over Expenditures	1,463,286	(275,364)	(214,528)	973,394
Other Financing Sources (Uses)				
Bonds issued	-	14,865,000	-	14,865,000
Bond premium	-	386,173	-	386,173
Transfers in	-	-	1,039,450	1,039,450
Transfers out	(1,039,450)	-	-	(1,039,450)
Total Other Financing Sources (Uses)	(1,039,450)	15,251,173	1,039,450	15,251,173
Net Change in Fund Balances	423,836	14,975,809	824,922	16,224,567
Fund Balances, Beginning of Year	5,202,623	-	1,085,482	6,288,105
Fund Balances, End of Year	\$ 5,626,459	\$ 14,975,809	\$ 1,910,404	\$ 22,512,672

See accompanying notes to basic financial statements.

WYOMING PUBLIC 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

Net change in fund balances - total governmental funds \$16,224,567

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 these assets is capitalized and the cost is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 285,571	
Depreciation expense	<u>(1,381,052)</u>	(1,095,481)

As some delinquent personal property taxes will not be collected for several years after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. (131,211)

Collections on the land contract receivable are revenues in the governmental funds, but decrease noncurrent assets in the Statement of Net Assets (28,297)

Accounts receivable generated from computer services provided are recognized as revenue on the Statement of Activities in the year of sale. (116,687)

In the Statement of Activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold. (78,124)

Proceeds from the sale of bonds or loans are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Assets. (14,865,000)

Net bond refunding cost, discount and issuance costs are amortized over the life of the new bond issue on the Statement of Activities (197,221)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities:

Repayment of bonds	1,975,000	
Repayment of installment purchase agreements	31,000	
Repayment of capital leases	<u>42,355</u>	2,048,355

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. (171,406)

In the Statement of Net Assets, early retirement incentive and accumulated sick leave are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits earned (\$2,263,197) exceeded the amounts used/paid (\$2,038,383). (224,814)

Total changes in net assets - governmental activities \$ 1,364,681

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Local sources	\$ 8,787,772	\$ 8,852,559	\$ 9,246,987	\$ 394,428
State sources	35,514,730	35,877,259	35,952,741	75,482
Federal sources	3,004,725	2,978,581	2,842,209	(136,372)
Interdistrict sources	4,195,152	4,525,935	4,422,733	(103,202)
Total Revenues	51,502,379	52,234,334	52,464,670	230,336
Expenditures				
Current:				
Instruction:				
Basic programs	25,210,681	25,558,676	25,368,362	190,314
Added needs	6,114,240	7,018,006	6,943,229	74,777
Adult education	244,475	312,243	295,173	17,070
Supporting services:				
Pupil services	1,562,808	3,409,323	3,242,526	166,797
Instructional staff services	2,612,714	2,380,950	2,364,682	16,268
General administrative services	918,326	931,145	871,505	59,640
School administrative services	2,717,440	2,695,612	2,777,677	(82,065)
Business services	920,093	949,120	972,058	(22,938)
Operation and maintenance services	4,191,481	4,173,001	4,103,802	69,199
Pupil transportation services	1,589,144	2,641,135	2,745,359	(104,224)
Central services	988,332	958,761	918,904	39,857
Other supporting services	10,836	-	-	-
Community services	55,857	65,028	49,147	15,881
Interdistrict	3,715,022	-	-	-
Subgrantee reimbursements	334,020	352,693	348,960	3,733
Total Expenditures	51,185,469	51,445,693	51,001,384	444,309
Excess of Revenues Over Expenditures	316,910	788,641	1,463,286	674,645
Other Financing Sources (Uses)				
Transfers out	(975,120)	(914,010)	(1,039,450)	(125,440)
Net Change in Fund Balances	(658,210)	(125,369)	423,836	549,205
Fund Balances, Beginning of Year	5,202,623	5,202,623	5,202,623	-
Fund Balances, End of Year	\$ 4,544,413	\$ 5,077,254	\$ 5,626,459	\$ 549,205

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2007

Assets

Cash equivalents, deposits and investments (Note B)	<u>\$ 432,517</u>
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Liabilities

Accounts payable	\$ 14,098
Due to other funds (Note D)	21,801
Due to student groups	<u>396,618</u>

Total Liabilities	<u><u>\$ 432,517</u></u>
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See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Note A – Summary of Significant Accounting Policies

Wyoming Public Schools was organized under the School Code of the State of Michigan and services a population of approximately 5,676 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of Wyoming Public Schools (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District’s accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District’s financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-Wide and Fund Financial Statements

District-Wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The Statement of Net Assets is presented on the classified basis and is reported on the full accrual, economic resource basis, which recognizes all long-term assets as well as all 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 Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 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. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund and the 2007 Bond Projects Fund are the District's major funds. Non-major funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided in separate statements.

Revenues are recognized when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred, if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, state aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The State portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with state law and accounting principles generally accepted in the United States of America.

Governmental Funds

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

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service and Athletics Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Fiduciary Fund net assets and results of operations are not included in the district-wide financial statements. Fiduciary funds are reported using the economic resources measurement focus.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District presently maintains a Student Activities Fund to record the transactions of student groups for school and school related purposes. The funds are segregated and held in trust for the students.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the district-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Wyoming Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year-end. A school district may also permit the chief adminis-

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

trative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the fund level. All appropriations lapse at the end of the fiscal year.

Wyoming Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and the Business Manager to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value, based on quoted market prices, or estimated fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

7. Inventory

Inventories are valued at cost (first-in, first-out). Inventories of the General Fund consist of teaching and custodial supplies. Inventories of the Food Service Fund consist of food, unused commodities and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund.

8. Capital Assets

Capital assets, which include land, land improvements, buildings, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at estimated fair market value at the date of donation.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, buildings and additions, vehicles and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10-20 years
Buildings and additions	40-50 years
Vehicles	5-10 years
Furniture and equipment	3-10 years

9. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Accumulated Sick Leave

Accumulated sick leave at June 30, 2007 has been computed and recorded in the basic financial statements of the District. Employees who leave the District are entitled to reimbursement for a portion of their unused sick days. At June 30, 2007, the accumulated liability, including salary related payments, (expected to be financed by General Fund revenues) for accumulated sick leave amounted to \$2,211,716.

11. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

12. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

13. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Note B – Cash Equivalents, Deposits and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- United States or federal obligation repurchase agreements.
- Banker's acceptances of United States Banks.
- Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.
- Surplus funds investment pools.

Balances at June 30, 2007 related to cash equivalents, deposits and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Assets:	
Governmental activities	\$20,789,153
Fiduciary Funds:	
Agency Fund	<u>432,517</u>
	<u>\$21,221,670</u>

Cash Equivalents and Deposits

Depositories actively used by the District during the year are detailed as follows:

1. Byron Bank
2. Fifth Third Bank

Cash equivalents consist of bank public funds checking and NOW accounts. Deposits consist of certificates of deposit.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

June 30, 2007 balances are detailed as follows:

Cash equivalents	\$ 4,834,435
Deposits	<u>13,570,129</u>
	<u><u>\$ 18,404,564</u></u>

Custodial credit risk

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District cash equivalents and deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents and deposits was \$18,404,564 and the bank balance was \$18,590,961. Of the bank balance, \$200,000 was covered by federal depository insurance and \$18,390,961 was uninsured.

Investments

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

Fifth Third Money Market Funds	<u>\$ 2,817,106</u>
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Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law. Investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount or up to 100% of the available reserves.

Interest Rate Risk

The District minimizes 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 funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Concentration of Credit Risk

The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

Foreign Currency Risk

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

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts. The amount of 2006 ad valorem State Education Taxes generated within the Wyoming Public School District, and paid to the State of Michigan, totaled \$5,664,363.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February, 2006 and September, 2006. The 2006-07 "Foundation Allowance" for Wyoming Public Schools was \$7,113 for 5,651 "Full Time Equivalent" students, generating \$35,853,514 in state aid payments to the District, of which \$5,889,209 was paid to the District in July and August, 2007 and included in "Due From Other Governmental Units" of the General Fund and Food Service Special Revenue Fund of the District.

Property taxes for the District are levied July 1 and December 1 under a split-levy system by the City of Grandville and the City of Wyoming. The taxes are then collected by each governmental unit and remitted to the District. The County of Kent, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30. Delinquent personal property taxes receivable are detailed as follows:

Tax Year	General	Debt Service	Total
2006	\$ 16,932	\$ 4,422	\$ 21,354
2005	73,378	21,914	95,292
2004	152,788	36,067	188,855
	\$ 243,098	\$ 62,403	\$ 305,501

Taxes receivable are offset by deferred revenue in the General and Debt Service Funds of the District. Taxes uncollected after three years from the date of levy are written off the books of the District.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

Wyoming Public Schools electors previously approved a ten year operating millage extension in June 1996 for the 18 mill non-homestead property tax.

The District levied 4.7 mills in 2006 for debt service purposes, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A, taxable property is now divided into two categories: homestead and non-homestead.

Homestead property is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage", nor any additional voted millage for the retirement of debt.

Non-homestead property is considered to be all property not qualifying for a homestead exemption, which includes all commercial and industrial property. Non-homestead property is subject to all District levies.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Note D – Interfund Receivables/Payables and Transfers

Amounts due from (to) other funds representing interfund receivables and payables, resulting from 2006-07 operations, are detailed as follows:

	Due From	Due To
General Fund:		
Special Revenue Funds:		
Food Service Fund	\$ 9,794	\$ —
Athletics Fund	—	5,052
Debt Service Funds:		
1997 Debt Fund	—	351,355
1999 Debt Fund	—	236,389
2003 Debt Fund	—	29,611
2005 Debt Fund	—	425,261
Capital Projects Funds:		
Building and Site Fund	—	259,812
2007 Bond Projects Fund	181,746	—
Fiduciary Fund:		
Student Activities Fund	21,801	—
Total General Fund	213,341	1,307,480
Special Revenue Funds:		
Food Service Fund:		
General Fund	—	9,794
Athletics Fund:		
General Fund	5,052	—
	5,052	9,794
Debt Service Funds:		
1997 Debt Fund:		
General Fund	351,355	—
1999 Debt Fund:		
General Fund	236,389	—
2003 Debt Fund:		
General Fund	29,611	—
2005 Debt Fund:		
General Fund	425,261	—
Total Debt Funds	1,042,616	—
Capital Projects Fund:		
Building and Site Fund:		
General Fund	259,812	—
2007 Bond Projects Fund:		
General Fund	—	181,746
Total Capital Projects Funds	259,812	181,746
Fiduciary Fund:		
Student Activities Fund:		
General Fund	—	21,801
	—	21,801
Total All Funds	\$ 1,520,821	\$ 1,520,821

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Interfund transfers during the year ended June 30, 2007 we as follows:

	Transfers In	Transfers Out
General Fund:		
Special Revenue Funds:		
Food Service Fund	\$ —	\$ 23,500
Athletics Fund	—	990,000
Capital Projects Funds:		
Building and Site Fund	—	25,950
Total General Fund	—	\$ 1,039,450
Special Revenue Funds:		
Food Service Fund:		
General Fund	23,500	—
Athletics Fund:		
General Fund	990,000	—
Total Special Revenue Funds	1,013,500	—
Capital Projects Funds:		
Building and Site Fund:		
General Fund	25,950	—
Total All Funds	\$ 1,039,450	\$ 1,039,450

The General Fund transfer to the Athletic fund was made to pay the General Fund's share of support for the athletic program for the fiscal year. The General Fund transfer to the Food Service Fund was made to properly allocate indirect costs between the funds. The General Fund transfer to the Building and Site Fund was made to reallocate expenditures.

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balances July 1, 2006	Additions	Deductions	Balances June 30, 2007
Capital assets not depreciated:				
Land	\$ 509,246	\$ —	\$ —	\$ 509,246
Construction in progress	—	209,034	—	209,034
Capital assets being depreciated:				
Land improvements	1,665,568	—	—	1,665,568
Buildings and additions	71,460,578	—	—	71,460,578
Furniture and equipment	4,396,880	76,537	118,483	4,354,934
Vehicles	1,744,748	—	—	1,744,748
Totals at historical cost	\$ 79,777,020	\$ 285,571	\$ 118,483	\$ 79,944,108

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

	<u>Balances</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2007</u>
Less accumulated depreciation for:				
Land improvements	\$ 1,238,685	\$ 75,868	\$ —	\$ 1,314,553
Buildings and additions	25,475,774	1,152,362	—	26,628,135
Furniture and equipment	3,919,903	100,796	40,359	3,980,340
Vehicles	1,639,683	52,027	—	1,691,710
Total accumulated depreciation	<u>32,274,045</u>	<u>\$1,381,052</u>	<u>\$ 40,359</u>	<u>33,614,738</u>
Net Capital Assets	<u>\$ 47,502,975</u>			<u>\$ 46,329,370</u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 977,835
Supporting services	255,723
Community services	1,879
Food service	54,278
Athletics	91,377
	<u>\$ 1,381,052</u>

Note F – Long-term Debt

Amounts available and to be provided for outstanding long-term debt at June 30, 2007 are summarized as follows:

	<u>Bond</u> <u>Issues</u>	<u>Capital</u> <u>Leases</u>	<u>Early Retirement</u> <u>Incentive/</u> <u>Accumulated Sick</u> <u>Leave</u>	<u>Total</u>
Amount Available For Retirement Of				
General Long-Term Debt				
Debt Service Funds	\$ 1,444,793	\$ —	\$ —	\$ 1,444,793
Amounts To Be Provided For				
Retirement Of Long-Term Debt				
State of Michigan	1,036,275	—	—	1,036,275
General Fund	—	2,505	2,211,716	2,214,221
Debt Service Funds	53,675,207	—	—	53,675,207
Total Amounts Available and To Be				
Provided	<u>\$ 56,156,275</u>	<u>\$ 2,505</u>	<u>\$ 2,211,716</u>	<u>\$ 58,370,496</u>

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Changes in long-term debt for the year ended June 30, 2007 are summarized as follows:

	Debt Outstanding July 1, 2006	Debt Added	Debt Retired	Debt Outstanding June 30, 2007
General obligation bonds:				
May 1, 1997	\$ 2,980,000	\$ —	\$ 1,455,000	\$ 1,525,000
May 1, 1999	10,430,000	—	460,000	9,970,000
March 1, 2003	1,220,000	—	60,000	1,160,000
February 14, 2005	27,600,000	—	—	27,600,000
May 1, 2007	—	14,865,000	—	14,865,000
Durant non-plaintiff bonds:				
November 13, 1998	1,036,275	—	—	1,036,275
Installment purchase agreements	31,000	—	31,000	—
Capital leases	44,860	—	42,355	2,505
Early retirement incentive	553,517	—	553,517	—
Accumulated sick leave	1,387,499	2,263,197	1,438,980	2,211,716
	\$ 45,283,151	\$ 17,218,197	\$ 4,040,852	\$ 58,370,496

Long-term debt outstanding at June 30, 2007 is comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$40,825M Building and Site May 1, 1997: Annual maturity of \$1,525M	May 1, 2008	5.625	\$ 1,525,000	\$1,525,000
\$11,875M Refunding May 1, 1999: Annual maturities of \$480M to \$830M	May 1, 2022	4.30–5.00	9,970,000	480,000
\$1,330M Refunding March 1, 2003: Annual maturities of \$60M to \$95M	May 1, 2022	2.35–4.35	1,160,000	60,000
\$28,100M Refunding February 14, 2005: Annual maturities of \$1,600M to \$1,900M	May 1, 2023	3.00–5.00	27,600,000	—
\$14,865M Building and Site May 1, 2007: Annual maturities of \$250M to \$1,950M	May 1, 2022	4.00–5.50	14,865,000	250,000
Durant Non-plaintiff Bonds				
\$1,775M School Improvement November 13, 1998: Annual maturities of \$102M to \$597M	Nov. 13, 2013	4.761353	1,036,275	—
Capital Leases				
Copiers, equipment, vehicles: Annual maturity of \$2,505	July, 2009	4.95–5.30	2,505	2,505
			\$ 56,158,780	\$ 2,317,505

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

The annual requirements to pay principal and interest on long-term bonds, installment purchase agreements and capital leases outstanding are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,317,505	\$ 2,584,764	\$ 4,902,269
2009	3,056,842	2,698,146	5,754,988
2010	2,677,318	2,396,313	5,073,631
2011	2,942,192	2,292,722	5,234,914
2012	3,192,289	2,171,439	5,363,728
2013	3,352,634	2,034,880	5,387,514
2014	3,370,000	1,877,117	5,247,117
2015	3,550,000	1,718,354	5,268,354
2016	3,715,000	1,537,933	5,252,933
2017	3,905,000	1,347,853	5,252,853
2018	4,090,000	1,153,582	5,243,582
2019	4,280,000	963,431	5,243,431
2020	4,440,000	757,832	5,197,832
2021	4,595,000	540,480	5,135,480
2022	4,775,000	322,408	5,097,408
2023	1,900,000	95,000	1,995,000
	<u>\$ 56,158,780</u>	<u>\$ 24,492,252</u>	<u>\$ 80,651,032</u>

On February 14, 2005, the District issued \$28,100,000 in general obligation bonds to advance refund \$28,565,000 of outstanding 1997 general obligation bonds were deposited with an escrow agent and used to purchase United States government securities. Under the terms of the agreement these securities, together with the interest earned to maturity, will be sufficient to pay principal and interest as it becomes due. This procedure relieves the District from being primarily liable for the debt and the District is virtually assured of not being required to make further payments with respect to the debt. These funds are not commingled with other funds and cannot be redeemed prior to maturity. Any excess funds will be returned to the District upon final payment of principal and interest (Scheduled to be May 1, 2008). This defeasance procedure allows the District to remove the related assets and liabilities from its financial statements, which it has done. The assets, now held by the escrow agent to be used for the remaining principal and interest due of \$30,034,237 on the defeased debt at June 30, 2007 are detailed in the following schedule:

	<u>Cost</u>	<u>Market Value</u>	<u>Par Value</u>
U.S. Government Securities	<u>\$ 28,910,159</u>	<u>\$ 29,097,025</u>	<u>\$ 28,910,159</u>

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Note G – Retirement Plan

Substantially all District employees participate in the Michigan Public School Employees' Retirement System (MPERS), a statewide, cost sharing, multiple employer defined benefit public employee retirement system governed by the State of Michigan. The District's payroll for employees covered by MPERS for the year ended June 30, 2007 was \$28,228,620. A Basic Plan member may retire at age 55 with 30 or more years of credited service or at age 60 with 10 or more years of credited service. The annual retirement benefit, payable monthly for life, is equal to 1½ percent of a member's final average compensation multiplied by his/her number of years of credited service. Final average compensation is the employee's average salary over the last 5 years of credited service. Vested employees may retire at or after age 55 with 15 years of service and receive reduced retirement benefits.

School districts in the State of Michigan are required to contribute at a rate, annually determined by the State of Michigan, of covered employees' compensation to the MPERS plan. The contribution rate was 16.34% for the fiscal year ending September 30, 2006 and 17.74% for the fiscal year beginning October 1, 2006. The District's contributions to the plan for the fiscal years ended June 30, 2007, 2006 and 2005 were \$5,007,176, \$4,420,566 and \$4,006,235, respectively.

The "actuarial accrued liability" is a standardized disclosure method of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the MPERS' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employee retirement systems and employers.

The MPERS does not make separate measurements of assets and actuarial accrued liability for individual schools. The actuarial accrued liability at September 30, 2005 (the latest reporting date available expressed as \$ in millions) for the MPERS as a whole, determined through an actuarial valuation performed as of that date, was \$48,206. The MPERS' net assets available for benefits on that date were \$38,211 leaving an unfunded pension benefit obligation of \$9,995. Ten year historical trend information showing the MPERS' progress in accumulating sufficient assets to pay benefits when due is presented in the September 30, 2006 Annual Report of the MPERS, which may be obtained by contacting the System at P.O. Box 30171, Lansing, Michigan 48909-7671.

The total actuarial accrued liability (expressed as \$ in millions) increased by \$2,462 from September 30, 2004 to September 30, 2005. Not included in the pension benefit obligation above is any future obligation attributable to health, dental and vision insurance benefits which are funded on a cash disbursement basis. With the passage of Act 279 of 1996, making permanent the cash basis financing of health, dental and vision benefits, actuarially calculated liabilities for these benefits are no longer disclosed on the balance sheets.

Prior to January 1, 1990, participating employees could elect coverage under either the noncontributory Basic Plan or the contributory Member Investment Plan (MIP). Effective January 1, 1990, all new employees are automatically enrolled in MIP. Participants in MIP, who receive benefits in addition to those available under the Basic Plan, contribute a percentage of salary. The graduated contribution rate is based on total wages and is calculated at 3% of the first \$5,000; 3.6% of the next \$10,000; and 4.3% of all wages over \$15,000. MIP members may retire at any age with 30 years of service, or at age 60 with 5 years of service, with benefits based on a final average compensation period of 5 years for Basic Plan participants and 3 years for Member Investment Plan participants.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2007

Post-employment benefits for health, dental and vision insurance are available at retirement through the MPSERS. Retirees 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 coverage. Required contributions for post-employment health care benefits are included as part of the District's total contribution to the MPSERS as discussed above.

Note H – Risk Management and Benefits

The District is a member of the West Michigan Risk Management Trust, a self-insurance program with districts pooling together to insure property, liability and auto exposure. Premiums from members of the Trust are determined through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$175,000 and \$865,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$1,000 per occurrence deductible for property losses is maintained. The District paid \$198,867 in premiums to the Trust for the year ended June 30, 2007.

The District is also a member of the West Michigan Workers' Compensation Fund, a self-insurance program with districts pooling together to insure workers' compensation and employers' liability exposures. The Fund pays the first \$300,000 of any workers' compensation or employers' liability loss out of a \$1,833,000 loss fund collected from members. Excess insurance has been purchased to cover claims exceeding those amounts. As of June 30, 2007, there were no material pending claims against the District. The District paid \$169,095 in premiums to the Fund for the year ended June 30, 2007.

Health, life and other employee insurance is provided by private insurance carriers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note I – Stewardship, Compliance and Accountability

The following District funds had actual expenditures exceed final budgeted expenditures for the year ended June 30, 2007, as follows:

	<u>Budget</u>		<u>Actual</u>	<u>Unfavorable Variance</u>
Food Service Fund	\$ 2,122,713	\$	2,260,801	\$ 138,088
Athletics Fund	1,122,346		1,136,629	14,283

Note J – Commitments

At June 30, 2007, the 2007 Bond Projects Construction Fund had remaining construction commitments of approximately \$15.5 million, expected to be expended in the next two fiscal years.

SUPPLEMENTAL INFORMATION

GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2007 and 2006

	2007	2006
Assets		
Cash equivalents, deposits and investments	\$ 4,921,134	\$ 2,351,599
Receivables:		
Taxes	243,098	350,867
Accounts	39,044	26,597
Due from other funds	213,341	272,652
Due from other governmental units	7,366,417	7,749,041
Inventory	78,849	84,636
Prepaid expenditures	939,914	168,065
	\$ 13,801,797	\$ 11,003,457
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 83,118	\$ 19,849
Due to other funds	1,307,480	23,569
Due to other governmental units	1,999,835	1,156,630
Accrued salaries and related items	4,318,457	4,004,025
Compensated absences payable - current portion	45,886	-
Deferred revenue	420,562	596,761
	8,175,338	5,800,834
Fund Balances		
Unreserved:		
Undesignated	5,626,459	5,202,623
	\$ 13,801,797	\$ 11,003,457

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2007 and 2006

	2007	2006
Local sources:		
Property taxes	\$ 7,830,861	\$ 7,439,250
Interest earnings	269,916	189,892
Tuition and related fees	310,645	306,309
Transportation fees and reimbursements	199,112	147,040
Technology fees and reimbursements	55,718	116,687
Rental of school facilities	118,013	117,451
Beverage consortium fees	147,410	146,849
Universal service credits	-	70,956
Refunds of prior year expenditures	21,366	242,489
Indirect cost reimbursements	90,000	328,527
Other	203,946	130,517
Total local sources	9,246,987	9,235,967
State sources:		
State aid	35,842,153	34,491,184
Itinerant reimbursement	110,588	131,303
Total state sources	35,952,741	34,622,487
Federal sources:		
Title I	668,615	872,915
Title IIA	281,045	188,350
Title IID	7,068	12,513
Title III	72,330	75,861
Title V	5,874	12,792
IDEA program	1,150,036	1,085,382
Reading First program	133,000	112,500
21st Century grant	489,594	489,594
Other	34,647	37,882
Total federal sources	2,842,209	2,887,789
Interdistrict sources:		
Special education - county allocation	2,835,019	2,685,467
Special education - transportation	788,112	672,050
Special education - tuition	323,868	190,287
Durant settlement reimbursements	29,524	29,524
Medicaid fee for service	386,862	389,798
Horizons administration fees	57,659	51,713
Other	1,689	3,400
Total interdistrict sources	4,422,733	4,022,239
Total Revenues	\$ 52,464,670	\$ 50,768,482

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2007 and 2006

	2007	2006
Current:		
Instruction:		
Basic programs:		
Elementary school:		
Salaries	\$ 6,789,185	\$ 6,768,475
Employee benefits	3,441,680	3,442,983
Purchased services	226,297	435
Supplies	355,640	567,426
	<u>10,812,802</u>	<u>10,779,319</u>
Middle school:		
Salaries	3,723,443	3,676,336
Employee benefits	1,810,947	1,779,637
Purchased services	79,465	229
Supplies	136,131	254,440
	<u>5,749,986</u>	<u>5,710,642</u>
High school:		
Salaries	5,231,725	4,962,364
Employee benefits	2,615,960	2,517,943
Purchased services	195,352	5,262
Supplies	289,969	445,248
Miscellaneous	1,820	1,862
	<u>8,334,826</u>	<u>7,932,679</u>
Preschool:		
Salaries	263,626	201,050
Employee benefits	160,676	115,848
Purchased services	3,413	-
Supplies	5,573	10,100
Miscellaneous	18	279
	<u>433,306</u>	<u>327,277</u>
Summer school:		
Salaries	28,512	14,578
Employee benefits	8,085	3,555
Supplies	845	-
	<u>37,442</u>	<u>18,133</u>
Total basic programs	<u>25,368,362</u>	<u>24,768,050</u>
Added needs:		
Special education:		
Salaries	3,368,796	3,450,339
Employee benefits	1,854,868	1,809,559
Purchased services	73,933	3,809
Supplies	28,023	30,329
Interdistrict	890,213	-
	<u>6,215,833</u>	<u>5,294,036</u>
Compensatory education:		
Salaries	341,706	374,989
Employee benefits	193,467	195,040
Purchased services	67,617	54,584
Supplies	7,374	103,200
	<u>610,164</u>	<u>727,813</u>

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2007 and 2006

	2007	2006
Vocational education:		
Salaries	\$ 59,107	\$ 25,845
Employee benefits	20,784	29,550
Purchased services	231	333
Supplies	6,308	6,677
Equipment and furniture	28,970	30,116
Miscellaneous	1,832	-
	<u>117,232</u>	<u>92,521</u>
Total added needs	6,943,229	6,114,370
Adult education:		
Secondary:		
Salaries	121,476	115,498
Employee benefits	75,027	76,619
Purchased services	508	1,000
Supplies	2,388	1,879
Miscellaneous	732	429
	<u>200,131</u>	<u>195,425</u>
Adult enrichment:		
Salaries	69,210	68,830
Employee benefits	25,832	25,723
	<u>95,042</u>	<u>94,553</u>
Total adult education	<u>295,173</u>	<u>289,978</u>
Total instruction	<u>32,606,764</u>	<u>31,172,398</u>
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	687,766	653,510
Employee benefits	338,047	313,045
	<u>1,025,813</u>	<u>966,555</u>
Occupational therapist services:		
Salaries	-	2,112
Employee benefits	23	499
Purchased services	780	768
Supplies	1,439	1,630
Interdistrict	211,300	-
	<u>213,542</u>	<u>5,009</u>
Psychological services:		
Employee benefits	9,423	1,269
Purchased services	9,071	7,192
Supplies	4,254	4,605
Interdistrict	375,922	-
	<u>398,670</u>	<u>13,066</u>
Speech pathology services:		
Salaries	5,701	4,557
Employee benefits	17,266	18,768
Purchased services	6,023	9,966

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2007 and 2006

	2007	2006
Speech pathology services: (Continued)		
Supplies	\$ 3,107	\$ 3,733
Interdistrict	383,310	-
	<u>415,407</u>	<u>37,024</u>
Social worker services:		
Salaries	138,924	144,407
Employee benefits	74,225	82,517
Purchased services	9,586	1,743
Supplies	1,978	2,817
Interdistrict	394,433	-
	<u>619,146</u>	<u>231,484</u>
Teacher consultants:		
Interdistrict	225,202	-
Other pupil services:		
Salaries	161,913	139,364
Employee benefits	79,750	90,507
Purchased services	21,055	26,043
Supplies	70,641	33,841
Equipment and furniture	2,898	28,608
Miscellaneous	8,489	10,632
	<u>344,746</u>	<u>328,995</u>
Total pupil services	3,242,526	1,582,133
Instructional staff services:		
Improvement of instruction:		
Salaries	205,948	143,952
Employee benefits	187,526	150,001
Purchased services	337,298	408,247
Supplies	6,113	8,655
Equipment and furniture	57,200	104,604
Miscellaneous	4,507	2,681
	<u>798,592</u>	<u>818,140</u>
Library/audio-visual:		
Salaries	392,951	382,187
Employee benefits	274,437	270,229
Purchased services	13,891	8,013
Supplies	52,059	55,082
Equipment and furniture	8,261	10,341
	<u>741,599</u>	<u>725,852</u>
Supervision/direction of instructional staff:		
Salaries	433,034	456,292
Employee benefits	252,760	239,659
Purchased services	114,413	118,102
Supplies	8,288	7,825
Equipment and furniture	10,447	12,844
	<u>818,942</u>	<u>834,722</u>
Professional staff development:		
Purchased services	-	10,606

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2007 and 2006

	2007	2006
Academic student assessment:		
Purchased services	\$ 2,795	\$ -
Other instructional staff services:		
Purchased services	2,754	-
Total instructional staff services	2,364,682	2,389,320
General administrative services:		
Board of education:		
Salaries	6,150	6,900
Purchased services	44,490	56,198
	50,640	63,098
Executive administration:		
Salaries	480,163	435,167
Employee benefits	179,465	161,234
Purchased services	125,131	154,890
Supplies	11,162	23,836
Equipment and furniture	41	6,783
Miscellaneous	24,903	16,328
	820,865	798,238
Total general administrative services	871,505	861,336
School administrative services:		
Office of the principal:		
Salaries	1,643,448	1,618,832
Employee benefits	874,212	775,767
Purchased services	243,238	242,344
Supplies	13,075	5,571
Miscellaneous	3,704	1,615
	2,777,677	2,644,129
Business services:		
Fiscal services:		
Salaries	574,884	551,278
Employee benefits	290,636	287,769
Purchased services	16,031	11,058
Miscellaneous	490	-
	882,041	850,105
Other business services:		
Purchased services	800	-
Supplies	3,437	-
Miscellaneous	85,780	85,127
	90,017	85,127
Total business services	972,058	935,232
Operation and maintenance services:		
Salaries	1,394,036	1,416,313
Employee benefits	892,010	865,757
Purchased services	782,772	740,220

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2007 and 2006

	2007	2006
Operation and maintenance services: (Continued)		
Supplies	\$ 1,015,907	\$ 1,039,109
Equipment and furniture	15,069	62,049
Miscellaneous	4,008	-
Total operation and maintenance services	<u>4,103,802</u>	<u>4,123,448</u>
Pupil transportation services:		
Salaries	682,044	668,050
Employee benefits	478,184	429,016
Purchased services	153,582	124,516
Supplies	286,615	276,676
Equipment and furniture	-	13,190
Miscellaneous	17,443	-
Interdistrict	1,127,491	-
Total pupil transportation services	<u>2,745,359</u>	<u>1,511,448</u>
Central services:		
Planning and evaluation:		
Purchased services	6,030	900
Communication services:		
Purchased services	2,708	1,545
Staff/personnel services:		
Purchased services	43,348	67,185
Technology:		
Salaries	305,154	311,774
Employee benefits	156,906	126,240
Purchased services	208,666	241,278
Supplies	43,930	45,787
Equipment and furniture	79,899	197,179
	<u>794,555</u>	<u>922,258</u>
Other central services:		
Purchased services	68,391	-
Miscellaneous	3,872	-
	<u>72,263</u>	<u>-</u>
Total central services	<u>918,904</u>	<u>991,888</u>
Total supporting services	<u>17,996,513</u>	<u>15,038,934</u>
Community services:		
Community recreation:		
Salaries	2,754	2,278
Employee benefits	709	450
Purchased services	8,932	11,624
Supplies	1,296	970
	<u>13,691</u>	<u>15,322</u>

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2007 and 2006

	2007	2006
Community activities:		
Salaries	\$ 500	\$ 1,112
Employee benefits	125	329
Purchased services	33,696	28,067
Supplies	405	275
	<u>34,726</u>	<u>29,783</u>
Welfare activities:		
Purchased services	730	-
Non-public school pupils:		
Purchased services	-	4,820
Total community services	<u>49,147</u>	<u>49,925</u>
Capital outlay:		
Buildings and additions	-	33,348
Interdistrict:		
Special education tuition	-	361,087
Special education transportation	-	991,743
Special education itinerant staff	-	1,933,254
Special education services	-	26,791
Durant reimbursements	-	39,737
Total interdistrict	<u>-</u>	<u>3,352,612</u>
Subgrantee reimbursements	<u>348,960</u>	<u>328,185</u>
Total Expenditures	<u><u>\$ 51,001,384</u></u>	<u><u>\$ 49,975,402</u></u>

NONMAJOR FUNDS

WYOMING PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Governmental Fund Types
June 30, 2007

Assets	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Cash equivalents, deposits and investments	\$ 66,054	\$ 405,127	\$ 138,732	\$ 609,913
Taxes receivable	-	62,403	-	62,403
Land contract receivable	-	-	555,506	555,506
Due from other funds	5,052	1,042,616	259,812	1,307,480
Due from other governmental units	33,288	-	-	33,288
Inventory	31,028	-	-	31,028
Prepaid expenditures	150,000	325	-	150,325
Total Assets	\$ 285,422	\$ 1,510,471	\$ 954,050	\$ 2,749,943
 Liabilities and Fund Balances				
Liabilities				
Checks drawn against future deposits	\$ 88,417	\$ 325	\$ -	\$ 88,742
Accounts payable	18,422	2,950	2,535	23,907
Due to other funds	9,794	-	-	9,794
Due to other governmental units	60,059	-	-	60,059
Accrued salaries and related items	39,128	-	-	39,128
Deferred revenue	-	62,403	555,506	617,909
Total Liabilities	215,820	65,678	558,041	839,539
Fund Balances				
Reserved for:				
Debt service	-	1,444,793	-	1,444,793
Capital outlay	-	-	396,009	396,009
Unreserved:				
Undesignated, reported in:				
Special revenue funds	69,602	-	-	69,602
Total Fund Balances	69,602	1,444,793	396,009	1,910,404
Total Liabilities and Fund Balances	\$ 285,422	\$ 1,510,471	\$ 954,050	\$ 2,749,943

WYOMING PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Fund Types
For the year ended June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues				
Local sources:				
Property taxes	\$ -	\$ 4,600,019	\$ -	\$ 4,600,019
Interest earnings	13,359	168,413	29,220	210,992
Sales and admissions	765,345	-	-	765,345
Other local sources	64,717	-	58,947	123,664
Total local sources	843,421	4,768,432	88,167	5,700,020
State sources	133,444	-	-	133,444
Federal sources	1,355,734	-	-	1,355,734
Total Revenues	2,332,599	4,768,432	88,167	7,189,198
Expenditures				
Current:				
Food service	2,228,432	-	-	2,228,432
Athletics	1,136,629	-	-	1,136,629
Capital outlay	-	-	6,035	6,035
Debt service:				
Principal repayment	31,000	1,975,000	-	2,006,000
Interest and fiscal charges	1,369	2,025,261	-	2,026,630
Total Expenditures	3,397,430	4,000,261	6,035	7,403,726
Excess (Deficiency) of Revenues Over Expenditures	(1,064,831)	768,171	82,132	(214,528)
Other Financing Sources				
Transfers in	1,013,500	-	25,950	1,039,450
Net Change In Fund Balances	(51,331)	768,171	108,082	824,922
Fund Balances, Beginning of Year	120,933	676,622	287,927	1,085,482
Fund Balances, End of Year	\$ 69,602	\$ 1,444,793	\$ 396,009	\$ 1,910,404

WYOMING PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the years ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues			
Local sources:			
Sales	\$ 787,861	\$ 680,477	\$ (107,384)
Interest earnings	5,000	10,531	5,531
Other local sources	-	150	150
State sources	149,309	133,444	(15,865)
Federal sources	1,379,132	1,355,734	(23,398)
Total Revenues	<u>2,321,302</u>	<u>2,180,336</u>	<u>(140,966)</u>
Expenditures			
Current:			
Food service	2,122,713	2,228,432	(105,719)
Debt service:			
Principal repayment	-	31,000	(31,000)
Interest and fiscal charges	-	1,369	(1,369)
Total Expenditures	<u>2,122,713</u>	<u>2,260,801</u>	<u>(138,088)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>198,589</u>	<u>(80,465)</u>	<u>(279,054)</u>
Other Financing Sources			
Transfers in	-	23,500	23,500
Net Change in Fund Balances	198,589	(56,965)	(255,554)
Fund Balances, Beginning of Year	<u>106,293</u>	<u>106,293</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 304,882</u>	<u>\$ 49,328</u>	<u>\$ (255,554)</u>

WYOMING PUBLIC SCHOOLS
Athletics Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the years ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues			
Local sources:			
Sales	\$ 175,215	\$ 149,435	\$ (25,780)
Interest earnings	1,300	2,828	1,528
Total Revenues	<u>176,515</u>	<u>152,263</u>	<u>(24,252)</u>
Expenditures			
Current:			
Athletics	1,122,346	1,136,629	(14,283)
Excess (Deficiency) of Revenues Over Expenditures	<u>(945,831)</u>	<u>(984,366)</u>	<u>(38,535)</u>
Other Financing Sources			
Transfers in	940,000	990,000	50,000
Net Change in Fund Balances	(5,831)	5,634	11,465
Fund Balances, Beginning of Year	<u>14,640</u>	<u>14,640</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 8,809</u></u>	<u><u>\$ 20,274</u></u>	<u><u>\$ 11,465</u></u>

SPECIAL REVENUE FUNDS

Food Service—to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

Athletics—to account for activity receipts and General Fund contributions used in administering the athletic program of the District.

WYOMING PUBLIC SCHOOLS
Special Revenue Funds
Combining Balance Sheet
June 30, 2007

Assets	Food Service Fund	Athletics Fund	Total
Cash equivalents, deposits and investments	\$ 38	\$ 66,016	\$ 66,054
Due from other funds	-	5,052	5,052
Due from other governmental units	33,288	-	33,288
Inventory	31,028	-	31,028
Prepaid expenditures	150,000	-	150,000
Total Assets	\$ 214,354	\$ 71,068	\$ 285,422
 Liabilities and Fund Balances			
Liabilities			
Checks drawn against future deposits	\$ 88,417	\$ -	\$ 88,417
Accounts payable	16,506	1,916	18,422
Due to other funds	9,794	-	9,794
Due to other governmental units	24,389	35,670	60,059
Accrued salaries and related items	25,920	13,208	39,128
Total Liabilities	165,026	50,794	215,820
Fund Balances			
Unreserved:			
Undesignated, reported in:			
Special revenue funds	49,328	20,274	69,602
Total Liabilities and Fund Balances	\$ 214,354	\$ 71,068	\$ 285,422

WYOMING PUBLIC SCHOOLS
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2007

	Food Service Fund	Athletics Fund	Total
Revenues			
Local sources:			
Interest earnings	\$ 10,531	\$ 2,828	\$ 13,359
Sales and admissions	680,477	84,868	765,345
Other local sources	150	64,567	64,717
Total local sources	691,158	152,263	843,421
State sources	133,444	-	133,444
Federal sources	1,355,734	-	1,355,734
Total Revenues	2,180,336	152,263	2,332,599
Expenditures			
Current:			
Food service	2,228,432	-	2,228,432
Athletics	-	1,136,629	1,136,629
Debt service:			
Principal repayment	31,000	-	31,000
Interest and fiscal charges	1,369	-	1,369
Total Expenditures	2,260,801	1,136,629	3,397,430
Excess (Deficiency) of Revenues Over Expenditures	(80,465)	(984,366)	(1,064,831)
Other Financing Sources (Uses)			
Transfers in	23,500	990,000	1,013,500
Net Change In Fund Balances	(56,965)	5,634	(51,331)
Fund Balances, Beginning of Year	106,293	14,640	120,933
Fund Balances, End of Year	\$ 49,328	\$ 20,274	\$ 69,602

WYOMING PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2007 and 2006

	2007	2006
Assets		
Cash equivalents, deposits and investments	\$ 38	\$ 267,095
Due from other governmental units	33,288	31,914
Inventory	31,028	44,050
Prepaid expenditures	150,000	-
	\$ 214,354	\$ 343,059
Liabilities and Fund Balances		
Liabilities		
Checks drawn against future deposits	\$ 88,417	\$ -
Accounts payable	16,506	21,897
Due to other funds	9,794	202,475
Due to other governmental units	24,389	1,431
Accrued salaries and related items	25,920	6,578
Deferred revenue	-	4,385
	165,026	236,766
Fund Balances		
Unreserved:		
Undesignated	49,328	106,293
	\$ 214,354	\$ 343,059

WYOMING PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2007 and 2006

	2007	2006
Revenues		
Local sources:		
Food sales:		
Breakfast meals	\$ 18,972	\$ 21,052
Lunch meals	327,675	364,314
Ala carte	283,358	293,315
Banquets	50,472	56,703
	<u>680,477</u>	<u>735,384</u>
Interest earnings	10,531	6,304
Other	150	400
Total local sources	<u>691,158</u>	<u>742,088</u>
State sources	133,444	128,028
Federal sources	1,355,734	1,254,173
	<u>2,180,336</u>	<u>2,124,289</u>
Expenditures		
Current:		
Food service:		
Salaries	574,461	497,867
Employee benefits	237,915	202,572
Contracted services	233,293	174,398
Repair and maintenance	64,495	33,237
Food	901,014	858,014
Supplies and materials	82,750	83,369
Equipment and furniture	14,335	59,835
Miscellaneous	30,169	-
Indirect cost reimbursement	90,000	310,000
Total current food service expenditures	<u>2,228,432</u>	<u>2,219,292</u>
Debt service:		
Principal repayment	31,000	31,000
Interest and fiscal charges	1,369	2,561
Total debt service food service expenditures	<u>32,369</u>	<u>33,561</u>
Total Expenditures	<u>2,260,801</u>	<u>2,252,853</u>
Excess (Deficiency) of Revenues Over Expenditures	(80,465)	(128,564)
Other Financing Sources		
Transfers in	23,500	20,640
Net Change in Fund Balances	(56,965)	(107,924)
Fund Balances, Beginning of Year	106,293	214,217
Fund Balances, End of Year	<u>\$ 49,328</u>	<u>\$ 106,293</u>

WYOMING PUBLIC SCHOOLS
Athletics Special Revenue Fund
Comparative Balance Sheet
June 30, 2007 and 2006

	2007	2006
Assets		
Cash equivalents, deposits and investments	\$ 66,016	\$ 7,173
Due from other funds	5,052	23,569
Total Assets	\$ 71,068	\$ 30,742
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,916	\$ 4,684
Due to other governmental units	35,670	2,209
Accrued salaries and related items	13,208	9,209
Total Liabilities	50,794	16,102
Fund Balances		
Unreserved:		
Undesignated	20,274	14,640
Total Liabilities and Fund Balances	\$ 71,068	\$ 30,742

WYOMING PUBLIC SCHOOLS
Athletics Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues		
Local sources:		
Gate receipts	\$ 84,868	\$ 41,305
Participation fees	64,567	133,968
Interest earnings	2,828	2,186
	<u>152,263</u>	<u>177,459</u>
Expenditures		
Current:		
Athletics:		
Salaries	563,633	537,621
Employee benefits	180,474	173,016
Contracted services	174,682	179,728
Field trips	73,837	62,777
Supplies and materials	4,828	-
Uniforms	29,321	23,889
Equipment and furniture	51,528	48,565
Other	58,326	27,081
	<u>1,136,629</u>	<u>1,052,677</u>
Total Expenditures	<u>1,136,629</u>	<u>1,052,677</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(984,366)</u>	<u>(875,218)</u>
Other Financing Sources		
Transfers in	<u>990,000</u>	<u>820,000</u>
Net Change in Fund Balances	5,634	(55,218)
Fund Balances, Beginning of Year	<u>14,640</u>	<u>69,858</u>
Fund Balances, End of Year	<u>\$ 20,274</u>	<u>\$ 14,640</u>

DEBT SERVICE FUNDS

Debt Service Funds—To accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

WYOMING PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2007

Assets	<u>1997</u>	<u>1999</u>	<u>2003</u>	<u>2005</u>
Cash equivalents, deposits and investments	\$ 113,838	\$ 114,667	\$ 4,883	\$ 171,739
Taxes receivable	35,000	14,014	1,280	12,109
Due from other funds	351,355	236,389	29,611	425,261
Prepaid expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 500,193</u></u>	<u><u>\$ 365,070</u></u>	<u><u>\$ 35,774</u></u>	<u><u>\$ 609,109</u></u>
 Liabilities and Fund Balances				
Liabilities				
Checks drawn against future deposits	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,323	650	59	918
Deferred revenue	<u>35,000</u>	<u>14,014</u>	<u>1,280</u>	<u>12,109</u>
Total Liabilities	<u>36,323</u>	<u>14,664</u>	<u>1,339</u>	<u>13,027</u>
Fund Balances				
Reserved for:				
Debt service	<u>463,870</u>	<u>350,406</u>	<u>34,435</u>	<u>596,082</u>
Total Liabilities and Fund Balances	<u><u>\$ 500,193</u></u>	<u><u>\$ 365,070</u></u>	<u><u>\$ 35,774</u></u>	<u><u>\$ 609,109</u></u>

<u>2007</u>	<u>Total</u>
\$ -	\$ 405,127
-	62,403
-	1,042,616
<u>325</u>	<u>325</u>
<u>\$ 325</u>	<u>\$ 1,510,471</u>

\$ 325	\$ 325
<u> </u>	<u>2,950</u>
<u> </u>	<u>62,403</u>
<u>325</u>	<u>65,678</u>

<u>-</u>	<u>1,444,793</u>
<u>\$ 325</u>	<u>\$ 1,510,471</u>

WYOMING PUBLIC SCHOOLS
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2007

	<u>1997</u>	<u>1999</u>	<u>2003</u>
Revenues			
Local sources:			
Property taxes	\$ 1,771,884	\$ 1,047,082	\$ 127,315
Interest earnings	64,923	38,310	4,644
Total Revenues	<u>1,836,807</u>	<u>1,085,392</u>	<u>131,959</u>
Expenditures			
Debt service:			
Principal repayment	1,455,000	460,000	60,000
Interest and fiscal charges	172,947	504,351	44,466
Total Expenditures	<u>1,627,947</u>	<u>964,351</u>	<u>104,466</u>
Net Change In Fund Balances	208,860	121,041	27,493
Fund Balances, Beginning of Year	<u>255,010</u>	<u>229,365</u>	<u>6,942</u>
Fund Balances, End of Year	<u><u>\$ 463,870</u></u>	<u><u>\$ 350,406</u></u>	<u><u>\$ 34,435</u></u>

<u>2005</u>	<u>Total</u>
\$ 1,653,738	\$ 4,600,019
<u>60,536</u>	<u>168,413</u>
1,714,274	4,768,432
-	1,975,000
<u>1,303,497</u>	<u>2,025,261</u>
1,303,497	4,000,261
410,777	768,171
<u>185,305</u>	<u>676,622</u>
<u>\$ 596,082</u>	<u>\$ 1,444,793</u>

CAPITAL PROJECTS FUND

Building and Site—to account for the proceeds from the sale of District property and interest earnings to be used for future capital improvements projects.

WYOMING PUBLIC SCHOOLS
Nonmajor Capital Projects Fund
Comparative Balance Sheet
June 30, 2007

	Building and Site Fund	
	2007	2006
Assets		
Cash equivalents, deposits and investments	\$ 138,732	\$ 337,854
Land contract receivable	555,506	583,803
Due from other funds	259,812	-
Total Assets	\$ 954,050	\$ 921,657
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 2,535	\$ -
Due to other funds	-	49,927
Deferred revenue	555,506	583,803
Total Liabilities	558,041	633,730
Fund Balances		
Reserved for:		
Capital outlay	396,009	287,927
Total Liabilities and Fund Balances	\$ 954,050	\$ 921,657

WYOMING PUBLIC SCHOOLS
Nonmajor Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2007 and 2006

	Building and Site Fund	
	2007	2006
Revenues		
Local sources		
Interest earnings	\$ 29,220	\$ 29,632
Other local sources	58,947	266,197
Total Revenues	88,167	295,829
Expenditures		
Capital outlay	6,035	124,985
Excess of Revenues Over Expenditures	82,132	170,844
Other Financing Sources (Uses)		
Transfers in	25,950	-
Net Change In Fund Balances	108,082	170,844
Fund Balances, Beginning of Year	287,927	117,083
Fund Balances, End of Year	\$ 396,009	\$ 287,927

AGENCY FUND

Student Activities—to account for the collection and disbursements of monies used by the student clubs and groups of the District.

WYOMING PUBLIC SCHOOLS
Student Activities Agency Fund
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2007

Assets	<u>Balances July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances June 30, 2007</u>
Cash equivalents, deposits and investments	<u>\$ 416,668</u>	<u>\$ 1,037,580</u>	<u>\$ 1,021,731</u>	<u>\$ 432,517</u>
Liabilities				
Accounts payable	\$ -	\$ 609,128	\$ 595,030	\$ 14,098
Due to other funds	20,250	267,347	265,796	21,801
Due to student groups	<u>396,418</u>	<u>1,138,366</u>	<u>1,138,166</u>	<u>396,618</u>
Total Liabilities	<u>\$ 416,668</u>	<u>\$ 2,014,841</u>	<u>\$ 1,998,992</u>	<u>\$ 432,517</u>

OTHER INFORMATION

WYOMING PUBLIC SCHOOLS
Summary of 2006 Taxes Levied and Collected
For the year ended June 30, 2007

	Kent County		Total
	City of		
	Grandville	Wyoming	
Taxable Valuations			
Operating	\$ 1,468,557	\$428,180,660	\$429,649,217
Debt Service	1,729,271	942,331,181	944,060,452
Rates (Mills)			
General Fund			18.0000
1997 Debt Service Fund			1.8100
1999 Debt Service Fund			1.0700
2003 Debt Service Fund			0.1300
2005 Debt Service Fund			1.6900
			<u>22.7000</u>
Taxes Levied 2006 Rolls			
General Fund	\$ 26,434	\$ 7,707,247	\$ 7,733,681
1997 Debt Service Fund	3,130	1,705,602	1,708,732
1999 Debt Service Fund	1,850	1,008,284	1,010,134
2003 Debt Service Fund	225	122,502	122,727
2005 Debt Service Fund	2,923	1,592,523	1,595,446
	<u>34,562</u>	<u>12,136,158</u>	<u>12,170,720</u>
Taxes Uncollected 2006 Rolls			
General Fund	-	16,932	16,932
1997 Debt Service Fund	-	1,702	1,702
1999 Debt Service Fund	-	1,007	1,007
2003 Debt Service Fund	-	123	123
2005 Debt Service Fund	-	1,590	1,590
	<u>-</u>	<u>21,354</u>	<u>21,354</u>
Taxes Collected 2006 Rolls			
General Fund	26,434	7,690,315	7,716,749
1997 Debt Service Fund	3,130	1,703,900	1,707,030
1999 Debt Service Fund	1,850	1,007,277	1,009,127
2003 Debt Service Fund	225	122,379	122,604
2005 Debt Service Fund	2,923	1,590,933	1,593,856
	<u>34,562</u>	<u>12,114,804</u>	<u>12,149,366</u>
Delinquent Taxes Collected			
General Fund	-	40,641	40,641
1997 Debt Service Fund	-	14,172	14,172
1999 Debt Service Fund	-	5,588	5,588
2003 Debt Service Fund	-	391	391
2005 Debt Service Fund	-	-	-
	<u>-</u>	<u>60,792</u>	<u>60,792</u>
Total Taxes Collected			
General Fund	26,434	7,730,956	7,757,390
1997 Debt Service Fund	3,130	1,718,072	1,721,202
1999 Debt Service Fund	1,850	1,012,865	1,014,715
2003 Debt Service Fund	225	122,770	122,995
2005 Debt Service Fund	2,923	1,590,933	1,593,856
	<u>34,562</u>	<u>12,175,596</u>	<u>12,210,158</u>

(Continued)

WYOMING PUBLIC SCHOOLS
Summary of 2006 Taxes Levied and Collected
For the year ended June 30, 2007

	Kent County		Total
	City of		
	Grandville	Wyoming	
Taxes Uncollected – June 30, 2007			
General Fund:			
2006	\$ -	\$ 16,932	\$ 16,932
2005	-	73,378	73,378
2004	-	152,788	152,788
	-	<u>243,098</u>	<u>243,098</u>
1997 Debt Service Fund:			
2006	-	1,702	1,702
2005	-	6,574	6,574
2004	-	26,724	26,724
	-	<u>35,000</u>	<u>35,000</u>
1999 Debt Service Fund:			
2006	-	1,007	1,007
2005	-	4,383	4,383
2004	-	8,624	8,624
	-	<u>14,014</u>	<u>14,014</u>
2003 Debt Service Fund:			
2006	-	123	123
2005	-	438	438
2004	-	719	719
	-	<u>1,280</u>	<u>1,280</u>
2005 Debt Service Fund:			
2006	-	1,590	1,590
2005	-	10,519	10,519
	-	<u>12,109</u>	<u>12,109</u>
Total Taxes Uncollected	<u>\$ -</u>	<u>\$ 305,501</u>	<u>\$ 305,501</u>

Hungerford, Aldrin,
Nichols & Carter, P.C.

CPAs AND CONSULTANTS

October 15, 2007

The Board of Education
Wyoming Public Schools
Grand Rapids, Michigan

The following comments pertain to our audit of the financial records of Wyoming Public Schools as of and for the year ended June 30, 2007. The comments are made in accordance with Statement on Auditing Standards No. 61 "Communication With Audit Committees" which requires that in certain audits, certain matters are to be communicated to those who have responsibility for oversight of the financial reporting process. The communications required by this statement, if pertinent to the examination, are as follows:

1. Auditor's Responsibility Under Generally Accepted Auditing Standards.
2. Significant Accounting Policies.
3. Management Judgments and Accounting Estimates.
4. Significant Audit Adjustments.
5. Other Information in Documents Containing Audited Financial Statements.
6. Disagreements with Management.
7. Consultation with Other Accountants.
8. Major Issues Discussed With Management Prior to Retention.
9. Difficulties Encountered in Performing the Audit.
10. Uncorrected Misstatements (Passed Audit Adjustments).

The communications specified by this Statement are incidental to the audit and are not required to occur before, nor do they affect, our auditor's report on the District's financial statements.

The following are the matters to be communicated by SAS No. 61 based on our observations during the course of our audit of the financial statements and our review and evaluation of the internal control system of Wyoming Public Schools:

Auditors Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered Wyoming Public School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Wyoming Public School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Wyoming Public School's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Wyoming Public School's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Wyoming Public School's compliance with those requirements.

Significant Accounting Policies

The District's elected officials and management have the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise the District regarding the appropriateness of accounting policies and their application. The significant accounting policies used by Wyoming Public Schools are described in Note A in the Notes to Basic Financial Statements.

Difficulties Encountered In Performing the Audit

We encountered no significant difficulties in performing the audit of the financial statements of Wyoming Public Schools for the year ended June 30, 2007. We did spend a significant amount of time at the District prior to the close of the fiscal year assisting District personnel in reconciling bank accounts and inter-fund transactions of the District, which is addressed in the recommendations section below.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. During the course of our audit the following adjustments of a significant nature were made to the accounting records of the District to bring the balances to those presented in the financial statements:

General Fund

1. \$41,901 to correct beginning balance in Taxes Receivable and reclassify prior year taxes collected.

2007 Construction Fund

1. \$386,173 to classify bond premium received and \$197,626 to classify underwriter's discount and bond issuance costs paid as a part of the 2007 bond issue to comply with Generally Accepted Accounting Principles.

Proposed Audit Adjustments

There were no material proposed audit adjustments not recorded by Wyoming Public Schools.

Suggestions and Recommendations

We offered suggestions and recommendations regarding the day-to-day operations of the accounting system of Wyoming Public Schools to the Director of Finance and other District business office personnel as the topics arose during the course of our audit fieldwork. Hopefully, these suggestions will ease the day-to-day operations of the business office and assist in more efficient monthly and year-end financial record keeping and reporting. Other suggestions that merit discussion in this letter are as follows:

- District bank accounts must be reconciled to computer accounting records on a timely and efficient basis. As discussed above, we were required to spend significant additional time at the District, prior to fiscal year-end, assisting District personnel in completing bank reconciliations.

In the fall of 2006, the AICPA issued Statement on Auditing Standards No. 112 "Communicating Internal Control Related Matters Identified in an Audit", which requires a written communication from an auditor to an organization's governing board if any weaknesses in internal controls ("control deficiencies") rise to the level of "significant deficiencies" or "material weaknesses" that might effect the integrity of the financial

statements. The AICPA significantly broadened the standards as to what might be a significant deficiency and/or material weakness and raised the expectations of auditors to report these control deficiencies, if found. While we did observe certain control deficiencies in areas of the District's internal control during the course of our audit, we found no significant deficiencies or material weaknesses in internal controls. The following recommendations relate to our internal control findings:

- We encourage the District to increase its activities in the areas of *segregation/sharing of duties* and the *monitoring of internal controls*, especially in the areas of payroll/human resources and in the cash-type transactions occurring outside the business office (athletics, food service, student activities, preschool, etc.)
- We encourage the District to support the Director of Finance in furthering his, and his business office personnel, education in the area of governmental financial statement preparation in compliance with current GAAP and GASB requirements. These are complex and constantly changing requirements that continue to increase and undergo significant modifications.

Our audit this year was again completed under the requirements of Statement on Auditing Standards No. 99 "Consideration of Fraud in a Financial Statement Audit" (SAS No. 99), which requires both auditors and their clients to more directly and openly assess those areas within a school district that might be susceptible to fraudulent activity, which would normally include those areas outside the central office that handle cash, inventory, supplies, etc. This is an important audit standard that requires increased face-to-face discussions/interviews with client personnel and extensive documentation of our findings for future reference. We found that Wyoming Public Schools has a very extensive network of internal controls within its accounting and record keeping system, and found those tested this year to be operating in the manner intended. Working with District business office personnel, we will be testing other control areas each year as a part of our audit, with suggestions and recommendations to follow the testing each year, to assist the District in maintaining and improving its systems.

Other Comments

The General Fund Balance of the District increased by \$423,836 to \$5,626,459 at June 30, 2007. This balance represents approximately 11 percent of the District's 2007-08 budgeted expenditures (up from 10 percent at June 30, 2006). Maintaining a fund balance of at least 20 percent of the ensuing year's expenditure budget is advisable for Wyoming Public Schools, as that percentage seems to be a dividing line between Districts that are required to borrow for cash-flow purposes (and incur interest expenses and loan processing fees) and those Districts that are not required to borrow. This level of fund balance also gives the District more stable operating funds during the year and acts as a buffer against the uncertainty of state aid revenues accruing to the District.

Wyoming Public Schools
October 15, 2007
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This communication is intended solely for the information and use of the Wyoming Public Schools Board of Directors, administration and others within the organization. We have furnished a copy of this letter to the Michigan Department of Education as an enclosure with the audit report as required by the State of Michigan.

We appreciate the opportunity to provide financial auditing and advisory services to Wyoming Public Schools and hope to continue to do so in the future. We also appreciate the dedication and cooperation of the District's administration and accounting personnel in performing their functions and in assisting us in completing ours. If there are any questions regarding the audit report, or the attached communications, we will be happy to address them.

Hungerford, Aldwin, Nichols & Besten, P.C.

Certified Public Accountants