FINANCIAL REPORT
POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
POSEN, MICHIGAN
June 30, 2006

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
FINANCIAL REPORT
Year Ended June 30, 2006

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Hill • Schroderus & Co., LLP
Certified Public Accountants & Consultants

September 22, 2006

Independent Auditors' Report

Superintendent and Board of Education
Posen Consolidated School District No. 9
Posen, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Posen Consolidated School District No. 9, as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Posen Consolidated School District No. 9, as of June 30, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2006, on our consideration of Posen Consolidated School District No. 9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Posen Consolidated School District No. 9
Posen, Michigan

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Posen Consolidated School District No. 9's basic financial statements. The other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hill, Schroeder & Co.

CERTIFIED PUBLIC ACCOUNTANTS
Petoskey, Michigan

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Management's Discussion and Analysis

Overview of the Basic Financial Statements

Posen Consolidated School District No. 9's (the District's) basic financial statements include government-wide statements, fund financial statements and notes to the financial statements. This report also contains required and other supplemental information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements report information on all of the District's nonfiduciary funds. The government-wide statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets displays all of the District's assets and liabilities, with the difference reported as net assets. All long-term assets and debt obligations are presented.

The Statement of Activities focuses on the gross and net costs of the various functions within the School (instruction, support services, etc.), which are supported by the School's general revenues (property taxes, unrestricted state aid, etc.).

Fund Financial Statements

The fund financial statements report on the governmental funds, with an emphasis on major funds. Major funds are determined by the level of activity within the various funds. The focus of the fund financial statements is on the sources and uses of funds during the current year.

The fiduciary fund is also presented, separate from the governmental funds, due to the fact that these assets do not represent assets of the District. These assets are not presented as part of the government-wide financial statements.

Posen Consolidated School District No. 9 maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, and the 2005 Refunding Debt Service Funds, which are considered major funds. Data from the other three governmental funds are combined into a single, nonmajor governmental funds column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Other Supplemental Information section of the report.

MISSION STATEMENT
To promote skills to adapt to an ever changing world; to develop skills needed to set and achieve realistic goals; to promote moral, personal and community responsibility; and to produce individuals who are responsible, productive and tolerant of differences.

Notes to the Financial Statements

The notes provide additional information which is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

The table below summarizes the District's net assets as of June 30, 2006 and 2005:

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
June 30, 2006 and 2005

	2006	2005
Assets		
Current and other assets	$ 1,074,815	$ 1,310,564
Capital assets - net of accum. dep.	4,405,523	4,526,463
Deferred charges	71,790	76,576
Total assets	5,552,128	5,913,603
Liabilities		
Current liabilities	971,770	1,111,970
Noncurrent liabilities	3,433,789	3,565,918
Total liabilities	4,405,559	4,677,888
Net Assets		
Investment in capital assets, net of debt	739,421	748,025
Restricted	132,121	158,071
Unrestricted	275,027	329,619
Total net assets	$ 1,146,569	$ 1,235,715

At the end of the fiscal year, Posen Consolidated School District No. 9 is able to report positive balances in all three categories of net assets. As in 2005, the largest portion of the School's net assets is its investment in capital assets (land, buildings, equipment and vehicles), less any outstanding debt used to acquire those assets. The District uses these capital assets in providing educational services, consequently these assets are not available for future spending.

The second portion of net assets, restricted net assets, represents resources that are subject to spending restrictions by parties outside the District, such as creditors and grantors. The District's net assets are restricted for debt service.

The remaining portion of net assets, unrestricted net assets, may be used at the District's discretion to meet ongoing obligations.

The results for the District as a whole are reported in the Statement of Activities, which is summarized below:

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Year Ended June 30, 2006 and 2005

	2006	2005
Revenue		
Program revenue:		
Charges for services	$ 67,731	$ 70,182
Grants and contributions	342,680	313,670
General revenue:		
Property taxes	981,435	1,090,919
State aid, unrestricted	1,353,614	1,379,850
Interest and investment earnings	19,470	18,089
Other	12,504	55,172
Total revenues	2,777,434	2,927,882
Function/Program Expenses		
Instruction	1,433,248	1,432,335
Support services	769,523	784,435
Food services	127,689	125,439
Athletics	104,078	128,584
Interest/fees on long-term debt	176,534	121,312
Depreciation (unallocated)	180,759	192,042
Total expenses	2,791,831	2,784,147
Extraordinary items, net	(74,749)	74,749
Change in net assets	(89,146)	218,484
Net assets - beginning of year	1,235,715	1,017,231
Net assets - end of year	$ 1,146,569	$ 1,235,715

As reported above, the District recorded $2,791,831 of program expenses. These expenses were funded minimally by charges for services. The majority of the District's revenues, excluding extraordinary items, were from unrestricted state aid (48%), property taxes (35%), and grants and contributions (12%).

The District experienced a decrease in net assets primarily due to rising costs for services.

Fund Financial Analysis

As of year-end, the governmental funds reported a combined fund balance of $315,947 which is approximately $90,213 lower than the beginning of the year. The decrease is due primarily from rising costs.

General Fund Budgetary Highlights

Final budgeted revenues were decreased from original budgeted amounts due to less than anticipated state and federal revenues.

Final budgeted expenditures were lower than original budgeted expenditures due to cost saving measures that were implemented by the District throughout the year.

Final actual revenues were similar to final budgeted revenues.

Final expenditures were lower than final budgeted amounts by approximately $19,000. This is mainly due to careful budgeting practices implemented throughout the year by the District.

Capital Assets

At June 30, 2006 the District had $7.8 million invested in capital assets. The following table summarizes the capital asset activity for the year:

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Year Ended June 30, 2006

	July 1, 2005	Additions	Disposals	June 30, 2006
Land and improvements	$ 698,485	$ -	$ -	$ 698,485
Buildings and improvements	6,234,467	-	-	6,234,467
Furniture and equipment	520,428	-	-	520,428
Vehicles	366,153	59,819	(78,239)	347,733
Total capital assets	7,819,533	59,819	(78,239)	7,801,113
Less accum. dep.	(3,293,070)	(180,759)	78,239	(3,395,590)
Net capital assets	$ 4,526,463	$ (120,940)	$ -	$ 4,405,523

Economic Factors

Posen Consolidated School District #9 has had declining enrollment for the previous four years, however, in the current year the enrollment is up slightly. The District's operating revenue is based on student enrollment as well as the amount of funding per student. The student enrollment currently is 297.

The 2005-2006 school year state aid funding was $6,875 per student enrolled. In addition, categorical funding had also been reduced. The Title programs funding has been cut by about 15% this year.

In the current year, the revenue has gone down and costs have continued to increase. The increase of 15% in health insurance for the teaching staff and support staff, an increase in the natural gas and bus fuel are other examples of increase costs.

Posen Consolidated School District has had to utilize its operating fund balance for the last four years to continue to operate and meet expenditures. The Art and Band programs have been dropped from the curriculum. Split classrooms (combination rooms) were implemented for three elementary grades. The current general fund balance of approximately $160,000 will be utilized in the upcoming year as a result of everything noted above.

Financial Contact

The District's financial statements are designed to present users with a general overview of the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed towards the Business Office, Posen Consolidated School District No. 9.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Statement of Net Assets
June 30, 2006

	Governmental Activities
Assets	
Current Assets	
Cash	$ 252,731
Investments	551,650
Due from other governmental units	270,434
Total current assets	1,074,815
Noncurrent Assets	
Capital assets	7,801,113
Less: accumulated depreciation	(3,395,590)
Total capital assets	4,405,523
Deferred charges	71,790
Total noncurrent assets	4,477,313
Total assets	$ 5,552,128
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 9,361
Accrued interest payable	38,240
State aid notes payable	500,000
Bonds payable, due within one year	189,221
Accrued expenses	100,544
Salaries payable	134,404
Total current liabilities	971,770
Noncurrent Liabilities	
Bonds payable	3,397,789
Retirement allowance payable	36,000
	3,433,789
Total liabilities	4,405,559
Net Assets	
Investment in capital assets, net of related debt	739,421
Restricted for debt service	132,121
Unrestricted	275,027
Total net assets	1,146,569
Total liabilities and net assets	$ 5,552,128

See accompanying notes to the basic financial statements.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Statement of Activities
Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets: Governmental Activities
Governmental activities:				
Instruction	$ 1,433,248	$ 3,850	$ 278,240	$ (1,151,158)
Support services	769,523	-	-	(769,523)
Food services	127,689	43,333	64,440	(19,916)
Athletics	104,078	20,548	-	(83,530)
Interest/fees on long-term debt	176,534	-	-	(176,534)
Depreciation (unallocated)	180,759	-	-	(180,759)
Total governmental activities	$ 2,791,831	$ 67,731	$ 342,680	(2,381,420)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	664,905
Property taxes, levied for debt services	316,530
State aid, unrestricted	1,353,614
Interest and investment earnings	19,470
Other	12,504
Total general revenues	2,367,023
Extraordinary items:	
Insurance reimbursement	16,000
Hail storm restoration costs	(90,749)
Total extraordinary items	(74,749)
Change in net assets	(89,146)
Net assets - beginning of year	1,235,715
Net assets - end of year	$ 1,146,569

See accompanying notes to the basic financial statements.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Governmental Funds
Balance Sheet
June 30, 2006

	General	2005 Refunding Debt Service	Other Nonmajor Governmental Funds	Total
Assets				
Cash	$ 89,615	$ 132,121	$ 30,995	$ 252,731
Investments	551,650	-	-	551,650
Due from other governmental units	269,262	-	1,172	270,434
Total assets	$ 910,527	$ 132,121	$ 32,167	$ 1,074,815
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 9,361	$ -	$ -	$ 9,361
Interest payable	14,559	-	-	14,559
State aid notes payable	500,000	-	-	500,000
Accrued expenditures	93,892	-	6,652	100,544
Salaries payable	132,094	-	2,310	134,404
Total liabilities	749,906	-	8,962	758,868
Fund Balances:				
Reserved for debt service	-	132,121	-	132,121
Unreserved:				
Undesignated	160,621	-	23,205	183,826
Total fund balances	160,621	132,121	23,205	315,947
Total liabilities and fund balances	$ 910,527	$ 132,121	$ 32,167	$ 1,074,815

See accompanying notes to the basic financial statements.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Governmental Funds
Reconciliation of Balance Sheet of Governmental Funds to Net Assets
June 30, 2006

Total Fund Balances - Governmental Funds	$ 315,947
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 are not reported in the governmental funds balance sheet.	
Cost of capital assets	7,801,113
Accumulated depreciation	(3,395,590)
Interest is accrued on outstanding long-term bonds in governmental activities, whereas in governmental funds, an interest expenditure is reported when due.	(23,681)
Bond issuance costs are recorded in governmental activities as a deferred charge, whereas in governmental funds, the costs are reported as expenditures when paid.	71,790
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds balance sheet.	
Bonds payable, net	(3,587,010)
Retirement allowances	(36,000)
Total net assets - governmental activities	$ 1,146,569

See accompanying notes to the basic financial statements.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2006

	General	2005 Refunding Debt Service	Other Nonmajor Governmental Funds	Total
Revenues				
Local sources	$ 708,092	$ 321,284	$ 96,534	$ 1,125,910
State sources	1,435,511	-	10,123	1,445,634
Federal sources	123,016	-	57,407	180,423
Interdistrict and other sources	25,467	-	-	25,467
Total revenues	2,292,086	321,284	164,064	2,777,434
Expenditures				
Current:				
Instruction	1,434,978	-	-	1,434,978
Support services	829,342	-	-	829,342
Food service	-	-	127,689	127,689
Athletics	-	-	104,078	104,078
Debt service:				
Principal	-	170,000	2,155	172,155
Interest/fees	-	177,234	971	178,205
Intergovernmental payments	6,270	-	-	6,270
Total expenditures	2,270,590	347,234	234,893	2,852,717
Excess (deficiency) of revenues over expenditures	21,496	(25,950)	(70,829)	(75,283)
Other financing sources (uses)				
Loan proceeds	59,819	-	-	59,819
Operating transfers in	-	-	74,629	74,629
Operating transfers out	(74,629)	-	-	(74,629)
Total other financing sources (uses)	(14,810)	-	74,629	59,819
Extraordinary Items				
Insurance reimbursement	16,000	-	-	16,000
Hail storm restoration costs	(90,749)	-	-	(90,749)
Total extraordinary items	(74,749)	-	-	(74,749)
Net change in fund balances	(68,063)	(25,950)	3,800	(90,213)
Fund balances - beginning of year	228,684	158,071	19,405	406,160
Fund balances - end of year	$ 160,621	$ 132,121	$ 23,205	$ 315,947

See accompanying notes to the basic financial statements.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2006

Net Change in Fund Balances - Total Governmental Funds	$	(90,213)
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period.		(120,940)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		172,155
Proceeds from the note payable are reported as other financing sources in the governmental funds. In the Statement of Net Assets, these amounts increase a long-term liability. Discounts, premiums, losses and issuance costs are allocated over the remaining lives of the long-term debt. This amount represents the net effect of issuing notes payable and the current year amortization.		(69,878)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, 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 due.		11,730
In the statement of activities, retirement allowances are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid.		8,000
Change in net assets - governmental activities	$	(89,146)

See accompanying notes to the basic financial statements.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Fiduciary Fund
Statement of Fiduciary Net Assets
June 30, 2006

	Student Activities Agency Fund
Assets	
Cash	$ 37,638
Liabilities	
Due to student groups	$ 37,638

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Posen Consolidated School District No. 9 (the "School District") operates under a Board-Superintendent form of government and provides education services to its residents. The accounting policies of the School District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant policies used by the School District:

Reporting Entity

The accompanying financial statements have been prepared in accordance with criteria established by Governmental Accounting Standards Board Statement (GASBS) No. 14 (and amended by GASBS No. 39). GASBS No. 14 states the primary basis for determining whether outside agencies and organizations should be considered component units of the School District and included in the School District's financial statements is financial accountability. Financial accountability has been defined as follows: A primary government has substantive authority to appoint a voting majority of the component unit's board; the primary government is either able to impose its will on a component unit or there is a potential for the component unit to provide specific financial burdens on the primary government; and the component unit is fiscally dependent on the primary government. The School District has no component units.

Basic Financial Statements – Overview

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's activities are considered governmental activities.

Basic Financial Statements – Government-Wide Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. These statements are reported using the economic resources measurement focus and the full accrual basis of accounting. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The government-wide focus is more on operational efficiency, the sustainability of the School District as an entity and the change in the School District's net assets resulting from the current year's activities.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis. Due to the full accrual, economic resource basis, all long-term assets and receivables, as well as long-term debt and obligations are recognized. The School 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 School District first utilizes restricted resources to finance qualifying activities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Government-Wide Statements - Continued

The government-wide Statement of Activities, due to the full accrual, economic resource basis, records revenue when it is earned and expenses when a liability is incurred, regardless of the timing of related cash flows. 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 revenue includes (1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted state aid and other items not properly included among program revenues are reported as general revenue. Any net costs, by function, are allocated to the general revenue.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the School District are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The emphasis in the fund financial statements is on the major funds in the governmental activities category. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of the governmental funds) for the determination of major funds. The School District's major funds, as described below, are the General and 2005 Refunding Debt Service Funds. Nonmajor funds by category are summarized into a single column.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded in the accounting period in which they become both available and measurable. Revenues are available when received within the current period or within 60 days after year-end. Expenditures are recorded in the accounting period in which the liability is incurred. The exceptions to this general rule are principal and interest on general obligation long-term debt, compensated absences, claims and judgments, and retirement allowances, which are recognized when due.

The focus of the fund financial statements is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources).

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Fund Financial Statements - Continued

Governmental Funds - Continued

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not provided for in other funds. The General Fund is a major fund of the School District.

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

Debt Service Funds – The Debt Service Funds are used to record tax and interest revenue and the payment of interest, principal and other expenditures on long-term bonded debt. The Debt Service Funds maintained by the School District are the 2005 Refunding and the Durant Non-Plaintiff Fund.

Capital Project Funds – The Capital Project Funds are used to record bond proceeds or other revenue and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment, and for major remodeling and repairs. These funds are kept open until the purpose for which they were created has been accomplished. The School District does not maintain a Capital Project Fund at this time.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the School District in a trustee or agency capacity for others and therefore are not available to support School District programs. Since these funds cannot be used to address activities or obligations of the School District, these funds are not incorporated into the government-wide statements. Fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. The following agency fund is presented in the Statement of Fiduciary Net Assets:

Student Activities Agency Fund – The School District presently maintains a Student Activities Agency Fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held by the School District for the students.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other accounts that have the general characteristics of demand deposits.

Investments

Investments are stated at fair market value.

Capital Assets

Capital assets, which include land, buildings, equipment and vehicles, are reported in the Statement of Net Assets in the government-wide financial statements. Capital assets are defined by the School District as assets that are purchased or acquired with an original cost of $3,000 or more and an estimated useful life in excess of one year. Such assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date donated. Additions, improvements and other capital outlay that significantly extend the useful life of an asset, or increase its capacity or efficiency, are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land and improvements	10-20 years
Buildings and improvements	20-50 years
Furniture and other equipment	5-25 years

Retirement Allowance

Under contracts negotiated with employee groups, individual employees may have a vested right to receive payments for a retirement allowance calculated using formulae and conditions specified in the contracts. This amount is reported in the government-wide financial statements and represents a reconciling item between the government-wide and fund presentations.

Compensated Absences

Accumulated unpaid sick and vacation pay is not accrued by the School District. Employees are limited to the number of sick and vacation days they may accumulate. Sick and vacation days do not vest to the employee and are not payable upon termination, except when used to determine retirement allowance.

Comparative Data

Comparative total data for the prior year is not included in the School District's financial statements.

NOTE 2: BUDGETING/COMPLIANCE

The School District is required under Public Act 621 to adopt a budget for the General and Special Revenue Funds. Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for these funds. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. All annual appropriations lapse at year-end.

The presentation of budgetary information is required for the General Fund and all major Special Revenue Funds. (The School District does not have any major Special Revenue Funds). In the required supplemental information section, the School District's actual and budgeted expenditures for the General Fund are presented. The School District did not have an excess of expenditures over appropriations for the General Fund.

During the year, the School District incurred expenditures which were in excess of the amounts appropriated for the following Special Revenue Funds:

Fund	Appropriation	Amount of Expenditures	Variance
Cafeteria	$ 117,296	$ 127,688	$ (10,392)
Athletics	95,135	104,078	(8,943)

NOTE 3: CASH AND INVESTMENTS

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

Cash Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial risk. At year-end, the carrying amount of the School District's deposits for both governmental activities and fiduciary funds was $290,369 and the bank balance was $309,906. Of the bank balance, $225,238 was covered by federal depository insurance. The remaining $84,668 was uninsured and uncollateralized. State statutes prohibit security in the form of collateral, surety bonds or another form be taken for the deposit of public funds.

Investments

Credit Risk – As of June 30, 2006, the School District's investment in the Michigan Liquid Asset Fund investment pool of $551,650 was rated AAAm by Standard & Poor's.

NOTE 4: PROPERTY TAXES

Property taxes are levied and become a lien on property as of December 1 on the State taxable valuation of property in the School District as of the preceding December 31.

Property taxes are recognized as revenue in the fiscal year they are levied. The Michigan School Accounting Manual requires property taxes receivable be written off in the current year if not received within 60 days of the end of the previous year. This applies to both the government-wide (full accrual) and the fund (modified accrual) financial statements. There is no significant departure from the full accrual basis of accounting using this method.

The 2005 State taxable valuation of non-homestead property as of May 23, 2005 for Posen Consolidated School District No. 9 totaled $38,124,093, on which taxes levied consisted of 17.173 mills for operating purposes. The total taxable valuation of the School District as of May 23, 2005 was $83,364,800, on which taxes levied consisted of 3.85 mills for debt retirement. These amounts are recognized in the respective General and 2005 Debt Service Funds.

Classification of assessed property between homestead vs. non-homestead is subject to change. In addition, Michigan Tax Tribunal and Board of Review changes throughout the year affect the total taxable valuation.

NOTE 5: CAPITAL ASSETS

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

	Balance July 1, 2005	Additions	Disposals	Balance June 30, 2006
Assets not being depreciated:				
Land	$ 2,485	$ -	$ -	$ 2,485
Capital assets being depreciated:				
Land improvements	696,000	-	-	696,000
Buildings and improvements	6,234,467	-	-	6,234,467
Furniture and equipment	520,428	-	-	520,428
Vehicles	366,153	59,819	(78,239)	347,733
Subtotal	7,817,048	59,819	(78,239)	7,798,628
Accumulated depreciation:				
Land improvements	313,200	34,800	-	348,000
Buildings and improvements	2,341,044	111,680	-	2,452,724
Furniture and equipment	278,785	23,804	-	302,589
Vehicles	360,041	10,475	(78,239)	292,277
Subtotal	3,293,070	180,759	(78,239)	3,395,590
Net capital assets being depreciated	4,523,978	(120,940)	-	$ 4,403,038
Governmental activities net capital assets	$ 4,526,463	$ (120,940)	$ -	$ 4,405,523

NOTE 5: CAPITAL ASSETS – CONTINUED

Governmental activities depreciation expense was charged as follows:

Unallocated	$ 180,759

NOTE 6: INTERFUND TRANSFERS

Interfund transfers consist of the following:

The General Fund made transfers in the amount of $52,629 and $22,000 to the Athletic and Cafeteria Funds, respectively. The General Fund makes transfers on a yearly basis to support these funds.

NOTE 7: SHORT-TERM DEBT – STATE AID NOTES

The School issues State aid notes in advance of State aid receipts, depositing the proceeds in the General Fund. This note is necessary due to reduced funding and because a State aid payment is not received in September.

Short-term debt activity for the year ended June 30, 2006, excluding interest expense of $14,559, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
State aid note	$ 650,000	$500,000	$ (650,000)	$500,000

NOTE 8: LONG-TERM DEBT

The following is a summary of the School District's governmental activities long-term debt transactions for the year ended June 30, 2006:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable:					
General obligation debt	$ 3,750,000	$ -	$ (170,000)	$ 3,580,000	$ 175,000
Bond premium	31,388	-	(1,962)	29,426	-
Refunding deferral	(115,753)	-	7,235	(108,518)	-
Bus note	-	59,819	-	59,819	11,964
Durant resolution debt	28,438	-	(2,155)	26,283	2,257
Total debt	3,694,073	59,819	(166,882)	3,587,010	189,221
Other liabilities:					
Retirement severance	44,000	-	(8,000)	36,000	-
Total governmental activities long-term liabilities	$ 3,738,073	$ 59,819	$ (174,882)	$ 3,623,010	$ 189,221

NOTE 8: LONG-TERM DEBT – CONTINUED

Long-term debt payable at June 30, 2006, is comprised of the following individual instruments:

General Obligation Bonds:	
2005 Refunding Bonds due in annual installments of $175,000 to $260,000 through May 1, 2022; interest at 3.00% to 4.35%.	$3,580,000
Durant Resolution Bond:	
1998 Series School improvement bond due in annual installments of $2,257 to $10,404 through May 15, 2013; interest at 4.76%. This bond is a self-liquidating bond. It is payable both as to principal and interest, solely from an annual appropriation by the State of Michigan. If the legislature fails to appropriate the funds, the District is under no obligation for payment.	26,283
Note Payable:	
Bus note payable due in annual installments of $11,964 through November 1, 2010; interest at 4.375%	59,819
Total bonds and notes payable	3,666,102
Retirement Severance:	
Upon retirement, the District's certified employees who have between fifteen and twenty-nine years of continuous service in the Posen Consolidated School District may be eligible for either a severance allowance or other retirement incentive.	36,000
Total governmental activities long-term liabilities	$3,702,102

The annual requirements to amortize all governmental bond and note payable obligations are as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 189,221	$ 139,600	$ 328,821
2008	202,368	137,825	340,193
2009	199,441	128,730	328,171
2010	204,558	123,060	327,618
2011 – 2015	1,085,514	497,942	1,569,877
2016 – 2020	1,265,000	268,910	1,533,910
2021 – 2025	520,000	33,800	553,800
Total	$ 3,666,102	$ 1,329,867	$4,995,969

NOTE 8: LONG-TERM DEBT – CONTINUED

Bond payments, including interest, are made from the Debt Service Funds. There are limitations and restrictions contained in the various bond indentures. The District is in compliance with all significant limitations and restrictions. The retirement severance liability will be liquidated primarily by the General Fund.

NOTE 9: DEFINED BENEFIT PENSION PLAN AND POST EMPLOYMENT BENEFITS

Posen Consolidated School District No. 9 contributes to the Michigan Public School Employees Retirement System (MPSERS), a cost sharing, multiple employer, statewide public employee retirement plan governed by the State of Michigan and created in 1915. MPSERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits to the State's public school employees. MPSERS now operates under the provisions of Public Act 300 of 1980, as amended. MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by writing to Michigan Public School Employees' Retirement System, P.O. Box 30171, Lansing, MI 48909-7671 or by calling (517) 322-5103.

Prior to January 1, 1990, MPSERS provided a choice of two retirement plans, the Basic Plan, which required no employee contribution and the Member Investment Plan (MIP). For members hired on January 1, 1990 or after, membership in MIP is mandatory. MIP members are required to contribute 3 to 4.3 percent of their annual covered salary and Posen Consolidated School District No. 9 is required to contribute at an actuarially determined rate. The current rate is 16.34% of annual covered payroll, of which approximately 6.55% is for other post employment benefits (see below). The contribution requirements of plan members and Posen Consolidated School District No. 9 are established and may be amended by the MPSERS Board.

The School District's contribution to MPSERS for the years ending June 30, 2006, 2005 and 2004 were $182,960, $186,248 and $184,827 respectively, equal to the required contributions for each year.

Other post employment benefits

Also under the MPSERS Act, all retirees have the option of continuing health, dental and vision coverage, which are funded on a cash disbursement basis. Retirees having these coverage's contribute an amount approximately equivalent to the monthly cost for Part B Medicare and 10% of the monthly premium amount for health, dental and vision coverage's. The number of plan participants and other relevant financial information consisted of the following at September 30, 2005, the date of the latest actuarial valuation.

Eligible retired participants	151,706
Participants receiving benefits:	
Health	115,071
Dental/Vision	122,291
Expenses for the year	$761,695,958
Payroll contribution rate	6.55%

NOTE 10: RESERVES AND DESIGNATIONS OF FUND BALANCES

Major Governmental Funds

Debt Service Fund – The Debt Service Fund's reserved fund balance represents resources legally restricted for the payment of principal and interest amounts maturing in future years.

NOTE 11: RISK MANAGEMENT

The School District carries commercial insurance for risks of loss, including property and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District also belongs to the SEG Self-Insured Workers' Disability Compensation Fund, a public entity risk pool currently operating as a common risk management and workers' compensation insurance program for various school districts throughout the state. The School District pays an annual premium for its workers' compensation insurance coverage. The pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of $500,000 for each insured event. Although the School District could be assessed charges beyond the annual premium, the likelihood of receiving such an assessment is minimal.

NOTE 12: EXTRAORDINARY ITEMS

During the prior fiscal year, Posen Schools incurred roof damages, as well as athletic building and equipment damage, due to a hailstorm. The damages were reimbursed by the District's insurance company. The insurance reimbursement, as well as the restoration costs, is considered both unusual in nature and infrequent in occurrence. Unusual and infrequent items are classified as extraordinary items for financial statement purposes. This classification exits for both the government-wide and fund financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues				
Local sources	$ 670,900	$ 677,270	$ 708,092	$ 30,822
State sources	1,478,382	1,431,413	1,435,511	4,098
Federal sources	134,764	120,766	123,016	2,250
Interdistrict and other sources	40,000	23,949	25,467	1,518
Total revenues	2,324,046	2,253,398	2,292,086	38,688
Expenditures				
Current:				
Instruction:				
Basic programs	1,235,786	1,204,849	1,200,355	(4,494)
Added needs	246,221	235,382	234,623	(759)
Support services:				
Pupil	1,000	1,000	606	(394)
Instructional staff	3,800	5,825	5,802	(23)
General administration	158,846	167,067	159,015	(8,052)
School administration	65,401	78,417	78,043	(374)
Business services	86,005	85,676	81,832	(3,844)
Operation and maintenance	263,202	269,870	251,240	(18,630)
Pupil transportation services	189,867	191,185	252,804	61,619
Intergovernmental payments	14,000	12,000	6,270	(5,730)
Total expenditures	2,264,128	2,251,271	2,270,590	19,319
Excess (deficiency) of revenues over expenditures	59,918	2,127	21,496	19,369
Other financing sources (uses)				
Bus loan proceeds	-	-	59,819	59,819
Operating transfers out	(72,000)	(75,000)	(74,629)	371
Total other financing sources (uses)	(72,000)	(75,000)	(14,810)	60,190
Extraordinary Items				
Insurance reimbursement	-	16,000	16,000	-
Hail sotrm restoration costs	-	(90,749)	(90,749)	-
Total extraordinary items	-	(74,749)	(74,749)	-
Net change in fund balance	(12,082)	(147,622)	(68,063)	79,559
Fund balance - beginning of year	228,684	228,684	228,684	-
Fund balance - end of year	$ 216,602	$ 81,062	$ 160,621	$ 79,559

See accompanying notes to the basic financial statements.

OTHER SUPPLEMENTAL INFORMATION

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Special Revenue Funds		Debt Service Fund	
	Cafeteria	Athletics	Durant Non-Plaintiff	Total
Assets				
Cash	$ 12,705	$ 18,290	$ -	$ 30,995
Due from other governmental units	1,172	-	-	1,172
Total assets	$ 13,877	$ 18,290	$ -	$ 32,167
Liabilities and Fund Balances				
Liabilities:				
Accrued expenditures	$ 6,652	$ -	$ -	$ 6,652
Salaries payable	2,310	-	-	2,310
Total liabilities	8,962	-	-	8,962
Fund balances:				
Unreserved:				
Undesignated	4,915	18,290	-	23,205
Total fund balances	4,915	18,290	-	23,205
Total liabilities and fund balances	$ 13,877	$ 18,290	$ -	$ 32,167

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2006

	Special Revenue Funds		Debt Service Fund	
	Cafeteria	Athletics	Durant Non-Plaintiff	Total
Revenues				
Local sources	$ 43,635	$ 52,899	$ -	$ 96,534
State sources	6,997	-	3,126	10,123
Federal sources	57,407	-	-	57,407
Total revenues	108,039	52,899	3,126	164,064
Expenditures				
Current:				
Food service	127,689	-	-	127,689
Athletics	-	104,078	-	104,078
Debt service:				
Principal	-	-	2,155	2,155
Interest	-	-	971	971
Total expenditures	127,689	104,078	3,126	234,893
Excess (deficiency) of revenues over expenditures	(19,650)	(51,179)	-	(70,829)
Other financing sources (uses)				
Operating transfers in	22,000	52,629	-	74,629
Net change in fund balances	2,350	1,450	-	3,800
Fund balances - beginning of year	2,565	16,840	-	19,405
Fund balances - end of year	$ 4,915	$ 18,290	$ -	$ 23,205

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Other Supplemental Information
Statement of Receipts and Disbursements
Fiduciary Fund
Year Ended June 30, 2006

	Balance July 1, 2005	2005-2006 Receipts	2005-2006 Disbursements	Balance June 30, 2006
Class of 2006	$ 6,009	$ 22,693	$ 28,701	$ 2
Class of 2007	8,668	13,952	9,474	13,146
Class of 2008	8,996	15,980	9,422	15,554
Class of 2009	-	4,007	2,722	1,284
Horticulture Club	598	-	135	463
National Honor Society	9	221	156	74
Pep Club	952	19,076	17,590	2,438
Ski Club	512	352	428	436
Student Activities - Revolving	1,176	1,860	2,386	650
Student Council	879	10,432	9,109	2,202
Yearbook	1,468	7,599	7,678	1,389
Total	$ 29,267	$ 96,172	$ 87,801	$ 37,638

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE:	2005 Refunding Bonds	
PURPOSE:	To refund the 1996 Refunding Bonds	
DATE OF AGREEMENT:	February 05, 2005	
RATE OF INTEREST:	3.00% to 4.35%	
ORIGINAL OBLIGATION:		$ 3,750,000
AMOUNT PREVIOUSLY PAID:		170,000
BALANCE OUTSTANDING - JUNE 30, 2006:		$ 3,580,000

Fiscal Year	November 1 Interest	May 1 Interest	Principal	Annual Requirements
2006-07	$ 68,558	$ 68,558	$ 175,000	$ 312,116
2007-08	65,932	65,932	180,000	311,864
2008-09	63,233	63,233	185,000	311,466
2009-10	60,457	60,457	190,000	310,914
2010-11	57,370	57,370	200,000	314,740
2011-12	53,870	53,870	205,000	312,740
2012-13	49,770	49,770	210,000	309,540
2013-14	45,570	45,570	220,000	311,140
2014-15	41,170	41,170	230,000	312,340
2015-16	36,570	36,570	240,000	313,140
2016-17	32,010	32,010	250,000	314,020
2017-18	27,135	27,135	255,000	309,270
2018-19	22,035	22,035	260,000	304,070
2019-20	16,705	16,705	260,000	293,410
2020-21	11,245	11,245	260,000	282,490
2021-22	5,655	5,655	260,000	271,310
	$ 657,285	$ 657,285	$ 3,580,000	$ 4,894,570

Call provision:

Bonds of this issue maturing in the years 2006 through 2015, inclusive, are not subject to optional redemption prior to maturity. The Bonds, or $5,000 portions thereof, maturing on or after May 1, 2016 may be redeemed at the option of the District in such order of maturity as the District shall determine and within each maturity by lot on any date occurring on or after May 1, 2015. The Bonds called for redemption shall be redeemed at par plus accrued interest to the date fixed for redemption, without premium or penalty.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE:	Durant Resolution Package Bond School Improvement Bond, Series 1998	
DATE OF ISSUE:	November 24, 1998	
RATE OF INTEREST:	4.761353%	
ORIGINAL OBLIGATION:		$ 44,512
AMOUNT PREVIOUSLY PAID:		18,229
BALANCE OUTSTANDING - JUNE 30, 2006:		$ 26,283

Fiscal Year	Interest Rate	May 15, Interest	May 15, Principal	Annual Requirements
2006-07	4.761353%	$ 869	$ 2,257	$ 3,126
2007-08	4.761353%	4,346	10,404	14,750
2008-09	4.761353%	649	2,477	3,126
2009-10	4.761353%	531	2,595	3,126
2010-11	4.761353%	407	2,719	3,126
2011-12	4.761353%	278	2,848	3,126
2012-13	4.761353%	142	2,983	3,125
		$ 7,222	$ 26,283	$ 33,505

Call provision:

This Bond is not subject to redemption prior to maturity by the District.

POSEN CONSOLIDATED SCHOOL DISTRICT NO. 9
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE:	Purchase 2006 International School Bus	
DATE OF ISSUE:	November 29,2005	
RATE OF INTEREST:	4.375%	
ORIGINAL OBLIGATION:		$ 59,819
AMOUNT PREVIOUSLY PAID:		-
BALANCE OUTSTANDING - JUNE 30, 2006:		$ 59,819

Fiscal Year	Interest Rate	Annual Interest	Annual Principal	Annual Requirements
2006-07	4.375000%	$ 1,615	$ 11,964	$ 13,579
2007-08	4.375000%	1,615	11,964	13,579
2008-09	4.375000%	1,615	11,964	13,579
2009-10	4.375000%	1,615	11,964	13,579
2010-11	4.375000%	1,615	11,963	13,578
		$ 8,075	$ 59,819	$ 67,894

Call provision:

This debt is not subject to redemption prior to maturity by the District.

INTERNAL CONTROL AND COMPLIANCE REPORTING

Hill • Schroderus & Co., LLP
Certified Public Accountants & Consultants

September 22, 2006

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

Superintendent and Board of Education
Posen Consolidated School District No. 9
Posen, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Posen Consolidated School District No. 9, as of and for the year ended June 30, 2006, which collectively comprise Posen Consolidated School District No. 9's basic financial statements and have issued our report thereon dated September 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Posen Consolidated School District No. 9's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Posen Consolidated School District No. 9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Hill, Schroderus & Co.

CERTIFIED PUBLIC ACCOUNTANTS
Petoskey, Michigan

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NO MANAGEMENT LETTER WAS ISSUED TO THE POSEN CONSOLIDATED SCHOOL DISTRICT FOR THE YEAR ENDED JUNE 30, 2006.

NO DATA COLLECTION FORM IS REQUIRED TO BE ISSUED TO THE POSEN CONSOLIDATED SCHOOL DISTRICT FOR THE YEAR ENDED JUNE 30, 2006.