

Saginaw Intermediate School District
Saginaw, Michigan



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

**Saginaw Intermediate School District
6235 Gratiot Road
Saginaw, Michigan 48638**

Comprehensive Annual Financial Report

Year Ended June 30, 2007

Board of Education

Richard F. Burmeister, Jr.
Joseph W. Powe
Ruth A. Coppens
Leola Wilson
Ronald J. Gnatkowski

President
Vice President
Treasurer
Secretary
Trustee

Superintendent
Richard D. Lane

Prepared by the Finance Department

Director of Finance & Business Operations
Sally Peterson

Assistant Director of Finance & Business Operations
Christopher J. Frank

Kimberly Bruske – Finance Technician-Payroll
Wanda Dankert – Finance Coordinator
Pat Garchow – Program Secretary
An Stevenson – Finance Technician-Accounts Payable

**Saginaw Intermediate School District
Comprehensive Annual Financial Report
Year Ended June 30, 2007**

Table of Contents

	<u>Page No.</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i - ix
Organizational Chart	xi
Administration	xii
Certificate of Excellence in Financial Reporting	xiii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1 - 1
Management's Discussion and Analysis	2 - 1
Basic Financial Statements	3 - 1
District-wide Financial Statements	
Statement of Net Assets	3 - 2
Statement of Activities	3 - 4
Fund Financial Statements	
Governmental Funds	
Balance Sheet	3 - 5
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	3 - 6

**Saginaw Intermediate School District
Comprehensive Annual Financial Report
Year Ended June 30, 2007**

Table of Contents
(Continued)

	<u>Page No.</u>
Statement of Revenues, Expenditures and Changes in Fund Balances	3 - 7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	3 - 8
Fiduciary Funds	
Statement of Fiduciary Net Assets	3 - 9
Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds	3 - 10
Notes to Basic Financial Statements	3 - 11
Required Supplemental Information	4 - 1
Budgetary Comparison Schedule – General Fund	4 - 2
Budgetary Comparison Schedule – Special Education Fund	4 - 3
Budgetary Comparison Schedule – Cooperative Education Fund	4 - 4
Other Supplemental Information	5 - 1
Combining Balance Sheet – Nonmajor Governmental Funds	5 - 2
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	5 - 3
<u>General Fund</u>	
Comparative Balance Sheet	5 - 6
Statement of Revenues and Other Financing Sources Compared to Budget	5 - 7
Statements of Expenditures and Other Financing Uses Compared to Budget	5 - 8

**Saginaw Intermediate School District
Comprehensive Annual Financial Report
Year Ended June 30, 2007**

Table of Contents
(Continued)

	<u>Page No.</u>
<u>Special Revenue Funds</u>	
Food Service	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	5 - 12
Special Education	
Statement of Revenues and Other Financing Sources Compared to Budget	5 - 13
Statement of Expenditures and Other Financing Uses Compared to Budget	5 - 14
Cooperative Education	
Statement of Revenues and Other Financing Sources Compared to Budget	5 - 17
Statement of Expenditures and Other Financing Uses Compared to Budget	5 - 18
<u>Debt Service Funds</u>	
Transition Center Bonds - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	5 - 24
Saginet Installment Purchase Agreements - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	5 - 25
Bus Installment Purchase Agreements - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	5 - 26
<u>Fiduciary Funds</u>	
Combining Balance Sheet	5 - 28
<u>Private Purpose Trust Funds</u>	
Detailed Statement of Revenues, Expenditures and Changes in Fund Balance	5 - 29
<u>Agency Fund</u>	
Activity Funds	
Statement of Changes in Amounts Due to Student Groups	5 - 30
<u>General Long Term Debt</u>	
Schedule of Outstanding Bonded Indebtedness	5 - 32
Schedule of Outstanding Installment Note Indebtedness	5 - 36
<u>Schedule of Intergovernmental Expenditures</u>	
General Fund	5 - 40
Special Revenue Fund - Special Education	5 - 41

**Saginaw Intermediate School District
Comprehensive Annual Financial Report
Year Ended June 30, 2007**

Table of Contents
(Continued)

	<u>Page No.</u>
STATISTICAL SECTION (Unaudited)	
<u>Financial Trends Information</u>	
Net Assets by component, last five fiscal years	6 - 2
Expenses, revenues, and other changes in net assets, last five fiscal years	6 - 3
Fund Balances, governmental funds, last ten fiscal years	6 - 4
Governmental funds revenues, last ten fiscal years	6 - 5
Governmental funds expenditures and debt service ratio, last ten fiscal years	6 - 6
Other financing sources and uses and net change in fund balances, governmental funds, last ten fiscal years	6 - 7
General Fund Revenues and Other Financing Sources by Source - Last Ten Fiscal Years	6 - 8
General Fund Revenues and Other Financing Sources by Source – Bar Chart	6 - 9
General Fund Expenditures and Other Financing Uses by Function - Last Ten Fiscal Years	6 - 10
General Fund Expenditures and Other Financing Uses – Bar Chart	6 - 11
Special Education Fund Revenues and Other Financing Sources by Source - Last Ten Fiscal Years	6 - 12
Special Education Fund Revenues and Other Financing Sources by Source – Bar Chart	6 - 13
Special Education Fund Expenditures and Other Financing Uses by Function - Last Ten Fiscal Years	6 - 14
Special Education Fund Expenditures and Other Financing Uses – Bar Chart	6 - 15
<u>Revenue Capacity Information</u>	
State taxable value, assessed value and estimated actual value of taxable property, last ten fiscal years	6 - 18
Tax Base Composition	6 - 19
Property tax rates, all overlapping governments, last ten fiscal years	6 - 20
Principal Taxpayers, current year and nine years ago	6 - 21
Property tax levies and collections, last ten fiscal years	6 - 22
<u>Debt Capacity Information</u>	
Outstanding debt by type, last ten fiscal years	6 - 24
Direct and overlapping bonded debt, as of June 30, 2007	6 - 25
Legal debt margin information, last ten fiscal years	6 - 26

**Saginaw Intermediate School District
Comprehensive Annual Financial Report
Year Ended June 30, 2007**

Table of Contents
(Continued)

	<u>Page No.</u>
<u>Demographic and Economic Information</u>	
Demographic statistics – Saginaw County, last ten calendar years	6 - 28
Principal employers, current year and nine years ago	6 - 29
<u>Operating Information</u>	
Full-time-equivalent employees by type, last ten fiscal years	6 - 32
Enrollment statistics, last ten fiscal years	6 - 33
Teacher base salaries, last ten fiscal years	6 - 34
Capital asset information, last ten fiscal years	6 - 35



SAGINAW INTERMEDIATE SCHOOL DISTRICT

6235 Gratiot Road • Saginaw, MI 48603
(989) 799-4733 • FAX (989) 793-1571

October 29, 2007

Board of Education
Saginaw Intermediate School District
6235 Gratiot Road
Saginaw, MI 48638

Dear Board Members:

INTRODUCTION

The Comprehensive Annual Financial Report of the Saginaw Intermediate School District (ISD) for the fiscal year ended June 30, 2007 is submitted herewith. The report was prepared by Saginaw ISD's Finance and Business Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Superintendent and Director of Finance & Business Operations. This report has been prepared following generally accepted accounting principles. We believe that the data presented is accurate in all material respects and clearly reflects the financial position and results of operations of Saginaw ISD. All disclosures necessary to enable the reader to gain a full understanding of Saginaw ISD's financial activity have been made.

The Comprehensive Annual Financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, Saginaw ISD's organizational chart, a listing of Saginaw ISD's top administrative officials and the Certificate of Excellence in Financial Reporting for the year ended June 30, 2006. The financial section includes the management's discussion and analysis, district-wide financial statements, the fund financial statements, notes to the financial statements, required, and other supplemental information, as well as the independent auditor's report on these financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

OVERVIEW

In 1962 the Michigan State Legislature authorized Intermediate School Districts for the purpose of creating Regional Education Service Agencies. Saginaw ISD was formed that same year. The goal of the Legislature was to consolidate resources and provide cost-effective special services for: students with special needs, staff training and development, instructional programs, as well as business and administrative operations. Saginaw ISD serves the 13 local school districts, 6 public school academies, and 24 non-public schools in Saginaw County.

Michigan Law requires that students identified as needing special education services be educated through age 26. Michigan Law also makes it the responsibility of Intermediate School Districts (ISD), known as Education Service Agencies in much of the country, to provide for the education of special education students. ISD's or ESA's in Michigan have the authority to operate the programs necessary for special education children and bill local school districts for their share of services provided to the children that are residents of their district. Saginaw ISD operates two center-based programs for Special Education students at the Millet Learning Center and the Transitions Center, as discussed in more detail below.

Saginaw ISD has the responsibility to monitor the special education programs operated within local school districts for compliance with applicable State and Federal laws, including the State of Michigan Revised School Code and the federal Individuals with Disabilities Education Improvement Act of 2004 (IDEA) and its subsequent regulations. Should a local district not be in compliance with applicable laws, Saginaw ISD works with that school to design an appropriate program to meet the needs of their students. Local School Districts educate most of their resident students identified as needing special education services within their own districts, or in cooperative programs among several local districts. Saginaw ISD is responsible for management of one such cooperative, called the West Saginaw Special Services Consortium (WSSSC). The WSSSC is designed to provide better, more cost effective educational opportunities for children than the member districts could provide on their own.

The Saginaw ISD is guided by its vision statement, which states that *“Saginaw ISD will be recognized by its customers as the first and best source of solutions, always.”* From this vision statement comes the district's mission statement, which is *“We provide effective and innovative leadership, services, resources and programs that meet or exceed the expectations of our diverse community.”* Saginaw ISD is a visionary, customer-focused service organization dedicated to continuous quality improvement and has developed a Strategic Plan based on the above statements and following the Baldrige Criteria for Performance Excellence.

Through this strategic plan the ISD is committed to a focus on customer satisfaction that meets or exceeds customer expectations. This includes focusing on the customer's current and emerging needs and continuously seeking ways to increase our capacity to deliver new resources, programs, and services in innovative ways. Saginaw ISD's core values are to be customer centered, visionary, collaborative, and results driven. By adhering to these four core values the district's strategic plan has selected the following four strategic customer requirements to serve the district over time and ensure that the educational needs of the diverse community served are met: Efficient and effective solutions, high expectations for student achievement, safe environment, and high standards for customer service.

Saginaw ISD operates from five primary locations: the Regional Educational Service Center, the Melvin G. Millet Learning Center, the Transitions Center, the Hartley Outdoor Education Center, and the Transportation Facility.

The **Regional Educational Service Center** (RESC) is the administrative hub of the Saginaw ISD. The RESC provides a wide variety of educational services, resources, and support systems that are reinforced by an administrative and support staff committed to meeting or exceeding customer expectations. The RESC houses the following departments: Office of the Superintendent, Finance, Regional Educational Media Center (REMC), Human Resources, Pupil Accounting, Special Education administration, West Saginaw County Special Education consortium, Technology Services, and Saginet. Finance oversees the business operations of the district, provides support for a finance software package, as well as providing accounts payable services to one of its local districts and payroll services to three of its local districts. REMC provides educators with media library services, distance learning, printing and graphics, and technology consulting. Human Resources oversees the personnel and professional development needs of the district's employees and also directly assists one local district with many of its human resources services. It also provides all local districts with substitute teacher calling services, fingerprinting services, as well as consultant and technical assistance. Pupil Accounting staff assists local districts with pupil accounting procedures, training, and audits; deals with truancy issues in the county; and provides support for a student software package. Special Education administrative staff provides programs and services that support the academic and functional achievement of those students with disabilities across Saginaw County's school districts that are in need of special attention, materials, or equipment by providing direct instruction, physical and occupational therapy, teacher consultant services, professional development, and oversight of the special education programs in the local districts. Technology Services supports the technical needs of the district, while also providing technology services for 3 of the local districts. Saginet is a countywide fiber optic network that was created in collaboration with 12 local school districts in Saginaw County is also part of a multi-county consortium which connects the fiber networks of Genesee, Lapeer, Midland, Saginaw, Shiawassee and St. Clair ISD's together. This network delivers distance learning and helps school districts share resources by allowing students and teachers to participate in virtual field trips, conduct educational events, share classrooms and allow students to enroll in classes in other school districts.

The **Millet Learning Center** sits on a 23 acre campus in Bridgeport and houses classrooms with a broad range of programs and services, a gymnasium, pool, spa, and cafeteria. This is where 277 severely developmentally disabled students from Saginaw County receive educational and vocational training. The Millet Center staff is dedicated to bringing personalized, quality education to children with moderate to severe disabilities and the medically fragile. The goal of this staff is to give children with disabilities every opportunity to reach their potential at home and in the community by gearing their instruction and training towards mastering the functional skills of daily living, physical education, and communication.

The **Transitions Center** is located in Saginaw Township and houses the Transitions Center School as well as the Professional Development Center. The school provides educational and vocational training for 310 developmentally disabled students from Saginaw County through two programs: the Post Secondary Transitional Program (PSTP) and the Secondary Transition Education Program (STEP). PSTP allows continuing education for students after they have completed instruction at one of the Saginaw County school districts. It provides school-based and community-based instruction that helps special education students transition to independent living. STEP works with students with disabilities who are in the final transition phase of their school career. Students spend a good portion of their instruction in a community-based program that focuses on the key areas of independent living skills, pre-vocational training, vocational training, and a transition to the workplace.

The Professional Development Center includes a large banquet room, meeting rooms, and full conference amenities which are available to Saginaw County educators at no cost, while also housing the district's Instructional Services Program. The Instructional Services Department works with school districts, teachers and administrators to develop relationships within and beyond the Saginaw ISD in order to best identify a coherent and systemic direction for professional development with all Saginaw County schools and inform educators about Michigan's school-reform initiatives. The Instructional Services department also supports curriculum, instruction and assessment, while securing grants to provide professional development and facilitating the flow of information between the state department of education and local school districts. The Health Education and Drug-Free Schools department offers drug and violence prevention training to all Saginaw County teachers and school staff and helps teachers, staff and parents work together on health-related issues. The Mid-Michigan Literacy Center is designed to help all children read by the end of the third grade and provides resources and professional development to all reading teachers.

The **Hartley Outdoor Education Center** is a 300-acre natural area in St. Charles that encompasses hardwood forests, wetlands, trails, creeks and a pond. The staff includes a director, naturalists, food service personnel, recreation coordinator, nurse and support staff. More than 6,150 Saginaw County children, as well as some children from districts outside of Saginaw County, visit Hartley each year for programs on outdoor environmental education. Fourth, fifth, and sixth-graders come to Hartley for a three-day education in environmental awareness, natural resource stewardship and appreciation of past cultures. The diversity of habitats present at Hartley gives the students unique opportunities to view wildlife. Field trips and day trips further expand the learning potential. The Murphy Farm is a working museum that demonstrates the family farm from the late 19th century to the present as well as housing farm animals. Here, students study land ethics, farm culture, and the daily life of farm families from a hundred years ago and today.

The **Transportation Department** provides transportation services to all Saginaw ISD center-based programs and for students with special needs. It also provides special education county-wide transportation services to 8 of the local school districts in the county and supervises the transportation operations of Saginaw Township Community School District.

REPORTING ENTITY

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. The notes to financial statements are an integral part of the financial statements. The Saginaw ISD Board of Education (Board) is the primary government, which has oversight and coordination responsibility related to public school education in Saginaw County. The Board receives funding from local, state, and federal government sources and must comply with requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements since the Board members are elected by a representative Board Member from each of the 13 member school districts, the governing body has separate legal standing and is fiscally independent of other governmental entities. As such, the Board has decision-making authority, the authority to levy taxes and determine its own budget, the power to designate management, the ability to significantly influence operation and primary accountability for fiscal matters. The Board does not include any other component within its financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Generally accepted accounting principles under GASB Statement No. 34 requires that management provide financial report users with a simple narrative introduction, overview, and analysis of the basic financial statements in the form of management's discussion and analysis (MD&A), which is required supplementary information. This letter of transmittal is meant to complement the MD&A and should be read in connection with it. The MD&A can be found immediately following the independent auditors' report in the financial section of this report.

ECONOMIC CONDITIONS AND OUTLOOK

The Saginaw Intermediate School District is located in Saginaw County, which is an 812 square mile area located in the eastern central portion of Michigan's lower peninsula, approximately 15 miles southwest of Saginaw Bay and 95 miles northwest of the City of Detroit. It is a rural region where agriculture is prevalent, with over 60% of the county's land used for farming activity. The manufacturing industry, and the auto industry in particular, continues to be very important to Saginaw County's economy, with Delphi and General Motors Corp. being the first and fourth largest employers in the County, respectively. However, the County's economy continues to become more diversified as it continues to see significant growth in other segments of the economy, especially retail and health care. Growth in the retail area is mainly due to unique tourist operations in the region, with Saginaw County recently ranked the Number 3 tourist destination in the State of Michigan by the Michigan Travel Bureau. Strong growth in the health service area has occurred as the region continues to solidify itself as a hub for medical care for northern and central Michigan, where hospitals provide Saginaw County with its second and third largest employers. The continued diversification of the local economy and the stability in taxable property values that it brings is important to Saginaw ISD, since local property taxes account for approximately 20% of the district's revenues. However, with almost 27% of the district's revenues coming from the State, Saginaw ISD is more vulnerable to downturns in the economy outside Saginaw County as well. The dramatic shift in school funding occurred in the 1994-1995 school year with the passage of Senate Bill 1 on August 19, 1993, commonly known as Proposal A. Proposal A substantially shifted the funding responsibility for local school districts from the local level to the state level and from local property taxes to state aid as the major revenue source. It did this by reducing the local levy of property taxes and replacing it in part by state aid. The state aid revenues were made available by an increase of two cents in the sales tax rates and a state levied education tax of 6 mills on residential property and 24 mills on all industrial and commercial property. Therefore, school funding under Proposal A is more dependent on the overall financial stability of the State of Michigan. Consequently, the Saginaw ISD's financial stability rests primarily with the economic health of the State of Michigan.

ISD's are allowed to levy property taxes both for general operations as well as to fund special education operations. Saginaw ISD levies two voter approved charter millages for Special Education. The first was for three quarters of a mill and was approved by the voters June 14, 1965. The second was for one and one quarter mill and was approved by the voters June 10, 1974. In 1978, the voters of the State of Michigan passed, by ballot proposal, an amendment to the State Constitution called the Headlee Amendment. Headlee was a reaction to the rising property taxes in Michigan, which are largely based on assessed property values. The law permanently rolls back the millage rate that can be levied by any local unit of government when that unit has property additions plus increases in total assessed value on existing properties that outpaces the increase in the consumer price index for that particular year. Saginaw ISD has had Headlee rollbacks several times since then that have reduced the millage rates it can levy. These Headlee rollbacks cost Saginaw ISD approximately \$288,600 in Special Education Charter Millage in the 2006-2007 school year.

Saginaw ISD levies a County Allocated Millage in addition to the two Charter Special Education millages. This millage is general fund, general-purpose revenue. The allocated millage, which was originally 0.15 mills, had the same Headlee rollbacks that impacted the Charter Special Education millages. The Headlee rollbacks of the County Allocated Millage cost Saginaw ISD approximately \$22,200 in Allocated Millage in the 2006-2007 school year.

MAJOR INITIATIVES

In addition to the many ongoing programs that the Saginaw ISD operates, as discussed in the Overview section previously, the Saginaw ISD continues to be a leader in many new programs and collaborative efforts.

One of the areas that continues to grow at Saginaw ISD is in Early Childhood and Parenting Services. The Saginaw ISD's Department of Early Childhood and Parenting Services operates in partnership with local community agencies and the local school districts to strengthen supports to families and offer high quality early education and care. It also functions under the umbrella of the statewide Early Childhood Investment Corporation (ECIC) and Project Great Start initiative. The department is a member of the local Great Start Collaborative – Saginaw County, which works together to assure that all Saginaw County children enter kindergarten safe, healthy, and ready to succeed in school and in life. A major program in this department is Head Start. In November, 2005, Saginaw ISD was awarded the contract to operate the Head Start program in Saginaw County, effective January 1, 2006. This was a \$6.4 million federal grant to serve 1,011 children in the county through the end of the 2006-2007 fiscal year. Head Start is a comprehensive child development program which serves children ages 3 and 4 and their families. They are child-focused programs and have the overall goal of increasing the school readiness of young children in low-income families. The Head Start program has a long tradition of delivering comprehensive and high quality services designed to foster healthy development in low-income children. As a Head Start grantee, Saginaw ISD will be providing a range of individualized service in the areas of education and early childhood development; medical, dental, and mental health; nutrition; and parent involvement.

Two of the newest programs that have been added in the past year are the Saginaw Valley Regional 4C program and the T.R.U.E. Initiative. On October 1, 2006, Saginaw ISD assimilated the Saginaw Valley Regional 4C organization and its staff into the department. The Saginaw Valley Regional 4C promotes high quality child care programs through education and referrals and coordinates community resources that meet the needs of the child care consumers in mid-Michigan. It does this by providing information and referrals for child care, training for day care homes and center providers, parenting services, and advocating for children and their families in the local community and the legislature. The T.R.U.E. Initiative is a county-wide collaborative partnership between Saginaw ISD, Saginaw Valley State University, Creating Character (a local curriculum developer), and local schools, organizations and agencies. This project began with the awarding of a \$298,610 Partnership in Character Education grant from the U.S. Department of Education during the past fiscal year. The purpose of this initiative is to teach children about good character at the early childhood level through training and resources provided to teachers, parents and day-care providers.

Saginaw ISD continues to be a leader in other collaborative projects. The district has developed a student assessment system that provides formative assessments on a periodic basis, in order to measure students' progress in achieving state level content expectations in schools across the county. Another collaborative project that was begun in the prior school year is the purchase of fingerprinting equipment, which is being used countywide to assist the local school districts in having all employees fingerprinted by June 30, 2008, as required by the Michigan Department of Education. Another project undertaken jointly with other Saginaw and Midland County schools was the selection of application software for the finance, human resources, and student management functions. This collaborative group determined that Saginaw ISD would provide access to and manage the software for the combined 12 schools from both counties that are involved and would also provide direct user support for the finance, human resource, and student software systems. Saginaw ISD has also put into operation an automated substitute teacher calling system, which is utilized by the ISD and 9 local districts in the county. A school safety consortium is also coordinated by the Saginaw ISD, which promotes safe schools throughout Saginaw County by sharing information on best practices and establishing training and other relevant activities.

The Instructional Services department continues to be a leader in Curriculum Development. In the past it has developed an online curriculum project and a number of pilot programs that the Michigan Department of Education awarded to Saginaw ISD for wider implementation on a statewide basis. Two new projects undertaken in the current school year were the High Priority Schools initiative and the Project Zero initiative. Under the High Priority Schools initiative, Saginaw ISD received a \$140,000 grant from the Michigan Department of Education to be used to work with those schools in Saginaw County that have been identified for improvement by MDE by creating monitoring and auditing teams, coaches, a principal fellowship and additional professional learning opportunities at those schools. A major professional development opportunity was provided to area educators this past year through the Project Zero Initiative. This project brought in a researcher from the Harvard Graduate School of Education to engage area educators, birth through graduate school, in exploring classroom Cultures of Thinking. This research focuses on understanding, supporting, and helping to develop the kinds of thoughtful environments that support powerful learning for both students and teachers.

INTERNAL ACCOUNTING CONTROLS

An internal control system has been designed to ensure that the assets of Saginaw ISD are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived, and 2) the valuation of cases and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, Saginaw ISD is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is subject to periodic review by management. As part of the Saginaw ISD's single audit, tests have been made to determine the adequacy of the internal controls, including that portion related to Federal financial assistance awards, as well as to determine that Saginaw ISD has complied with applicable laws and regulations. The results of Saginaw ISD's single audit for the fiscal year ended June 30, 2007 provided no instances of material weaknesses in the internal control system or violations of applicable laws and regulations.

BUDGETARY CONTROLS

The level of budgetary control (that is, the level at which expenditures cannot legally exceed appropriate amounts) is established in accordance with a Resolution of the Saginaw ISD Board of Education. Budgets are legally adopted for the general fund, special revenue fund, debt fund, and capital projects fund.

The district's budgetary control and system of internal accounting was designed to adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions. The report has been audited by Yeo & Yeo, P.C., independent auditors whose opinion is included as part of this report. Their opinion is unqualified. Annual financial reporting to the State of Michigan follows accounting requirements as stated in the State Accounting Manual. These requirements are consistent with generally accepted accounting principles.

As previously noted, Saginaw ISD has adopted the Malcolm Baldrige Criteria. Therefore, a budget oversight and development process is in place that is focused on achievement of the districts' strategic plan. Each unit team, building improvement team and district improvement team has budgetary oversight responsibilities. Ultimate budget oversight for the entire district rests with the Superintendent and the Director of Finance and Business Operations. Budget variances are discussed in the MD&A and detailed in Note 2 of the Financial Section.

CASH MANAGEMENT

District investment procedures set forth the investment objectives and parameters for the management of public funds of the District and are established by Board Policy. These investment procedures are designed to safeguard funds on behalf of the District, to assure the availability of operating and capital funds when needed, and provide an investment return competitive with comparable funds and financial market indices. Interest bearing bank accounts, money market funds, federal instrumentalities, US treasury obligations, and certificates of deposit were utilized for investment of available funds.

The District has not realized any losses from such balances in the past and believes that these balances are with financial institutions that do not subject the District to any significant risk of losses during the next fiscal year. Further detail on the cash management of the district can be found in Note 3 to the financial statements.

RISK MANAGEMENT

Risk management is taken very seriously by Saginaw ISD. Saginaw ISD's Supervisor of Buildings & Grounds is responsible for monitoring facilities for violations of Federal, State, and Local laws, codes, regulations, and ordinances. Ultimate responsibility for risk management is listed in the job description of the Director of Finance and Business Operations.

Saginaw ISD is self insured for the dental, vision and pharmacy benefits it provides for its employees and partially self insured for the medical benefits provided. These benefits are provided on an actual reimbursement method after any required employee co-payments, up to applicable deductible limits on each policy. Payments are made to the insurance carrier on a monthly basis based on the estimated claims expected to be incurred.

INDEPENDENT AUDIT

State of Michigan statutes require that each school district has an annual audit conducted by independent certified public accountants. The Saginaw ISD Board of Education appointed the accounting firm of Yeo & Yeo, P.C. to perform this service for the 2006-2007 fiscal year. In addition, the OMB Circular A-133 requires that all governmental recipients of federal assistance have organizational-wide financial and compliance audits on an annual basis. Both of these requirements have been met. The auditor's report on the financial statements is included herein with an unqualified opinion, containing no scope limitations.

FINANCIAL REPORTING EXCELLENCE AWARD

This report has been prepared following the guidelines of the Association of School Business Officials (ASBO) and its Certificate of Excellence Program requirements. A Certificate of Excellence is valid for a period of one year only and we are submitting our current year Comprehensive Annual Financial Report for the year ended June 30, 2007 to ASBO to determine its eligibility for the Certificate of Excellence. We believe that our current report continues to meet the Certificate of Excellence Program's requirements. The Saginaw ISD received the "Certificate of Excellence in Financial Reporting" award from ASBO in its initial submission for the year ended June 30, 2000, as well as for all subsequent fiscal years through the year ended June 30, 2006. This achievement is of great pride to the district's Administration Team and a tribute to the Board of Education in its endeavors to demand high standards of excellence in financial reporting. Publication of this report completes the financial reporting process for the 2006-2007 fiscal year.

ACKNOWLEDGMENT

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department. We would like to express our appreciation to all members of our office and Yeo & Yeo, P.C., Certified Public Accountants for their support and dedication in making this report a reality.

We would like to thank the members of the Board of Education for their continued guidance and support throughout this past year. Copies of this report are available for public distribution upon request.

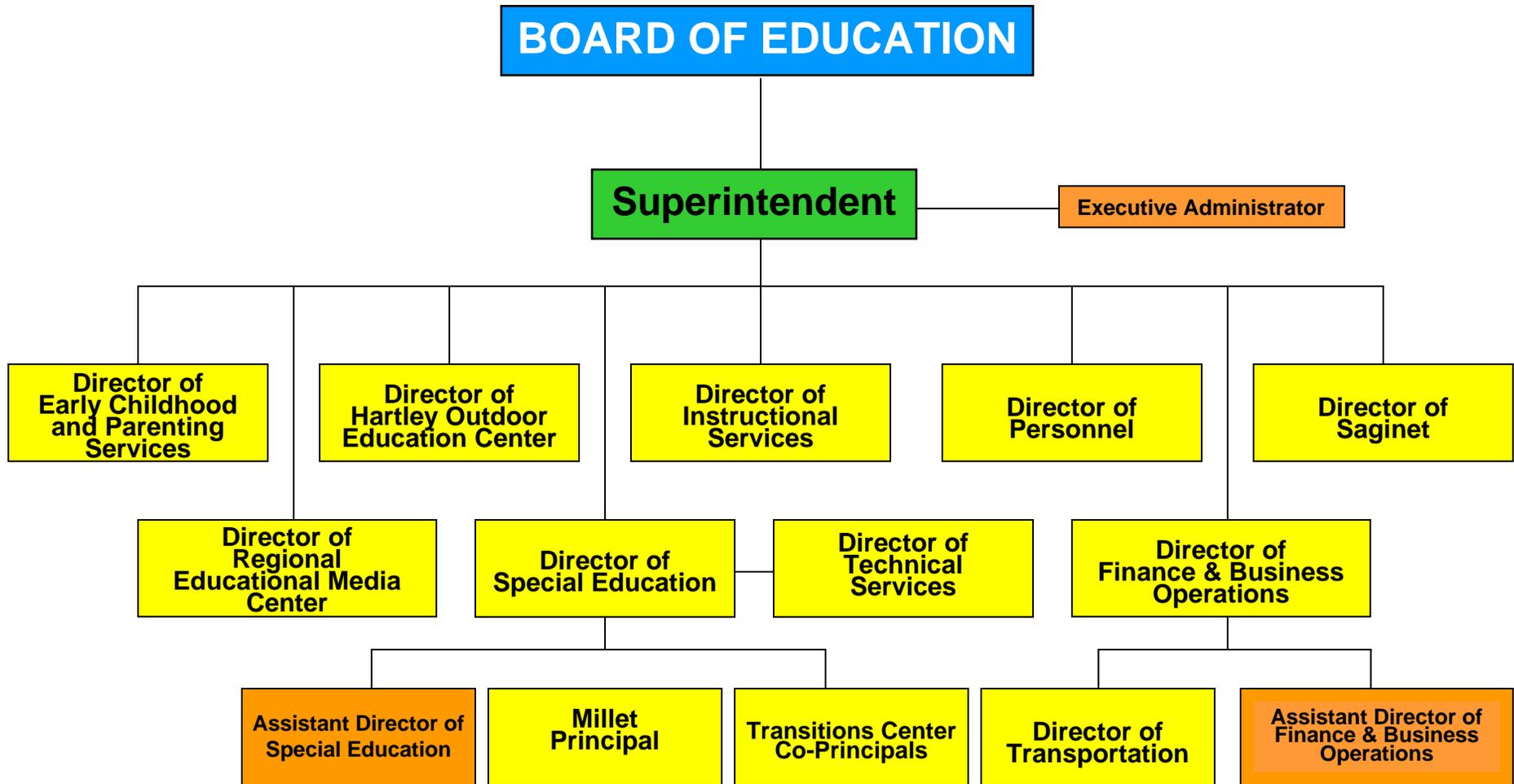
Sincerely,

Dr. Richard Syrek
Superintendent

Sally Peterson
Director of Finance &
Business Operations

This page intentionally left blank

Saginaw Intermediate School District Organizational Chart



**SAGINAW INTERMEDIATE SCHOOL DISTRICT
ADMINISTRATION**

Richard D. Lane
Superintendent

James Blaschka
Director Hartley Outdoor
Education Center

Jeff Johnson
Director of Technical
Services

John Tanner
Director of Regional Education
Media Center

Deborah Egerer
Transitions Center Co-Principal

Sally Peterson
Director of Finance &
Business Operations

Janet Timbs
Transitions Center Co-Principal

Robert Fall, Ed. D.
Millet Center Principal

Rod Rock, Ed. D.
Director of Instructional
Services

Rich Van Tol
Director of Early Childhood
and Parenting Services

William Hartl
Director of Special Education
Services

Aaron Schippert
Director of Saginet

Teresa Pruden, CPS
Executive Administrator

Linda Jensen
Director of Personnel

Marge Schultz
Director of Transportation

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SAGINAW INTERMEDIATE SCHOOL DISTRICT

**For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2006**

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

President

Executive Director

This page intentionally left blank



3023 Davenport
Saginaw, MI 48602
Phone (989) 793-9830 / (800) 968-0010
Fax (989) 793-0186

Independent Auditors' Report

To the Board of Education
Saginaw Intermediate School District
Saginaw, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Saginaw Intermediate School District as of and for the year ended June 30, 2007, 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 Saginaw Intermediate School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2007, on our consideration of the Saginaw Intermediate School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saginaw Intermediate School District's basic financial statements. The accompanying other supplemental information listed in the table of contents 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory section and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Yeo & Yeo, P.C.

Saginaw, Michigan

October 29, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Saginaw Intermediate School District Management's Discussion and Analysis Year Ended June 30, 2007

This section of the financial report presents our discussion and analysis of the Saginaw Intermediate School District's financial performance during the year ended June 30, 2007. It is meant to provide an overall review of the District's financial activities and provide a look at its past and current financial position. Readers should also review the District's financial statements, immediately following this section, to enhance their understanding of the District's financial performance.

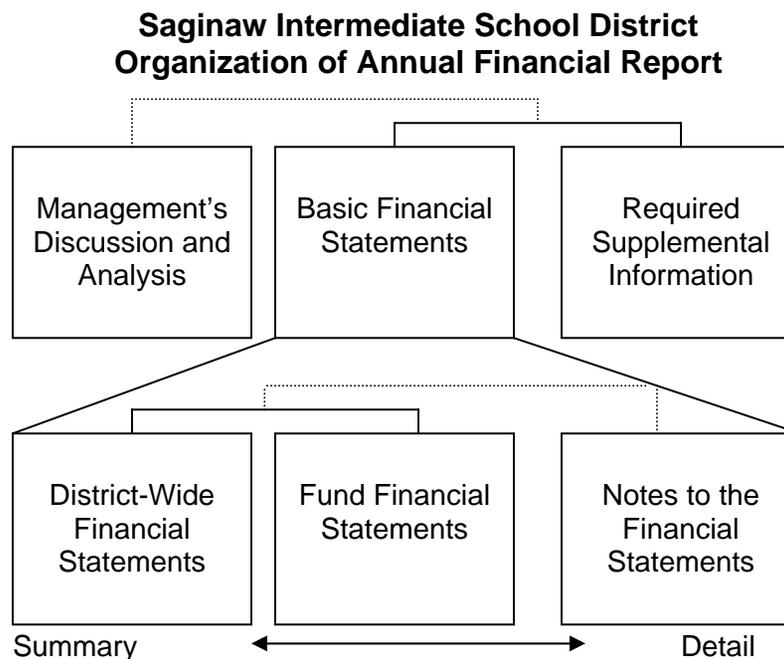
Using this Annual Report

This annual report consists of the following three parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
- Required Supplemental Information

These statements are organized to help the reader understand the financial position of the Saginaw Intermediate School District as a whole. The District-wide Financial Statements provide information about the activities of the District as a whole. The fund financial statements provide the next level of detail, providing more detailed information about the District's most significant funds, the General Fund, Special Education Fund and Cooperative Education Fund, with all other funds presented in one column as nonmajor funds. The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by required supplemental information that supports and further explains the financial statements with a comparison of the District's budget for the year for the District's major funds.

The overall organization of this report is summarized below:



Saginaw Intermediate School District Management's Discussion and Analysis Year Ended June 30, 2007

District –Wide Financial Statements

The District-wide statements provide financial information of the District as a whole. They report on the governmental activities of the District, which includes most of the District's basic services, including special education, instructional support, transportation, food service and administration. These activities are mostly funded by property taxes, state aid and federal and state grants. These statements use the full accrual basis of accounting, similar to private sector companies. There are two District-wide statements: The Statement of Net Assets and the Statement of Activities.

The **Statement of Net Assets** includes all the assets and liabilities of the District, whether short-term or long-term, and regardless of whether or not they are currently available. As a result, capital assets and long-term obligations of the District are included in this statement.

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

When analyzed together, these two statements help the reader determine whether the District is financially stronger or weaker as a result of the year's activities. Both statements report the District's net assets, which is the difference between the District's assets and liabilities. The change in net assets is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net assets are an indicator of whether the District's financial health is improving or deteriorating. However, the District's goal is to provide services to our students and local school districts, not

generate profits as in the private sector. As a result, other non-financial factors should be considered in assessing the overall health of the District. Such factors would include the quality of education and services provided, the condition of the District's buildings, and the property tax base of the District.

Fund Financial Statements

The fund financial statements focus on providing more detailed information about the major funds of the District and not on the District as a whole, as reported in the District-wide statements. The fund level statements are reported on a *modified accrual basis*. Only those assets that are "*measurable*" and "*currently available*" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources. The fund statements provide a detailed short-term view of the District's operations and help in determining whether there are more or less financial resources available in the near future to finance the District's programs and services provided.

Saginaw Intermediate School District is the trustee, or fiduciary, for several expendable trust funds as well as student activity funds established for the benefit of our students. These fiduciary activities are reported in separate supplemental schedules. They are excluded from the other financial statements because the District may not use the assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Saginaw Intermediate School District
Management's Discussion and Analysis
Year Ended June 30, 2007**

Financial Analysis of the District as a Whole

Summary of Net Assets

<u>Governmental Activities</u>	<u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
Assets		
Current Assets	\$ 12,855,473	\$ 13,184,648
Noncurrent Assets	<u>17,049,483</u>	<u>15,316,461</u>
Total Assets	<u>29,904,956</u>	<u>28,501,109</u>
Liabilities		
Current Liabilities	6,236,820	6,055,027
Noncurrent Liabilities	<u>7,451,438</u>	<u>7,527,224</u>
Total Liabilities	<u>13,688,258</u>	<u>13,582,251</u>
Net Assets		
Total Capital Assets, net of related debt	10,334,190	8,675,662
Restricted	-	27,418
Unrestricted	<u>5,882,508</u>	<u>6,215,778</u>
Total Net Assets	<u>\$ 16,216,698</u>	<u>\$ 14,918,858</u>

The net assets for the District were \$16,216,698 at June 30, 2007. The largest portion of the District's net assets consists of its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The outstanding debt related to the acquisition of capital assets will be repaid from the District's operating millages and from local school district payments for operation of the SAGINET system. The remaining \$5,882,508 of unrestricted net assets is used for funding future programming, capital improvements, and for maintaining adequate cash flow to eliminate the need for borrowing.

Unrestricted net assets are similar, but not identical to, fund balance. A reconciliation of the difference between the change in net assets and a change in fund balance is included in the basic financial statements.

Statement of Net Assets from Operating Results

<u>Governmental Activities</u>	<u>Year Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
Revenues		
Program revenues		
Charges for services	\$ 8,207,710	\$ 8,093,820
Operating grants and contributions	17,444,938	14,477,887
General revenues		
Property taxes	10,375,490	9,884,054
State Aid	13,268,888	11,890,070
Other	<u>1,525,841</u>	<u>725,259</u>
Total revenues	<u>50,822,867</u>	<u>45,071,090</u>
Expenses		
Instruction	9,106,309	7,370,567
Support services	25,864,286	22,172,534
Community services	355,479	180,918
Facilities Acquisition	102,740	-
Food services	860,427	660,001
Intergovernmental payments	12,683,487	12,671,181
Capital outlay (noncapitalized)	251,104	245,964
Interest on long-term debt	263,355	135,103
Bond refunding interest amortization	<u>37,840</u>	<u>37,840</u>
Total expenses	<u>49,525,027</u>	<u>43,474,108</u>
Increase in net assets	1,297,840	1,596,982
Net assets - beginning of year	<u>14,918,858</u>	<u>13,321,876</u>
Net assets - end of year	<u>\$ 16,216,698</u>	<u>\$ 14,918,858</u>

**Saginaw Intermediate School District
Management's Discussion and Analysis
Year Ended June 30, 2007**

The net assets for the District increased \$1,297,840 during the year, as shown above. The *Statement of Activities* presented later in the government-wide financial statements provides greater detail on the District's annual activity. As reported in the statement of activities, the cost of all government activities this year was \$49.5 million. However, the amount that was ultimately financed by our taxpayers through property taxes was only \$10.4 million because of the State Aid received by the District (\$13.3 million), the fact that some of the costs were paid by those who benefited from the programs (\$8.2 million), by other governments and organizations who subsidized certain programs with grant and contributions (\$17.4 million), and by other sources (\$1.5 million).

Almost 27% of the District's revenues are from State sources. As a result, the financial health of the State of Michigan is an important factor in the financial stability of the District. The next largest source of income to the District is in the form of property taxes, which accounts for 20% of the District's revenues.

The District levied 0.1455 mills of property taxes for general fund operations and 1.9417 mills for special education operations on taxable properties for the current fiscal year. Under Michigan law, the tax levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at lesser of the rate of the prior year's Consumer Price Index increase or 5 percent. At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, theoretically 50 percent of the market value. The following summarizes the local tax revenues as a percent of all revenues for the past five years:

Local Property Tax History

Fiscal Year	Total	
	Local Property Tax Revenue	% of Revenue
2007	\$ 10,375,490	20.4%
2006	9,884,054	21.9%
2005	9,470,499	24.1%
2004	9,132,907	23.8%
2003	8,784,854	22.7%

Local property tax revenues in the table include the receipt of delinquent taxes from prior years.

Financial Analysis of the District's Funds and Budgetary Highlights

Another way to view the financial performance of the District is reflected in its governmental funds. The combined fund balance of the governmental funds at the end of the year was \$6,895,941, which was a \$416,755 decrease from the prior year. The following section reviews the financial performance of the individual governmental funds as well as the highlights of their budgets. The Uniform Budget Act of the State of Michigan requires that a local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. The budget for 2006/07 was approved on June 14, 2006 and amended on June 13, 2007.

**Saginaw Intermediate School District
Management's Discussion and Analysis
Year Ended June 30, 2007**

General Fund

The General Fund had \$9.03 million in total revenues and other financing sources and \$10.26 million in total expenditures and other financing uses resulting in a \$1,229,067 decrease in fund balance. This decrease was less than the budgeted decrease in fund balance of \$1,661,287 by \$432,220 and resulted in an ending fund balance of \$2,233,034.

General Fund Revenues

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>
Revenues and other sources	\$ 7,255,837	\$ 9,481,611	\$ 9,030,813

The District's revised budget increased \$2,225,774 from the original budget. The significant revenue budget adjustments for the year were the following:

- Approximately \$1,058,000 in grant awards were received after the year started, which is also offset by the budgeted expenditures that go along with this program.
- Indirect revenues of \$301,400 from the Head Start program were not initially budgeted for.
- State Aid increased by approximately \$760,000 during the year. The largest portion of this was \$394,400 received for assessment costs, which were also deducted in the state aid payments.

The District's actual general fund revenues were less than the revised budget by \$450,798. The significant reason for this variance is the following:

- Almost \$397,000 of Federal and State grant revenue that was budgeted won't be spent until next fiscal year.

General Fund Expenditures

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>
Expenditures and other uses	\$ 7,496,755	\$ 11,142,898	\$ 10,259,880

The District's revised budget increased \$3,646,143 from the original budget. Some of the significant budget adjustments to expenditures for the year include:

- An approximate increase of \$1,058,000 in expenditures related to grant-funded programs added during the year, as discussed in the revenue section earlier.
- A budgeted transfer of \$1,509,000 to the capital projects fund was added after the year began. This transfer was to pay for the expansion of the Transitions Center.
- The assessment costs of \$394,000 deducted from our State Aid offset the same amount of revenue received, as noted earlier.
- \$125,000 of building repairs at Hartley were added to the budget. These repairs were paid for by Foundation grants.
- \$115,000 in fingerprinting expenses were added to the budget. A majority of these expenses are paid for by the local districts using these services.

The District's actual general fund expenditures were less than the revised budget by \$883,018. The significant reasons for this variance include the following:

- Approximately \$397,000 of various grants and categorical State Aid were not spent by year end, as discussed earlier. These expenditures will be incurred in the next fiscal year.
- The remainder of this decrease cannot be attributed to any individually significant variances but is the result of smaller variances in numerous supply, purchased service and capital outlay line items that came in under budget.

**Saginaw Intermediate School District
Management's Discussion and Analysis
Year Ended June 30, 2007**

Special Education Fund

The Special Education Fund had \$34.58 million in total revenues and other sources and \$33.77 million in total expenditures, resulting in a \$807,739 increase in fund balance. This increase exceeded the budgeted decrease in fund balance of \$425,155 by \$1,232,894, resulting in an ending fund balance of \$4,252,655.

Special Education Fund Revenues

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>
Revenues and other sources	\$ 35,232,809	\$ 34,894,113	\$ 34,581,869

The District's revised budget decreased \$338,696 from the original budget. Some of the significant revenue budget adjustments for the year include:

- A \$210,000 increase in budgeted property tax revenue.
- A \$354,000 increase in budgeted State Aid revenue.
- A \$700,000 decrease in the budgeted amount billed to local districts for special education services provided.
- A \$234,000 decrease in federal grants budgeted.

The District's actual special education fund revenues were less than the revised budget by \$312,244. Significant variances within this total include the following:

- Property tax revenue and State Aid came in more than budgeted by \$146,000 and \$103,000, respectively.
- Local revenues for services provided to local districts were almost \$347,000 less than budgeted, some of which is offset by a corresponding decrease in those expenditures.
- About \$133,000 of Federal grant revenue that was budgeted won't be spent until next fiscal year.

Special Education Fund Expenditures

	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>
Expenditures and other uses	\$ 35,587,747	\$ 35,319,268	\$ 33,774,130

The District's revised budget decreased \$268,479 from the original budget. Some of the significant budget adjustments to expenditures for the year include:

- A decrease of \$176,000 in the amount budgeted towards the purchase of replacement school buses.
- A decrease of \$130,000 in center-based special education expenses budgeted throughout the year.

The District's actual special education fund expenditures were \$1,545,138 less than the revised budget. The significant reasons for this variance include the following:

- Salaries and benefits were about \$802,000 under budget due to various vacancies, departures and self insured health insurance costs coming in under budget.
- Approximately \$133,000 of federal grants were not spent by year end, as discussed earlier. These expenditures will be incurred in the next fiscal year.
- \$300,000 was budgeted for special education recordkeeping software that wasn't purchased.
- Medicaid disbursements passed through to local districts was \$251,000 under budget, which corresponds with a similar drop in Medicaid revenue received.
- The remainder of this decrease cannot be attributed to any individually significant variances but is the result of smaller variances in numerous supply, purchased service and capital outlay line items that came in under budget.

**Saginaw Intermediate School District
Management's Discussion and Analysis
Year Ended June 30, 2007**

Cooperative Education Fund

The Cooperative Education Fund had \$7.13 million in total revenues and other financing sources and \$7.13 million in total expenditures and other financing uses, resulting in no change in fund balance, as budgeted.

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>
Revenues and other sources	\$ 6,509,564	\$ 7,691,011	\$ 7,126,018
Expenditures and other uses	\$ 6,509,564	\$ 7,691,011	\$ 7,126,018

The District's revised budget increased \$1,181,447 from the original budget. Some of the significant revenue budget adjustments for the year include:

- \$241,755 of the Head Start general operating grant from the prior fiscal year was carried over to the current year.
- \$414,395 of the Head Start start-up award from the prior fiscal year was carried over to the current year.
- A \$118,800 MSRP federal grant was awarded during the current fiscal year.
- \$405,000 of revenue was added to this fund with the assimilation of the Saginaw Valley Regional 4C organization into this fund.

The District's actual amounts were less than the revised budget by \$564,993. The significant reasons for this variance are the following:

- About \$454,000 of Head Start grant revenue had been encumbered, but not spent, at year end and will be spent next fiscal year.
- Almost \$92,000 of SVR4C grant awards and \$24,000 of the MSRP grant had not been spent at year end and will be carried over to the next fiscal year.

Other Governmental Funds

The non-major governmental funds had \$4,179,799 in total revenues and other financing sources and \$4,175,226 in total expenditures, resulting in a \$4,573 increase in fund balance. This activity includes food service operations, the District's various debt service funds, and two capital projects funds. More detailed information on these funds can be found in the Other Supplemental Information section of the financial statements.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2007, the District had \$16,743,372 invested in capital assets. Total additions for the year were \$3,072,989, with \$148,726 of retirements and disposals and current year depreciation of \$1,147,884. This represents a net increase (including additions, deletions, and depreciation) of \$1,925,105 from last year, as recapped below:

Assets	<u>2007</u>	<u>2006</u>
Land	\$ 581,140	\$ 581,140
Site Improvements	187,833	187,833
Buildings and improvements	15,728,544	13,689,043
Furniture and equipment	4,161,381	3,325,678
Buses and other vehicles	3,672,285	3,254,655
Construction in progress	-	368,571
Subtotal	<u>24,331,183</u>	<u>21,406,920</u>
Less accumulated depreciation	<u>(7,587,811)</u>	<u>(6,588,653)</u>
	<u>\$ 16,743,372</u>	<u>\$ 14,818,267</u>

**Saginaw Intermediate School District
Management's Discussion and Analysis
Year Ended June 30, 2007**

The current year capital additions included the following:

Transitions Center Expansion	\$ 1,600,775
Saginet II equipment - local school districts	679,103
4 buses	323,350
Saginet video streaming bridge	168,472
13 copiers	125,704
4 vehicles for Head Start program	78,430
Head Start - Surveillance system	35,408
Head Start - Kitchen remodeling	34,747
2 Saginet videoconferencing encoders	11,150
Used truck for Hartley program	10,000
Used vehicle for PSTP program	5,850
	\$ 3,072,989

We present additional detailed information about our capital assets in Note 6 to the financial statements.

Long-Term Debt

The long-term obligation for the District decreased by \$171,103, as recapped below:

	2007	2006
General obligation bonds	\$ 3,640,000	\$ 3,845,000
Installment purchase agreements	1,480,878	1,303,364
Durant state commitment bond	1,107,760	1,107,760
Accrued compensated absences	1,222,800	1,271,100
	\$ 7,451,438	\$ 7,527,224

During the past fiscal year, the District issued a \$701,674 installment purchase agreement for the purchase of data electronic equipment for the SAGINET II project. The District also had a net decrease of \$48,300 in accrued compensated absences. Reductions of \$729,160 resulted from debt principal payments.

The general obligation bonds were issued for the construction of our Transitions Center. The installment purchase agreements financed the purchase of data electronic equipment and video equipment for the county-wide SAGINET fiber optic project as well as bus purchases. The Durant state commitment bond is a legal obligation of the District, but the annual State of Michigan appropriation is the only revenue source making the debt service payments on those bonds. If the State legislature fails to appropriate the bonds, the District is under no obligation for payment.

The District's general obligation bond rating continues to be AAA. State statutes limit the general obligation debt that the district may issue. The District's outstanding unqualified general obligation debt of \$3,640,000 is well below the \$6,392,202 statutorily imposed limit.

We present more detailed information about our long-term liabilities in Note 9 to the financial statements.

Economic Factors and Next Year's Budget and Rates

As stated earlier, almost 27% of the District's revenue is from State sources. As a result, the financial health of the State of Michigan and its ability to collect revenues to fund its appropriation to school districts is an important factor in the financial stability of the District. The State School Aid Fund continues to struggle to provide a stable and reasonable revenue growth for schools under a struggling economy in Michigan. The State's Consensus Revenue Estimating Conference on May 18, 2007 had to reduce the School Aid Fund's projected revenues for the 2006-07 and 2007-08 school years by \$152.8 million and \$247.9 million, respectively. In addition, the House Fiscal Agency stated that the School Aid Fund's revenue was \$10 million under target

**Saginaw Intermediate School District
Management's Discussion and Analysis
Year Ended June 30, 2007**

with these revised projections through the third quarter of the State's 2006-07 fiscal year that ended September 30, 2007. Further reductions in those revenues in the final quarter could result in changes to the 2007-08 School Aid Act.

The next largest source of income to the District is in the form of property taxes, which accounts for 20% of the District's revenues. The beginning taxable values received from the surrounding county treasurers for the 2007-08 fiscal year show an approximate 3.6% increase from the prior year taxable values. This currently provides the District with a stable source of income on which to rely.

The District's contract with Head Start staff expired on September 30, 2007 and is currently being negotiated. The current contract with the teachers' bargaining unit was extended another year and now goes through June 30, 2009. The current contract with the support staff bargaining unit also goes through June 30, 2009. The administrative and non-bargaining unit contracts for the 2006-07 fiscal year were also settled by year end.

A continuing trend that will have a significant impact on the District's future finances is the continued increases in the cost of health insurance and expected increases in the retirement rate paid by the school district. The retirement rate set by the State of Michigan has increased from 11.66% for the 1999-00 school year to 17.74% for 2006-07. While the rate will drop to 16.72% for 2007-08, the rates for 2006-07 and 2007-08 would have been 18.67% and 18.56%, respectively, had it not been for updates in the actuarial assumptions both years that delayed a portion of the increase for a one-year period. While the 2007-08 budget recently agreed to made some changes that will ease some of the pressures on the retirement system, it is still anticipated that there will be continued increases in the retirement rate in future years.

These factors were considered in preparing the Saginaw Intermediate School District's budgets for the 2007-08 fiscal year.

Requests for Information

This financial report is designed to provide a general overview for anyone interested in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional information should be addressed to:

Director of Finance & Business Operations
Saginaw Intermediate School District
6235 Gratiot Road, Saginaw, MI 48603
Telephone number (989) 249-8737

BASIC FINANCIAL STATEMENTS

Saginaw Intermediate School District
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 4,126,020
Investments	210,632
Accounts receivable	83,137
Current portion of capital lease receivable	16,260
Taxes receivable	65,093
Due from other governmental units	7,454,922
Inventory	175,810
Prepaid expenditures	<u>585,616</u>
Total current assets	<u>12,717,490</u>
Noncurrent assets	
Capital leases receivable - long-term	368,415
Deferred interest costs from bond refunding	75,679
Capital assets	
Land	581,140
Site improvements	187,833
Buildings	13,974,931
Buildings improvements	1,753,613
Furniture and equipment	4,161,381
Buses	3,254,472
Other vehicles	417,813
Less: accumulated depreciation	<u>(7,587,811)</u>
Total noncurrent assets	<u>17,187,466</u>
Total assets	<u>29,904,956</u>

(Continued)

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 890,376
Due to other governmental units	2,712,453
Accrued expenditures	1,615,846
Accrued interest payable	256,223
Deferred revenue	<u>761,922</u>
Total current liabilities	<u>6,236,820</u>
Noncurrent liabilities	
Due within one year	830,324
Due beyond one year	<u>6,621,114</u>
Total noncurrent liabilities	<u>7,451,438</u>
Total liabilities	<u>13,688,258</u>
Net Assets	
Invested in capital assets, net of related debt	10,334,190
Unrestricted	<u>5,882,508</u>
Total net assets	<u>\$ 16,216,698</u>

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Statement of Activities
Year Ended June 30, 2007

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs				
Governmental activities				
Instruction	\$ 9,106,309	\$ 63,532	\$ 1,299,583	\$ (7,743,194)
Supporting services	25,864,286	6,657,294	8,333,482	(10,873,510)
Community services	355,479	-	-	(355,479)
Facilities Acquisition	102,740	-	-	(102,740)
Food services	860,427	43,252	492,880	(324,295)
Intergovernmental payments	12,683,487	1,443,632	7,300,218	(3,939,637)
Capital outlay (noncapitalized)	251,104	-	-	(251,104)
Interest on long-term debt	263,355	-	18,775	(244,580)
Bond refunding interest amortization	37,840	-	-	(37,840)
Total governmental activities	\$ 49,525,027	\$ 8,207,710	\$ 17,444,938	(23,872,379)
General revenues				
				10,375,490
				6,686,493
				6,582,395
				230,419
				1,295,422
			Total general revenues	25,170,219
			Change in net assets	1,297,840
			Net assets - beginning	14,918,858
			Net assets - ending	\$ 16,216,698

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Balance Sheet - Governmental Funds
June 30, 2007

	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Cooperative Education Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 2,466,693	\$ 1,657,213	\$ 100	\$ 2,014	\$ 4,126,020
Investments	-	210,632	-	-	210,632
Accounts receivable	12,406	593	16,875	53,263	83,137
Taxes receivable	3,963	61,130	-	-	65,093
Due from other governmental units	980,312	5,959,449	899,836	-	7,839,597
Due from other funds	-	723,112	-	408,238	1,131,350
Inventory	-	175,810	-	-	175,810
Prepaid expenditures	228,017	230,234	48,044	79,321	585,616
Total assets	<u>\$ 3,691,391</u>	<u>\$ 9,018,173</u>	<u>\$ 964,855</u>	<u>\$ 542,836</u>	<u>\$14,217,255</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 328,365	\$ 380,390	\$ 181,621	\$ -	\$ 890,376
Due to other governmental units	135,881	2,534,914	41,658	-	2,712,453
Due to other funds	320,631	-	680,192	130,527	1,131,350
Accrued expenditures	154,342	1,187,163	61,384	2,057	1,404,946
Deferred revenue	519,138	663,051	-	-	1,182,189
Total liabilities	<u>1,458,357</u>	<u>4,765,518</u>	<u>964,855</u>	<u>132,584</u>	<u>7,321,314</u>
Fund Balance					
Reserved					
Reserved for prepaid expenditures	228,017	230,234	-	-	458,251
Reserved for inventory	-	175,810	-	-	175,810
Reserved for debt service	-	-	-	225,515	225,515
Reserved for incurred but not reported insurance benefits	210,900	-	-	-	210,900
Unreserved					
Designated for capital projects	-	-	-	184,737	184,737
Designated for Millet boiler replacement	-	450,000	-	-	450,000
Designated for bus purchases	-	540,000	-	-	540,000
Undesignated	1,794,117	2,856,611	-	-	4,650,728
Total fund balance	<u>2,233,034</u>	<u>4,252,655</u>	<u>-</u>	<u>410,252</u>	<u>6,895,941</u>
Total liabilities and fund balance	<u>\$ 3,691,391</u>	<u>\$ 9,018,173</u>	<u>\$ 964,855</u>	<u>\$ 542,836</u>	<u>\$14,217,255</u>

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets
June 30, 2007

Total fund balances for governmental funds \$ 6,895,941

Total net assets reported for governmental activities in the statement of net assets is different because:

Some long-term receivables are deferred in the funds since they are not current financial resources and therefore are not reported in the funds.

Deferred property taxes	35,592	
Deferred capital leases receivable	384,675	
Deferred interest costs from bond refunding	75,679	

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Those assets consist of:

Land	\$ 581,140	
Site improvements	187,833	
Buildings	13,974,931	
Building improvements	1,753,613	
Furniture and equipment	4,161,381	
Buses	3,254,472	
Other vehicles	417,813	
Less: accumulated depreciation	<u>(7,587,811)</u>	16,743,372

Long-term liabilities applicable to the School District's governmental activities are due and payable in the current period and accordingly are not reported as fund liabilities. Current-term liabilities balances as of June 30, 2007 are as follows:

Bonds payable	(215,000)	
Installment purchases agreements payable	(615,324)	
Accrued interest payable	<u>(256,223)</u>	(1,086,547)

Long-term liabilities applicable to the School District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term liabilities balances as of June 30, 2007 are as follows:

Compensated absences payable	(1,222,800)	
Bonds payable - long-term portion	(4,532,760)	
Installment purchases agreements payable - long-term portion	(865,554)	
Incurred but not reported insurance benefits	<u>(210,900)</u>	<u>(6,832,014)</u>

Net assets of governmental activities **\$ 16,216,698**

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2007

	General Fund	Special Education Fund	Cooperative Education Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local sources	\$ 2,504,934	\$ 11,728,839	33,570	\$ 309,979	\$ 14,577,322
Intergovernmental sources	1,601,086	3,849,997	-	-	5,451,083
State sources	3,140,385	10,360,178	94,945	18,042	13,613,550
Federal sources	1,235,901	8,642,855	6,997,503	474,838	17,351,097
Total revenues	<u>8,482,306</u>	<u>34,581,869</u>	<u>7,126,018</u>	<u>802,859</u>	<u>50,993,052</u>
Expenditures					
Current					
Education					
Instruction	73,017	5,920,047	2,919,141	-	8,912,205
Supporting services	6,811,180	15,187,422	2,942,528	-	24,941,130
Community services	8,848	1,577	345,054	-	355,479
Facilities acquisition	-	-	102,740	-	102,740
Food services	-	-	-	858,503	858,503
Capital outlay	196,140	431,137	313,937	2,382,879	3,324,093
Debt service	-	-	-	933,844	933,844
Intergovernmental payments	1,129,645	11,553,842	-	-	12,683,487
Total expenditures	<u>8,218,830</u>	<u>33,094,025</u>	<u>6,623,400</u>	<u>4,175,226</u>	<u>52,111,481</u>
Excess (deficiency) of revenues over expenditures	<u>263,476</u>	<u>1,487,844</u>	<u>502,618</u>	<u>(3,372,367)</u>	<u>(1,118,429)</u>
Other financing sources (uses)					
Capital - related debt issued	-	-	-	701,674	701,674
Transfers in	548,507	-	-	2,675,266	3,223,773
Transfers out	(2,041,050)	(680,105)	(502,618)	-	(3,223,773)
Total other financing sources (uses)	<u>(1,492,543)</u>	<u>(680,105)</u>	<u>(502,618)</u>	<u>3,376,940</u>	<u>701,674</u>
Net change in fund balance	(1,229,067)	807,739	-	4,573	(416,755)
Fund balance - beginning	<u>3,462,101</u>	<u>3,444,916</u>	<u>-</u>	<u>405,679</u>	<u>7,312,696</u>
Fund balance - ending	<u>\$ 2,233,034</u>	<u>\$ 4,252,655</u>	<u>-</u>	<u>\$ 410,252</u>	<u>\$ 6,895,941</u>

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2007

Net change in fund balances - total governmental funds		\$ (416,755)
Total change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense	\$ (1,147,884)	
Capitalized capital outlay	<u>3,072,989</u>	1,925,105
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		
Increase in deferred property taxes		15,995
Decrease in deferred charges for services not collected within 60 days		(170,694)
Payments on capital lease should not be included as revenue in the statement of activity		
Capital lease payment applied to receivable balance		(15,486)
Debt proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Issuance of installment purchase agreement for Saginet II project		(701,674)
Repayments of long-term debt		729,160
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences payable	48,300	
Change in insurance benefits	(19,600)	
Change in accrued interest payable	(58,671)	
Amortization of deferred interest costs from bond refunding	<u>(37,840)</u>	<u>(67,811)</u>
Change in net assets of governmental activities		<u>\$ 1,297,840</u>

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Statement of Fiduciary Net Assets
June 30, 2007

	<u>Private Purpose Trust Funds</u>	<u>Activity Funds</u>	<u>Total</u>
Assets			
Cash	\$ -	\$ 8,378	\$ 8,378
Investments	28,136	37,400	65,536
Assets held by others	322,720	-	322,720
Due from other governmental units	<u>-</u>	<u>1,056</u>	<u>1,056</u>
Total assets	<u>350,856</u>	<u>46,834</u>	<u>397,690</u>
Liabilities			
Due to agency fund activities	<u>-</u>	<u>46,834</u>	<u>46,834</u>
Net assets			
Reserved for endowments	<u>\$ 350,856</u>	<u>\$ -</u>	<u>\$ 350,856</u>

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds
Year Ended June 30, 2007

	<u>Private Purpose Trust Funds</u>
Additions	
Local sources	<u>\$ 146,137</u>
Deductions	
Awards and grants	<u>141,983</u>
Change in net assets	4,154
Net assets - beginning	<u>346,702</u>
Net assets - ending	<u><u>\$ 350,856</u></u>

See Accompanying Notes to Basic Financial Statements

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Saginaw Intermediate School District conform to accounting principles generally accepted in the United States of America as applicable to school districts. The following is a summary of the significant accounting policies:

REPORTING ENTITY

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. The Saginaw Intermediate School District Board of Education (Board) is the primary government which has oversight and coordination responsibility related to public school education in Saginaw County. The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements since the Board members are elected by the 13 member districts, the governing body has separate legal standing and is fiscally independent of other governmental entities. As such, the Board has decision-making authority, the authority to levy taxes and determine its budget, the power to designate management, the ability to significantly influence operations and financial accountability. The Board does not include any component unit within its general purpose financial statements.

DISTRICT-WIDE FINANCIAL STATEMENTS

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all non-fiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net assets presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net assets are reported in three parts (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets. The School District first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District's net assets resulting from current year activities.

FUND FINANCIAL STATEMENTS

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial requirements.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

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

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

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

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.

The governmental funds of the School District consist of the General Fund, Special Education Fund, Cooperative Education Fund, Food Service Fund, Debt Service Fund, and Capital Projects Funds. The General Fund, Special Education Fund and Cooperative Education Fund have been classified as major governmental funds. All other governmental funds are combined and reported as non-major funds.

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. Included are all transactions related to the approved current operating budget.

Special Revenue Funds are used to segregate the transactions of particular activities from regular revenue and expenditure account. The School District maintains full control of these funds. The Special Revenue Funds maintained by the School District are the Special Education, Cooperative Education and Food Service funds. The annual operating deficit generated by Food Service is funded by transfers from the Special Education, Cooperative Education and General funds.

The **Debt Service Fund** is used to record tax and interest revenue and account for the payment of general long-term debt principal, interest and related cost for bonds and notes payable.

Capital Projects Funds are used to account for the acquisition of fixed assets of major capital projects not being financed by propriety or nonexpendable trust funds. The Capital Projects Funds maintained by the School District are the Transitions Center Fund and Saginet II Fund.

FIDUCIARY FUNDS

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

Private purpose trust funds are used to account for funds entrusted to the School District and the principal, or corpus, of the trust and the income produced are expendable. They are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The District maintains four private purpose trust funds.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

Society for Crippled Children - To record donations from the Society for Crippled Children to be used solely for the development and training of students in the community.

Memorial Escrow - To record bequests received in honor of students or student's relatives to enhance the building atmosphere.

Independence Park - To record donations received from various projects adopted by the students to develop a playground for the students.

Feige Trust - The School District received contributions from the Feige Estate for the purpose of the betterment of M. G. Millet Center.

Agency Fund is used to account for assets held by the School District as an agent, is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Activity Fund – This fund records the transactions of student clubs and organizations, and other groups.

BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

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

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

Modifications in the modified accrual basis of accounting from the accrual basis of accounting are as follows:

- a. Revenue are recognized when susceptible to accrual (i.e. when they become both measurable and available to finance operations), "Measurable" means the amount of the transactions can be determined. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days after year end.
- b. The State of Michigan allocates a foundation grant that provides for a specific annual amount of revenue per student based on a statewide formula. The foundation grant is funded from state and local sources. The School Aid Act and School Code of Michigan primarily govern revenues from state sources. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. The state revenue is recognized during the foundation period (currently the fiscal year) and was funded through payments from October 2006 to August 2007.
- c. Categorical state aid is earmarked for programs with a specific purpose. Categorical programs that require an accounting of expenditures incurred to the state recognize deferred revenue for unspent funds at the fiscal year end. Other categorical funding is recognized when the appropriation is received.
- d. Federal revenues are recognized as they become measurable and available to the District under terms of specific grants.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

- e. Expenditures are recorded in the accounting period in which the fund liability is incurred, if measurable.
- f. Accrued compensated absences and severance pay expected to be liquidated with expendable available resources are accrued in the appropriate governmental fund and the amount payable from future resources is recorded as long-term debt in the District Wide financial statements.
- g. The District has elected the reimbursement method of financing for unemployment benefits which requires reimbursement of all benefits charged against the District.

ASSETS, LIABILITIES AND EQUITY

Cash and investments – Cash and cash equivalents include cash on hand, demand deposits and short term investments with a maturity of three months or less when acquired. Investments are stated at fair value. See Note 3 for additional cash and investment information.

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

Property taxes and other trades receivable are shown net of an allowance for uncollectible amounts.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2007, the General Fund rate was 0.1455 per \$1,000 of taxable value. The Special Education rate was 1.9417 per \$1,000 of taxable value.

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. Approximately 98% of the School District's tax roll lies within the County of Saginaw.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due primarily on or before September 14 and February 14. Collections are forwarded to the School District as collected by the assessing municipality. Real property taxes uncollected as of March 1 are purchased by the County of Saginaw and remitted to the School District by May 15.

Inventories - Items purchased for future use are recorded as inventory and charged to expenditure accounts when requisitioned for use. The General Fund inventory consists of the Hartley Outdoor Education Center's instructional supplies. The Special Education Fund inventory consists of bus parts. All of the above inventories are valued at cost, on a first-in, first-out (FIFO) basis.

Prepaid Expenditures - Items paid for in the current year that reflect costs applicable to future fiscal years are recorded as prepaid expenditures in both district-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

Site improvements	20 years
Buildings and improvements	10-50 years
Furniture and other equipment	5-20 years
Buses and other vehicles	8 years

Deferred Revenue - Property taxes not available to the District until a subsequent year (uncollected and not deemed collectible within 60 days after year end) are classified as deferred revenue. Receipts in excess of cost on special purpose grants are recorded as deferred revenue until spent or refunded to the grantor.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

Other accounting policies are disclosed on the face of the general purpose financial statements or in other notes to the financial statements.

COMPARATIVE DATA

Comparative data is not included in the School District's financial statements.

ELIMINATIONS AND RECLASSIFICATIONS

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue funds on a basis consistent with accounting principles generally accepted in the United States of America prior to the expenditure of monies in a fiscal year. In addition, budgets are also adopted for Debt Service and Capital Projects funds by the District's Board of Education.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the goods or services have not been received as of year end. Those commitments are reencumbered against subsequent year appropriations.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

Saginaw Intermediate School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District's Superintendent submits to the Board of Education a proposed budget by July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The Superintendent is authorized to transfer budgeted amounts between functions within any fund to meet emergency needs of the District. Such transfers must be approved by the Board of Education on the functional level at its next regularly scheduled meeting in the form of an appropriation amendment.
4. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations which were amended.
5. Appropriations lapse at year end unless related to an encumbrance, in which case they are carried over and added to subsequent year appropriations.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District incurred expenditures in excess of budget in the General and Special Revenue Funds. Excess expenditures in these funds occurred in the following areas:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund			
Supporting services			
Transportation	\$ 102,768	\$ 106,501	\$ 3,733
Special Education Fund			
Supporting services			
Central Staff	325,438	332,687	7,249
Cooperative Education Fund			
Instruction			
Compensatory Education	2,889,493	2,919,141	29,648
Community services			
Community activities	28,720	36,278	7,558
Facilities Acquisition	68,749	102,740	33,991
Food Service Fund			
Supporting services			
Food Services	824,617	858,503	33,886

NOTE 3 – DEPOSITS AND INVESTMENTS

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental</u> <u>Activities</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Total Primary</u> <u>Government</u>
Cash and cash equivalents	\$ 4,126,020	\$ 8,378	\$ 4,134,398
Investments	210,632	65,536	276,168
	<u>\$ 4,336,652</u>	<u>\$ 73,914</u>	<u>\$ 4,410,566</u>

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

The breakdown between deposits and investments for the School District is as follows:

Deposits:	
Checking and savings accounts	\$ 1,142,541
Money market accounts	2,536,129
Certificates of deposit	521,064
Investments in securities	210,632
Petty cash	200
Total	<u>\$ 4,410,566</u>

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

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Federal National Mortgage Association	8 yrs., 2 mos. Avg.	\$ 127,827
Federal Home Loan Mortgage Corp.	3 yrs., 5 mos.	34,790
U.S. Treasury Note	1 yr., 3 mos. Avg.	48,015
		<u>\$ 210,632</u>

As of June 30, 2007, the District's investments were all rated AAA by Standard and Poor's.

Interest rate risk – In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the maturity of its investments within each investment category.

Credit risk – 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.

Concentration of credit risk – The District's investment policy establishes limits on the amount of investment in any one issuer within each investment category as well as within the investment portfolio as a whole.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The carrying amount of the District's deposits with financial institutions as of June 30, 2007 was \$4,199,734. The actual bank balances amounted to \$6,497,416. Of this amount, \$408,378 was insured by FDIC and \$6,089,038 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

The Due From Other Governmental Units balance as of June 30, 2007, consisted of the following:

	<u>General</u>	<u>Special Education</u>	<u>Cooperative Education</u>	<u>Total</u>
Federal grants	\$ 355,198	\$ 2,858,156	\$ 872,892	\$ 4,086,246
State Aid	140,971	1,755,725	-	1,896,696
State grants	79,789	-	26,944	106,733
Services provided local districts	385,643	689,088	-	1,074,731
Capital lease receivable	-	384,675	-	384,675
Other	18,711	271,805	-	290,516
Governmental funds subtotal	<u>\$ 980,312</u>	<u>\$ 5,959,449</u>	<u>\$ 899,836</u>	<u>\$ 7,839,597</u>

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

NOTE 5 – CAPITAL LEASES RECEIVABLE

The District sold a parking lot at its transportation location that it had constructed at a total cost of \$439,845 under a capital lease agreement. This cost is being paid by the lessee in annual installments over a 20 year period ending March 18, 2023, with interest being charged at a rate of 5%. During the current year, the District received a payment of \$35,494, which included \$20,008 of interest. The carrying value of the receivable at June 30, 2007 is \$384,675, with lease payments as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 16,260	\$ 19,234	\$ 35,494
2009	17,073	18,421	35,494
2010	17,927	17,567	35,494
2011	18,823	16,671	35,494
2012	19,764	15,730	35,494
2013 - 2017	114,672	62,798	177,470
2018 - 2022	146,352	31,118	177,470
2023	33,804	1,690	70,988
	<u>\$ 384,675</u>	<u>\$ 183,229</u>	<u>\$ 603,398</u>

NOTE 6 - CAPITAL ASSETS

A summary of the changes in governmental capital assets during the year ended June 30, 2007 follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Retirements and Disposals</u>	<u>Balance June 30, 2007</u>
Assets not being depreciated				
Land	\$ 581,140	\$ -	\$ -	\$ 581,140
Construction in progress	368,571	(368,571)	-	-
Depreciable capital assets				
Site Improvements	187,833	-	-	187,833
Buildings and improvements	13,689,043	2,039,501	-	15,728,544
Furniture and equipment	3,325,678	984,429	148,726	4,161,381
Buses and other vehicles	3,254,655	417,630	-	3,672,285
Subtotal	<u>21,406,920</u>	<u>3,072,989</u>	<u>148,726</u>	<u>24,331,183</u>
Accumulated Depreciation				
Site Improvements	49,998	7,513	-	57,511
Buildings and improvements	3,622,017	281,987	-	3,904,004
Furniture and equipment	1,437,286	447,618	148,726	1,736,178
Buses and other vehicles	1,479,352	410,766	-	1,890,118
Subtotal	<u>6,588,653</u>	<u>1,147,884</u>	<u>148,726</u>	<u>7,587,811</u>
Net Capital Assets	<u>\$ 14,818,267</u>	<u>\$ 1,925,105</u>	<u>\$ -</u>	<u>\$ 16,743,372</u>

Depreciation expense was charged to the following governmental functions:

Instruction	\$ 201,279
Supporting services	944,681
Food services	1,924
Total depreciation expense	<u>\$ 1,147,884</u>

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

NOTE 7 - INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Individual interfund receivable and payable balances at June 30, 2007 were:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General	\$ -	\$ 320,631
Special Revenue		
Special Education	723,112	-
Cooperative Education	-	680,192
Food Service	-	130,527
Debt Service	223,501	-
Capital Projects	184,737	-
	<u>\$ 1,131,350</u>	<u>\$ 1,131,350</u>

These interfund balances are a result of normal operating activities at fiscal year end, and management does not anticipate individual interfund balances to remain outstanding in excess of one year.

Interfund transfers were made during the year ended June 30, 2007. Transfers from the General Fund consisted of \$108,528 to the Food Service Fund to cover the costs of that program, \$1,685,233 to the Capital Projects Funds for the Transitions Center expansion and Saginet II project, and \$247,289 to Debt Service Funds to cover current year bond payments. The Special Education fund transferred \$16,456 to the Food Service Fund to cover the costs of that program that were in excess of the revenues it generated, \$118,000 and \$302,373 to the Debt Service Fund for its share of bond payments for the construction of the SISD Transitions Center and for payments on the bus purchase installment purchase agreements, respectively, and \$243,276 to the General Fund for its share of administrative/finance costs. The Cooperative Education fund transferred \$197,387 to the Food Service Fund to cover the costs of that program that were in excess of the revenues it generated and \$305,231 to the General Fund for its share of administrative/finance costs.

NOTE 8 - DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Deferred property taxes	\$ 35,592	\$ -
Deferred capital lease receivable	384,675	
Grant, categorical, and other payments received prior to meeting all eligibility requirements	-	761,922
Total	<u>\$ 420,267</u>	<u>\$ 761,922</u>

NOTE 9 - LONG TERM DEBT

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

The following summarizes long-term debt activity for the year ended June 30, 2007:

	Balance July 1, 2006			Balance June 30, 2007		Amount Due Within One Year
	Balance	Additions	Reductions	Balance	Amount	
Compensated absences	\$ 1,271,100	\$ 575,300	\$ 623,600	\$1,222,800	\$ -	
General Obligation bonds	3,845,000	-	205,000	3,640,000	215,000	
Installment purchase agreements for the SAGINET project - 4.86% to 5.36% agreements are due quarterly and run through June 2009	463,364	-	244,160	219,204	195,324	
Installment purchase agreements for bus purchases - 2.25% to 2.975% agreements are due annually and run through January 2009	840,000	-	280,000	560,000	280,000	
Installment purchase agreements for the SAGINET II project - 4.19% due annually through September 2011.	-	701,674	-	701,674	140,000	
Durant state commitment bond payable - 4.76% due 5/15/2013	1,107,760	-	-	1,107,760	-	
Deferred interest costs - bond refunding	(113,519)	-	(37,840)	(75,679)	-	
	<u>\$ 7,413,705</u>	<u>\$ 1,276,974</u>	<u>\$ 1,314,920</u>	<u>\$ 7,375,759</u>	<u>\$ 830,324</u>	

General obligation bonds payable at June 30, 2007 consists of the following:

\$3,365,000 school building and site bonds due in annual installments of \$135,000 to \$145,000 through May 1, 2009, interest at 5.25%	\$ 280,000
\$1,100,000 school building and site bonds due in annual installments of \$55,000 to \$80,000 through May 1, 2020, interest at 4.20% to 5.00%	875,000
\$2,535,000 refunding bonds due in annual installments of \$25,000 to \$275,000 through May 1, 2020, interest at 3.25% to 4.25%	<u>2,485,000</u>
Total general obligation bonded debt	<u>\$ 3,640,000</u>

The General Obligation School Building and Site Bonds will be paid from future allocated property tax millages that have been pledged to this project. The Durant Bond is payable from anticipated state aid payments under Section 11g(3) of Act 94.

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

Fiscal Year Ended	Principal	Interest	Total
2008	\$ 215,000	\$ 153,160	\$ 368,160
2009	329,410	170,288	499,698
2010	344,377	154,520	498,897
2011	893,189	360,421	1,253,610
2012	375,035	126,021	501,056
2013 - 2017	1,570,749	410,935	1,981,684
2018 - 2020	1,020,000	87,450	1,107,450
	<u>\$ 4,747,760</u>	<u>\$ 1,462,795</u>	<u>\$ 6,210,555</u>

The District defeased term bonds from the 2000 School Building and Site issue that are callable on May 1, 2009. The proceeds from the 2005 Refunding Bonds that were issued were used to purchase U.S. government securities and were deposited in an irrevocable trust with an escrow agent. These investments and the fixed earnings from these investments are sufficient to provide debt service payments on the defeased term bonds until they are called on May 1, 2009. As a result, those bonds are considered defeased and the liability for the bonds has been removed from the District's long-term obligations. As of June 30, 2007, \$2,330,000 of defeased debt is outstanding but removed from the government-wide financial statements.

The installment purchase agreements for SAGINET will be paid by the 12 participating local education associations by the end of next fiscal year. The cost of the project has been paid in advance by the District.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

Future principal and interest requirements for the SAGINET project are as follows:

Fiscal Year	Principal	Interest	Total
2007-08	\$ 195,324	\$ 6,774	\$ 202,098
2008-09	23,880	446	24,326
	<u>\$ 219,204</u>	<u>\$ 7,220</u>	<u>\$ 226,424</u>

The installment purchase agreements used to purchase school buses will be repaid by the District with special education State Aid received over the next 3 years. Future principal and interest requirements for the bus agreements are as follows:

Fiscal Year	Principal	Interest	Total
2007-08	\$ 280,000	\$ 14,920	\$ 294,920
2008-09	280,000	7,460	287,460
	<u>\$ 560,000</u>	<u>\$ 22,380</u>	<u>\$ 582,380</u>

The installment purchase agreements for SAGINET II will be paid by the 12 participating local education associations over the next six years. The cost of the project has been paid in advance by the District. Future principal and interest requirements for the SAGINET II project are as follows:

Fiscal Year	Principal	Interest	Total
2007-08	\$ 140,000	\$ 32,014	\$ 172,014
2008-09	140,000	23,534	163,534
2009-10	140,000	17,668	157,668
2010-11	140,000	11,802	151,802
2011-12	141,674	5,936	147,610
	<u>\$ 701,674</u>	<u>\$ 90,954</u>	<u>\$ 792,628</u>

During the fiscal year ended June 30, 2007, the District paid \$204,283 of interest on debt in the Debt Service Funds.

COMPENSATED ABSENCES

Sick days are earned by most employees at the rate of 12 to 15 days per year and may be accumulated up to 90 to 105 days, dependent on their contract. Employees are paid for one half or all of their accumulated sick days, dependent on their contract, at the rate determined by their job category. The estimated liability for these benefits at June 30, 2007 is \$884,000.

Vacation days are earned according to the bargaining unit and length of service applicable to each employee. The amount of days an employee may accumulate is dependent on their contract and varies from 10 to an unlimited number. Unused vacation days are payable to the employee, at their daily rate, upon termination. The estimated liability for these benefits at June 30, 2007 is \$338,800.

Accrued compensated absences as of June 30, 2007 total \$1,222,800. The entire amount is considered long-term as the amount expended each year is expected to be offset by the amount earned for the year. Compensated absences are paid by the fund that pays the salaries related to that employee.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method the School District must reimburse the Employment Commission for all benefits charged against the School District for the year. The School District's unemployment compensation expense for the year ended June 30, 2007 was \$66,929. No provision has been made for possible future claims.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

The District carries commercial insurance for a portion of medical, dental, vision and pharmacy benefits paid on behalf of its employees. The District is also self insured for a portion of these benefits. Self insurance payments made to the plan administrator are based on the estimated claims expected to be incurred.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims. The District maintains an excess coverage policy for individual claims that exceed the plan limits. Settlements have not exceeded coverage for each of the past three fiscal years. Changes in balances of claims liabilities over the past two years are as follows:

Unpaid claims, July 1, 2005	\$ 86,600
Incurred claims (including IBNRs)	1,520,400
Claim Payments	<u>(1,415,700)</u>
Unpaid claims, July 1, 2006	191,300
Incurred claims (including IBNRs)	1,555,500
Claim Payments	<u>(1,535,900)</u>
Unpaid claims, June 30, 2007	<u>\$ 210,900</u>

In addition, the District has purchased commercial insurance for worker's compensation claims.

There has been no significant change in the levels of insurance carried by the District in the past years and no claims in excess of insured limits for the last three years.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

Plan Description

The District has a defined benefit pension plan covering substantially all employees. The plan is operated by the State of Michigan's Public School Employees Retirement System (MPERS), which is a cost-sharing public employee retirement system (PERS).

MPERS operates within the Michigan Department of Management and Budget, Office of Retirement Systems who has the authority to establish and amend benefit provisions. The Michigan Department of Management and Budget issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. That report may be obtained by writing to:

Office of Retirement Systems
P.O. Box 30171
Lansing, Michigan 48909-7671
800-381-5111

The pension plan provides retirement, survivor and disability benefits to plan members and their beneficiaries. A member may retire after reaching the age of 55 with 30 or more years of credited services or at age 60 with 10 or more years of credited service.

A Member Investment Plan (MIP) member may retire at any age with 30 years of credited service; at age 60 with 10 or more years of credited service; or, at age 60 with 5 years of credited service provided the member has worked though his or her 60th birthday and has credited service in each of the five school fiscal years immediately preceding the pension effective date.

Benefits vest after 10 years of service. Vested employees may retire at or after age 55 and receive reduced retirement benefits. Pension provisions include death and disability benefits.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

Employees who retire after reaching the above mentioned requirements are entitled to 1 1/2 percent of their final average compensation multiplied by the number of years of credited service.

Funding Policy

The District is required by State statute to contribute to MPSERS an actuarially determined percentage of payroll for all participating employees. Additionally, employees participating in the Member Investment Plan contributed 3% to 4.3% of their covered wages through payroll deduction. In addition to retirement benefits, a portion of the total MPSERS contribution is allocated to cover health, dental and vision benefits. The following table discloses pertinent information relative to MPSERS funding for the three-year period beginning July 1, 2004 through June 30, 2007.

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Funding percentage range	16.34%-17.74%	14.87%-16.34%	12.99%-14.87%
Total payroll	\$ 17,542,177	\$ 15,761,345	\$ 13,508,003
Total covered payroll	17,494,223	15,838,523	13,184,961
District contributions	3,061,070	2,543,066	1,904,425
Employee MIP contributions	534,759	462,985	373,074
Tax deferred payment program	85,150	91,719	101,498
Portion of District contribution covering health, dental and vision benefits	37%	40%	44%

Ten-year historical trend information is presented in the September 30, 2006 MPSERS Comprehensive Annual Financial Report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The total benefit obligations and net assets available for benefits as of September 30, 2005, the latest date for which information is available, approximates \$ 48.2 billion and \$ 38.2 billion, respectively. The School's share of the total current actuarially determined employer contribution requirement under MPSERS was less than 1% for the year ended September 30, 2006.

POST EMPLOYMENT BENEFITS

In addition to the pension benefits described above, all retirees that participate in the MPSERS pension plan have the option of receiving post-retirement health care, dental, and vision coverage for themselves and their beneficiaries through MPSERS. A significant portion of the premium is paid by MPSERS with the balance deducted from the retiree's monthly pension.

Expenditures for these benefits are recognized on a cash disbursement basis. The District's required contributions for these post employment health care benefits are included as part of its total contribution to the MPSERS plan, as discussed earlier. During the year ended September 30, 2006, statewide expenditures of \$ 694.3 million were recognized for post-retirement health care, dental and vision. This represented approximately 20% of the total expenditures of the Michigan Public School Employees Retirement System.

NOTE 12 - FUND EQUITY

Reservations of fund balances are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserved for prepaid expenditures - This reserve was created to indicate the portion of fund balance already expended and is not available for appropriation and expenditure.

Reserved for inventory - This reserve was created to indicate that the portion of fund balance represented by inventories is not available for appropriation and expenditure.

Saginaw Intermediate School District
Notes to Basic Financial Statements
June 30, 2007

Reserved for debt service - This reserve was created to indicate a portion of the fund balance account for debt service, including both principal and interest payments. The reservation was established to satisfy legal restrictions imposed by various bond agreements.

Reserved for incurred but not reported insurance benefits – This reservation was created to indicate funds set aside to cover insurance claims.

Reserved for endowments - This reserve was created to restrict the use of the expendable resources contributed to endowments in the Expendable Trust Funds. These restrictions are mandated by donor agreements.

Specific designations of fund balance include the following:

Designated for capital projects - This designation was created to indicate funds remaining in the capital projects funds for those projects that are in progress at the close of the fiscal year.

Designated for boiler replacement – This designation accounts for funds that will be needed to replace the boiler system at the Millet Learning Center in fiscal year 2008.

Designated for bus purchases – This designation was created to indicate funds that were encumbered at fiscal year end for the purchase of 7 school buses in August, 2007.

NOTE 13 - CONTINGENCIES AND COMMITMENTS

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

The District is the defendant in various law suits. In the opinion of counsel there is insufficient information to determine the outcome or the financial consequences, if any, of the litigation. No liability or reserve has been estimated for any potential claims.

REQUIRED SUPPLEMENTAL INFORMATION

Saginaw Intermediate School District
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2007

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
Revenues				
Local	\$ 1,114,502	\$ 2,472,681	\$ 2,504,934	\$ 32,253
Intergovernmental	1,881,620	1,715,393	1,601,086	(114,307)
State	2,874,883	3,112,039	3,140,385	28,346
Federal	871,055	1,632,991	1,235,901	(397,090)
Other financing sources - operating transfers	513,777	548,507	548,507	-
Total revenues and other sources	<u>7,255,837</u>	<u>9,481,611</u>	<u>9,030,813</u>	<u>(450,798)</u>
Expenditures and other uses				
Instruction				
Basic programs - preschool	65,589	76,748	73,017	(3,731)
Supporting services				
Pupil	25,670	71,662	50,317	(21,345)
Instructional staff	2,344,501	3,123,443	2,893,019	(230,424)
General administration	668,057	707,691	652,814	(54,877)
Business	776,616	812,428	796,915	(15,513)
Operations and maintenance	692,424	753,295	729,724	(23,571)
Central staff	1,472,220	1,712,571	1,581,890	(130,681)
Transportation	22,100	102,768	106,501	3,733
Community services	14,225	16,770	8,848	(7,922)
Intergovernmental payments	709,305	1,444,279	1,129,645	(314,634)
Capital outlay	122,789	227,666	196,140	(31,526)
Other financing uses - operating transfers	583,259	2,093,577	2,041,050	(52,527)
Total expenditures and other uses	<u>7,496,755</u>	<u>11,142,898</u>	<u>10,259,880</u>	<u>(883,018)</u>
Net change in fund balance	(240,918)	(1,661,287)	(1,229,067)	432,220
Fund balance - beginning	<u>3,462,101</u>	<u>3,462,101</u>	<u>3,462,101</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,221,183</u>	<u>\$ 1,800,814</u>	<u>\$ 2,233,034</u>	<u>\$ 432,220</u>

Saginaw Intermediate School District
Required Supplemental Information
Budgetary Comparison Schedule - Special Education Fund
Year Ended June 30, 2007

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
Revenues				
Local	\$ 9,808,025	\$ 11,619,803	\$ 11,728,839	\$ 109,036
Intergovernmental	4,700,189	4,140,019	3,849,997	(290,022)
State	11,780,643	10,256,836	10,360,178	103,342
Federal	<u>8,943,952</u>	<u>8,877,455</u>	<u>8,642,855</u>	<u>(234,600)</u>
Total revenues and other sources	<u>35,232,809</u>	<u>34,894,113</u>	<u>34,581,869</u>	<u>(312,244)</u>
Expenditures and other uses				
Instruction				
Special education	6,530,393	6,276,536	5,920,047	(356,489)
Supporting services				
Pupil	6,796,202	6,739,980	6,605,427	(134,553)
Instructional staff	2,782,123	2,771,963	2,357,808	(414,155)
General administration	238,442	275,059	233,927	(41,132)
School administration	9,835	141,929	126,396	(15,533)
Business	137,832	167,582	138,100	(29,482)
Operations and maintenance	1,139,440	1,257,506	1,201,548	(55,958)
Transportation	5,007,599	4,367,756	4,191,529	(176,227)
Central staff	373,602	325,438	332,687	7,249
Community services	3,600	3,600	1,577	(2,023)
Capital outlay	609,623	456,142	431,137	(25,005)
Intergovernmental payments	11,261,727	11,802,098	11,553,842	(248,256)
Other financing uses - operating transfers	<u>697,329</u>	<u>733,679</u>	<u>680,105</u>	<u>(53,574)</u>
Total expenditures and other uses	<u>35,587,747</u>	<u>35,319,268</u>	<u>33,774,130</u>	<u>(1,545,138)</u>
Net change in fund balance	(354,938)	(425,155)	807,739	1,232,894
Fund balance - beginning	<u>3,444,916</u>	<u>3,444,916</u>	<u>3,444,916</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,089,978</u>	<u>\$ 3,019,761</u>	<u>\$ 4,252,655</u>	<u>\$ 1,232,894</u>

Saginaw Intermediate School District
Required Supplemental Information
Budgetary Comparison Schedule - Cooperative Education Fund
Year Ended June 30, 2007

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
Revenues				
Local	\$ -	\$ 38,159	\$ 33,570	\$ (4,589)
State	-	118,800	94,945	(23,855)
Federal	<u>6,509,564</u>	<u>7,534,052</u>	<u>6,997,503</u>	<u>(536,549)</u>
Total revenues and other sources	<u>6,509,564</u>	<u>7,691,011</u>	<u>7,126,018</u>	<u>(564,993)</u>
Expenditures and other uses				
Instruction				
Compensatory education	3,217,958	2,889,493	2,919,141	29,648
Supporting services				
Pupil	751,011	1,094,320	1,017,584	(76,736)
Instructional staff	653,453	1,062,813	871,131	(191,682)
General administration	11,000	38,384	24,443	(13,941)
School administration	107,307	74,524	72,290	(2,234)
Business	61,529	45,761	44,213	(1,548)
Operations and maintenance	500,244	596,277	551,581	(44,696)
Transportation	305,640	240,220	223,187	(17,033)
Central staff	236,493	169,203	138,099	(31,104)
Community services				
Community activities	83,959	28,720	36,278	7,558
Care of children	173,800	302,829	294,399	(8,430)
Other community services	20,500	18,695	14,377	(4,318)
Facilities Acquisition	-	68,749	102,740	33,991
Capital outlay	20,000	550,792	313,937	(236,855)
Other financing uses - operating transfers	<u>366,670</u>	<u>510,231</u>	<u>502,618</u>	<u>(7,613)</u>
Total expenditures and other uses	<u>6,509,564</u>	<u>7,691,011</u>	<u>7,126,018</u>	<u>(564,993)</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER SUPPLEMENTAL INFORMATION

Saginaw Intermediate School District
Other Supplemental Information
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Funds				Total
	Food Service	Saginet Debt Service Fund	Capital Projects Funds		
			Transitions Center	Saginet II	
Assets					
Cash and cash equivalents	\$ -	\$ 2,014	\$ -	\$ -	\$ 2,014
Due from other governmental units	53,263	-	-	-	53,263
Due from other funds	-	223,501	104,857	79,880	408,238
Prepaid expenditures	79,321	-	-	-	79,321
	<u>132,584</u>	<u>225,515</u>	<u>104,857</u>	<u>79,880</u>	<u>542,836</u>
Total assets	<u>\$ 132,584</u>	<u>\$ 225,515</u>	<u>\$ 104,857</u>	<u>\$ 79,880</u>	<u>\$ 542,836</u>
Liabilities and Fund Balance					
Liabilities					
Due to other funds	\$ 130,527	\$ -	\$ -	\$ -	\$ 130,527
Accrued expenditures	2,057	-	-	-	2,057
	<u>132,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,584</u>
Total liabilities	<u>132,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,584</u>
Fund Balance					
Reserved					
Reserved for debt service	-	225,515	-	-	225,515
Unreserved					
Designated for capital projects	-	-	104,857	79,880	184,737
	<u>-</u>	<u>225,515</u>	<u>104,857</u>	<u>79,880</u>	<u>410,252</u>
Total fund balance	<u>-</u>	<u>225,515</u>	<u>104,857</u>	<u>79,880</u>	<u>410,252</u>
Total liabilities and fund balance	<u>\$ 132,584</u>	<u>\$ 225,515</u>	<u>\$ 104,857</u>	<u>\$ 79,880</u>	<u>\$ 542,836</u>

Saginaw Intermediate School District
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Nonmajor Governmental Funds
Year Ended June 30, 2007

	Nonmajor Funds						Total
	Food Service	Debt Service Funds			Capital Projects Funds		
		Transition Center	Saginet	Bus Purchases	Transition Center	Saginet II	
Revenues and other sources							
Local	\$ 43,252	\$ 6,528	\$ 260,199	\$ -	\$ -	\$ -	\$ 309,979
State	18,042	-	-	-	-	-	18,042
Federal	474,838	-	-	-	-	-	474,838
Other financing sources - operating transfers	322,371	362,007	3,282	302,373	1,685,233	-	2,675,266
Other financing sources - long-term debt issued	-	-	-	-	-	701,674	701,674
Total revenues and other sources	<u>858,503</u>	<u>368,535</u>	<u>263,481</u>	<u>302,373</u>	<u>1,685,233</u>	<u>701,674</u>	<u>4,179,799</u>
Expenditures and other uses							
Food service	858,503	-	-	-	-	-	858,503
Debt service	-	368,535	262,936	302,373	-	-	933,844
Capital projects	-	-	-	-	1,603,776	779,103	2,382,879
Total expenditures	<u>858,503</u>	<u>368,535</u>	<u>262,936</u>	<u>302,373</u>	<u>1,603,776</u>	<u>779,103</u>	<u>4,175,226</u>
Net change in fund balance	-	-	545	-	81,457	(77,429)	4,573
Fund balance - beginning	-	-	224,970	-	23,400	157,309	405,679
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,515</u>	<u>\$ -</u>	<u>\$ 104,857</u>	<u>\$ 79,880</u>	<u>\$ 410,252</u>

This page intentionally left blank

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. Included are all transactions related to the approved current operating budget.

**Saginaw Intermediate School District
Other Supplemental Information
General Fund
Comparative Balance Sheet**

	June 30,	
	2007	2006
Assets		
Cash and cash equivalents	\$ 2,466,693	\$ 3,291,204
Accounts receivable	12,406	15,280
Taxes receivable	3,963	2,241
Due from other governmental units	980,312	945,162
Due from other funds	-	295,299
Inventory	-	2,646
Prepaid expenditures	228,017	332,413
Total assets	<u>\$ 3,691,391</u>	<u>\$ 4,884,245</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 328,365	\$ 502,348
Due to other governmental units	135,881	-
Due to other funds	320,631	-
Accrued expenditures	154,342	108,705
Deferred revenue	519,138	811,091
Total liabilities	<u>1,458,357</u>	<u>1,422,144</u>
Fund Balance		
Reserved		
Reserved for prepaid expenditures	228,017	332,413
Reserved for inventory	-	2,646
Reserved for incurred but not reported insurance benefits	210,900	191,300
Unreserved		
Designated for Transitions Center expansion	-	1,454,575
Undesignated	1,794,117	1,481,167
Total fund balance	<u>2,233,034</u>	<u>3,462,101</u>
Total liabilities and fund balance	<u>\$ 3,691,391</u>	<u>\$ 4,884,245</u>

Saginaw Intermediate School District
Other Supplemental Information
General Fund
Statement of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Revenue from local sources			
Property tax levy	\$ 705,000	\$ 722,168	\$ 17,168
Interest on investments	96,000	102,473	6,473
Birth-5 contributions	373,361	318,937	(54,424)
Hartley camp rental	341,560	301,247	(40,313)
Hartley fundraising	170,522	176,477	5,955
Print shop revenues	190,000	244,697	54,697
Fingerprinting charges	125,000	145,204	20,204
ECIC - Great Start	117,053	85,022	(32,031)
Professional development center revenue	69,500	84,997	15,497
Beverage consortium	73,178	73,175	(3)
Other local revenues	211,507	250,537	39,030
Total revenue from local sources	<u>2,472,681</u>	<u>2,504,934</u>	<u>32,253</u>
Revenue from intergovernmental sources	<u>1,715,393</u>	<u>1,601,086</u>	<u>(114,307)</u>
Revenue from state sources			
State aid	2,861,173	2,908,710	47,537
Health grant	59,811	59,658	(153)
Great Parents, Great Start	127,311	100,859	(26,452)
ASAP pie	50,633	58,048	7,415
Other grants	13,111	13,110	(1)
Total revenue from state sources	<u>3,112,039</u>	<u>3,140,385</u>	<u>28,346</u>
Revenue from federal sources			
Drug Free	159,085	131,250	(27,835)
Title I	61,039	75,250	14,211
Title I - High Priority Schools	144,444	19,477	(124,967)
Reading First	270,866	262,896	(7,970)
Even Start	182,787	158,076	(24,711)
Partnership in Character Education Grant	298,610	253,180	(45,430)
Workforce Investment Act Grant	384,408	206,648	(177,760)
Michigan Nutrition Network Grant	108,952	108,952	-
Other grants	22,800	20,172	(2,628)
Total revenue from federal sources	<u>1,632,991</u>	<u>1,235,901</u>	<u>(397,090)</u>
Other financing sources - operating transfers in	<u>548,507</u>	<u>548,507</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 9,481,611</u>	<u>\$ 9,030,813</u>	<u>\$ (450,798)</u>

Saginaw Intermediate School District
Other Supplemental Information
General Fund

Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Instructional services			
Basic programs - preschool			
Salaries	\$ 28,229	\$ 28,229	\$ -
Employee benefits	15,634	15,634	-
Purchased services	23,780	20,267	(3,513)
Supplies and materials	9,105	8,887	(218)
Total Instructional services	<u>76,748</u>	<u>73,017</u>	<u>(3,731)</u>
Supporting services			
Pupil services			
Salaries	34,370	30,700	(3,670)
Employee benefits	14,792	15,929	1,137
Purchased services	3,500	1,073	(2,427)
Supplies and materials	19,000	2,615	(16,385)
	<u>71,662</u>	<u>50,317</u>	<u>(21,345)</u>
Instructional staff			
Salaries	1,142,631	1,169,028	26,397
Employee benefits	487,158	479,285	(7,873)
Purchased services	1,123,392	942,688	(180,704)
Supplies and materials	347,677	287,689	(59,988)
Other	22,585	14,329	(8,256)
	<u>3,123,443</u>	<u>2,893,019</u>	<u>(230,424)</u>
General administration			
Salaries	327,341	326,013	(1,328)
Employee benefits	106,525	97,363	(9,162)
Purchased services	231,525	195,740	(35,785)
Supplies and materials	21,800	19,455	(2,345)
Other	20,500	14,243	(6,257)
	<u>707,691</u>	<u>652,814</u>	<u>(54,877)</u>

Saginaw Intermediate School District
Other Supplemental Information
General Fund
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
Business services			
Salaries	\$ 467,084	\$ 472,110	\$ 5,026
Employee benefits	207,996	207,202	(794)
Purchased services	53,248	46,973	(6,275)
Supplies and materials	64,100	60,721	(3,379)
Other	20,000	9,909	(10,091)
	<u>812,428</u>	<u>796,915</u>	<u>(15,513)</u>
Operation and maintenance			
Salaries	141,932	139,953	(1,979)
Employee benefits	60,911	57,392	(3,519)
Purchased services	396,452	378,837	(17,615)
Supplies and materials	154,000	153,542	(458)
	<u>753,295</u>	<u>729,724</u>	<u>(23,571)</u>
Central staff			
Salaries	699,634	681,411	(18,223)
Employee benefits	313,475	299,124	(14,351)
Purchased services	649,999	567,697	(82,302)
Supplies and materials	33,711	25,211	(8,500)
Other	15,752	8,447	(7,305)
	<u>1,712,571</u>	<u>1,581,890</u>	<u>(130,681)</u>
Transportation			
Purchased services	101,668	105,689	4,021
Supplies and materials	1,100	812	(288)
	<u>102,768</u>	<u>106,501</u>	<u>3,733</u>
Total supporting services	<u>7,283,858</u>	<u>6,811,180</u>	<u>(472,678)</u>

Saginaw Intermediate School District
Other Supplemental Information
General Fund
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
Community services			
Purchased services	\$ 400	\$ -	\$ (400)
Supplies and materials	16,370	8,848	(7,522)
Total community services	<u>16,770</u>	<u>8,848</u>	<u>(7,922)</u>
Intergovernmental	<u>1,444,279</u>	<u>1,129,645</u>	<u>(314,634)</u>
Capital outlay			
Instructional services			
Basic programs	-	2,351	2,351
Supporting services			
Instructional staff	67,318	55,571	(11,747)
General administration	12,000	8,801	(3,199)
Business services	67,348	66,217	(1,131)
Operation and maintenance	1,000	873	(127)
Central Staff	78,500	62,327	(16,173)
Building Improvements	1,500	-	(1,500)
	<u>227,666</u>	<u>196,140</u>	<u>(31,526)</u>
Other financing uses			
Operating transfers out	<u>2,093,577</u>	<u>2,041,050</u>	<u>(52,527)</u>
Total expenditures and other financing uses	<u>\$ 11,142,898</u>	<u>\$ 10,259,880</u>	<u>\$ (883,018)</u>

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. The School District presently maintains a Special Education Fund, Cooperative Education Fund and Food Service Fund.

The Food Service Fund consists of those activities concerned with providing food to pupils and staff in a school or school system.

The Special Education Fund consists of those activities involved in operating the programs necessary to provide for the education of students identified as needing special education services.

The Cooperative Education Fund consists of the Head Start, Saginaw Valley Regional 4C and Michigan School Readiness Programs. Those activities are involved in operating a comprehensive child development program which serves children from age 3 to age 5 and their families, with the overall goal of increasing the school readiness of young children in low-income families and fostering their healthy development. As a Head Start grantee, Saginaw ISD provides a range of individualized service in the areas of education and early childhood development; medical, dental, and mental health; nutrition; and parent involvement. The Saginaw Valley Regional 4C program promotes high quality child care programs through education and referrals and coordinates community resources that meet the needs of the child care consumers in mid-Michigan.

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Food Service
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenues			
Local sources	\$ 37,800	\$ 43,252	\$ 5,452
State sources	16,000	18,042	2,042
Federal sources	404,948	474,838	69,890
Total revenues	<u>458,748</u>	<u>536,132</u>	<u>77,384</u>
Expenditures			
Food services			
Salaries	115,487	95,671	(19,816)
Employee benefits	51,360	49,879	(1,481)
Purchased services	599,970	659,516	59,546
Supplies and materials	57,500	53,092	(4,408)
Capital outlay	300	345	45
Total expenditures	<u>824,617</u>	<u>858,503</u>	<u>33,886</u>
Excess (deficiency) of revenues over expenditures	(365,869)	(322,371)	43,498
Other financing sources (uses)			
Operating transfers in	<u>365,869</u>	<u>322,371</u>	<u>(43,498)</u>
Excess of revenues and other financing sources over expenditures	-	-	-
Fund balance - July 1	-	-	-
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Special Education
Statement of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Revenue from local sources			
Property tax levy	\$ 9,562,634	\$ 9,637,327	\$ 74,693
Interest on investments	126,000	127,946	1,946
Medicaid reimbursement	1,765,000	1,834,608	69,608
Miscellaneous	166,169	128,958	(37,211)
Total revenue from local sources	<u>11,619,803</u>	<u>11,728,839</u>	<u>109,036</u>
Revenue from intergovernmental sources	<u>4,140,019</u>	<u>3,849,997</u>	<u>(290,022)</u>
Revenue from state sources			
Membership state aid	3,777,783	3,777,783	-
Categorical state aid	5,181,665	5,287,752	106,087
Millage equalization	1,164,297	1,161,110	(3,187)
FICA reimbursement	133,091	133,533	442
Total revenue from state sources	<u>10,256,836</u>	<u>10,360,178</u>	<u>103,342</u>
Revenue from federal sources			
IDEA Flowthrough	7,820,448	7,703,727	(116,721)
IDEA Preschool Incentive	292,980	291,147	(1,833)
Medicaid reimbursement	349,000	247,826	(101,174)
State Initiated grants	165,000	167,012	2,012
Infant/Toddler Formula	240,879	230,525	(10,354)
Other federal grants	9,148	2,618	(6,530)
Total revenue from federal sources	<u>8,877,455</u>	<u>8,642,855</u>	<u>(234,600)</u>
Total revenues	<u>\$ 34,894,113</u>	<u>\$ 34,581,869</u>	<u>\$ (312,244)</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Special Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Instruction			
Special education			
Salaries	\$ 3,736,319	\$ 3,528,944	\$ (207,375)
Employee benefits	1,964,617	1,733,126	(231,491)
Purchased services	539,220	533,776	(5,444)
Supplies and materials	36,380	25,846	(10,534)
Other	-	98,355	98,355
	<u>6,276,536</u>	<u>5,920,047</u>	<u>(356,489)</u>
Total instruction			
Supporting services			
Pupil services			
Salaries	4,119,403	4,109,205	(10,198)
Employee benefits	1,778,117	1,751,299	(26,818)
Purchased services	734,002	651,439	(82,563)
Supplies and materials	107,758	93,344	(14,414)
Other	700	140	(560)
	<u>6,739,980</u>	<u>6,605,427</u>	<u>(134,553)</u>
Instructional staff			
Salaries	1,316,264	1,281,667	(34,597)
Employee benefits	560,712	539,345	(21,367)
Purchased services	837,931	488,932	(348,999)
Supplies and materials	50,906	45,228	(5,678)
Other	6,150	2,636	(3,514)
	<u>2,771,963</u>	<u>2,357,808</u>	<u>(414,155)</u>
General administration			
Salaries	24,713	22,953	(1,760)
Employee benefits	6,846	5,574	(1,272)
Purchased services	243,500	205,400	(38,100)
	<u>275,059</u>	<u>233,927</u>	<u>(41,132)</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Special Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
School administration			
Salaries	\$ 80,462	\$ 79,081	\$ (1,381)
Employee benefits	35,632	34,745	(887)
Purchased services	18,500	7,106	(11,394)
Supplies and materials	6,960	5,309	(1,651)
Other	375	155	(220)
	<u>141,929</u>	<u>126,396</u>	<u>(15,533)</u>
Business services			
Salaries	31,937	31,937	-
Employee benefits	12,468	12,863	395
Purchased services	72,177	65,020	(7,157)
Other	51,000	28,280	(22,720)
	<u>167,582</u>	<u>138,100</u>	<u>(29,482)</u>
Operation and maintenance			
Salaries	267,943	236,366	(31,577)
Employee benefits	135,381	125,570	(9,811)
Purchased services	403,932	375,190	(28,742)
Supplies	449,750	464,188	14,438
Other	500	234	(266)
	<u>1,257,506</u>	<u>1,201,548</u>	<u>(55,958)</u>
Transportation			
Salaries	2,193,175	2,054,001	(139,174)
Employee benefits	1,244,881	1,155,817	(89,064)
Purchased services	343,500	411,785	68,285
Supplies	586,200	569,926	(16,274)
	<u>4,367,756</u>	<u>4,191,529</u>	<u>(176,227)</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Special Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
Central staff			
Salaries	\$ 223,546	\$ 227,571	\$ 4,025
Employee benefits	90,092	90,077	(15)
Purchased services	10,800	14,257	3,457
Supplies	500	455	(45)
Other	500	327	(173)
	<u>325,438</u>	<u>332,687</u>	<u>7,249</u>
Total supporting services	<u>16,047,213</u>	<u>15,187,422</u>	<u>(859,791)</u>
Community services			
Purchased services	1,800	1,577	(223)
Supplies and materials	1,800	-	(1,800)
Total community services	<u>3,600</u>	<u>1,577</u>	<u>(2,023)</u>
Intergovernmental	<u>11,802,098</u>	<u>11,553,842</u>	<u>(248,256)</u>
Capital outlay			
Instruction			
Special Education	13,550	13,771	221
Supporting services			
Pupil services	12,000	8,730	(3,270)
Instructional staff	63,730	59,145	(4,585)
Operation and maintenance	7,092	5,509	(1,583)
Transportation	359,770	343,982	(15,788)
Total capital outlay	<u>456,142</u>	<u>431,137</u>	<u>(25,005)</u>
Other financing uses - Operating transfers out	<u>733,679</u>	<u>680,105</u>	<u>(53,574)</u>
Total expenditures and other financing uses	<u>\$ 35,319,268</u>	<u>\$ 33,774,130</u>	<u>\$ (1,545,138)</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Cooperative Education
Statement of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Revenue from local sources			
Sale of vehicles	\$ 10,810	\$ 10,522	\$ (288)
United Way	26,174	16,296	(9,878)
Other local revenues	1,175	6,752	5,577
Total revenue from local sources	38,159	33,570	(4,589)
Revenue from state sources			
MSRP grant	118,800	94,945	(23,855)
Revenue from federal sources			
Head Start Operating grant	6,676,260	6,327,171	(349,089)
Head Start Start-up grant	414,395	311,022	(103,373)
Head Start Training & Technical Assistance grant	75,059	73,059	(2,000)
Infant/Toddler Formula	62,562	54,048	(8,514)
Work First	14,709	18,556	3,847
Child Care and Development Block Grant	265,585	188,106	(77,479)
Training Contracts	25,482	25,541	59
Total revenue from federal sources	7,534,052	6,997,503	(536,549)
Total revenues and other financing sources	\$ 7,691,011	\$ 7,126,018	\$ (564,993)

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Cooperative Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Instruction			
Compensatory education			
Salaries	\$ 1,926,965	\$ 1,927,607	\$ 642
Employee benefits	866,175	819,014	(47,161)
Purchased services	26,330	21,971	(4,359)
Supplies and materials	66,613	148,835	82,222
Other	3,410	1,714	(1,696)
Total instruction	<u>2,889,493</u>	<u>2,919,141</u>	<u>29,648</u>
Supporting services			
Pupil services			
Salaries	699,674	689,790	(9,884)
Employee benefits	277,807	248,545	(29,262)
Purchased services	100,040	64,576	(35,464)
Supplies and materials	16,399	14,373	(2,026)
Other	400	300	(100)
	<u>1,094,320</u>	<u>1,017,584</u>	<u>(76,736)</u>
Instructional staff			
Salaries	365,424	362,912	(2,512)
Employee benefits	132,612	145,175	12,563
Purchased services	483,647	275,145	(208,502)
Supplies and materials	78,430	86,060	7,630
Other	2,700	1,839	(861)
	<u>1,062,813</u>	<u>871,131</u>	<u>(191,682)</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Cooperative Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
General administration			
Purchased services	\$ 38,384	\$ 24,443	\$ (13,941)
School administration			
Salaries	46,102	46,811	709
Employee benefits	20,072	18,539	(1,533)
Purchased services	7,600	6,279	(1,321)
Other	-	-	-
	<u>74,524</u>	<u>72,290</u>	<u>(2,234)</u>
Business services			
Salaries	29,494	29,408	(86)
Employee benefits	13,767	13,061	(706)
Purchased services	500	186	(314)
Supplies and materials	2,000	1,558	(442)
	<u>45,761</u>	<u>44,213</u>	<u>(1,548)</u>
Operation and maintenance			
Salaries	116,562	115,402	(1,160)
Employee benefits	44,872	41,366	(3,506)
Purchased services	200,078	183,064	(17,014)
Supplies	107,932	100,226	(7,706)
Other	126,833	111,523	(15,310)
	<u>596,277</u>	<u>551,581</u>	<u>(44,696)</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Cooperative Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
Transportation			
Salaries	\$ 112,325	\$ 111,500	\$ (825)
Employee benefits	44,845	45,437	592
Purchased services	60,200	52,580	(7,620)
Supplies	22,600	13,446	(9,154)
Other	250	224	(26)
	<u>240,220</u>	<u>223,187</u>	<u>(17,033)</u>
Central staff			
Salaries	61,818	62,572	754
Employee benefits	22,685	22,829	144
Purchased services	77,700	46,451	(31,249)
Supplies	7,000	6,247	(753)
	<u>169,203</u>	<u>138,099</u>	<u>(31,104)</u>
Total supporting services	<u>3,321,502</u>	<u>2,942,528</u>	<u>(378,974)</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Cooperative Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
Community services			
Community activities			
Purchased services	15,065	23,450	8,385
Supplies and materials	500	-	(500)
Other	13,155	12,828	(327)
	<u>28,720</u>	<u>36,278</u>	<u>7,558</u>
Care of Children			
Purchased services	295,729	287,843	(7,886)
Supplies and materials	5,450	4,923	(527)
Other	1,650	1,633	(17)
	<u>302,829</u>	<u>294,399</u>	<u>(8,430)</u>
Other Community services			
Purchased services	9,465	9,960	495
Supplies and materials	9,230	4,417	(4,813)
	<u>18,695</u>	<u>14,377</u>	<u>(4,318)</u>
Total community services	<u>350,244</u>	<u>345,054</u>	<u>(5,190)</u>
Facilities Acquisition			
Purchased services	<u>68,749</u>	<u>102,740</u>	<u>33,991</u>

Saginaw Intermediate School District
Other Supplemental Information
Special Revenue Fund - Cooperative Education
Statement of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2007
(Continued)

	Final Budget	Actual	Over (Under) Final Budget
Capital outlay			
Instruction			
Basic Programs	1,847	1,441	(406)
Added Needs	20,000	3,736	(16,264)
Supporting services			
Instructional staff	35,810	38,679	2,869
Pupil Transportation	100,000	80,680	(19,320)
Central Staff	119,000	52,742	(66,258)
Building Improvements	274,135	136,659	(137,476)
Total capital outlay	<u>550,792</u>	<u>313,937</u>	<u>(236,855)</u>
Other financing uses - Operating transfers out	<u>510,231</u>	<u>502,618</u>	<u>(7,613)</u>
Total expenditures and other financing uses	<u>\$ 7,691,011</u>	<u>\$ 7,126,018</u>	<u>\$ (564,993)</u>

DEBT SERVICE FUNDS

Debt Service Funds are used to record tax and interest revenue and account for the payment of general long-term debt principal, interest and related costs for bonds and notes payable.

The Transitions Center Bond fund accounts for the funds used to pay the three outstanding bond issues related to the Transitions Center. These bonds were issued in order to finance the building, furnishing and equipping of the Transitions Center, including the technology needs of the center.

The Saginet Installment Purchase Agreements fund accounts for the payment of four outstanding installment purchase agreements that were issued for the purchase of various data electronic and video equipment to be used for the Saginet distance learning program.

The Bus Purchase Installment Purchase Agreements fund accounts for the payment of two outstanding installment purchase agreements that were issued for the purchase of twenty-one school buses.

Saginaw Intermediate School District
Other Supplemental Information
Debt Service Fund - Transition Center Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Local sources	\$ -	\$ 6,528	\$ 6,528
Total revenues	-	6,528	6,528
Expenditures			
Principal	205,000	205,000	-
Interest	162,736	163,135	(399)
Debt fees	802	400	402
Total expenditures	368,538	368,535	3
Excess (deficiency) of revenues over expenditures	(368,538)	(362,007)	6,531
Other financing sources (uses)			
Transfer from other funds	368,538	362,007	(6,531)
Excess of revenues and other financing sources over expenditures	-	-	-
Fund balance - beginning of year	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Saginaw Intermediate School District
Other Supplemental Information
Debt Service Fund - Saginet Installment Purchase Agreements
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Revenues			
Local sources	\$ 266,629	\$ 260,199	\$ (6,430)
Total revenues	<u>266,629</u>	<u>260,199</u>	<u>(6,430)</u>
Expenditures			
Principal	244,413	244,161	(252)
Interest	18,527	18,775	248
Debt fees	-	-	-
Total expenditures	<u>262,940</u>	<u>262,936</u>	<u>(4)</u>
Excess (deficiency) of revenues over expenditures	3,689	(2,737)	(6,434)
Other financing sources			
Transfer from other funds	<u>3,432</u>	<u>3,282</u>	<u>(150)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	7,121	545	(6,584)
Fund balance - beginning of year	<u>224,970</u>	<u>224,970</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 232,091</u></u>	<u><u>\$ 225,515</u></u>	<u><u>\$ (6,584)</u></u>

Saginaw Intermediate School District
Other Supplemental Information
Debt Service Fund - Bus Installment Purchase Agreements
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2007

	Final Budget	Actual	Over (Under) Final Budget
Revenues			
Local sources	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures			
Principal	280,000	280,000	-
Interest	22,380	22,373	(7)
Debt fees	-	-	-
Total expenditures	302,380	302,373	(7)
Excess (deficiency) of revenues over expenditures	(302,380)	(302,373)	7
Other financing sources			
Transfer from other funds	302,380	302,373	(7)
Excess of revenues and other financing sources over expenditures	-	-	-
Fund balance - beginning of year	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the School District in a trustee or agent capacity. The School District presently maintains the following Fiduciary Funds.

PRIVATE PURPOSE TRUST FUNDS – Private Purpose Trust Funds are used to account for funds entrusted to the School District and the principal, or corpus, of the trust and the income produced are expendable.

Society for Crippled Children – To record donations from the Society for Crippled Children to be used solely for the development and training of students into the community.

Memorial Escrow – To record bequests received in honor of students or student's relatives to enhance the building atmosphere.

Independence Park – To record donations received from various projects adopted by the students to develop a playground for the students.

Feige Trust – The School District received contributions from the Feige Estate for the purpose of the betterment of the M.G. Millet Center.

AGENCY FUNDS – Agency Funds are used to account for assets held by the School District as an agent, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Activity Fund – The School District presently maintains an Activity Fund to record the transactions of student clubs and organizations, and other groups.

Saginaw Intermediate School District
Other Supplemental Information
Fiduciary Funds
Combining Balance Sheet
June 30, 2007

	Private Purpose Trust Funds						Total
	Feige Trust	Independence Park	Memorial Escrow	Society for Crippled Children	Total Private Purpose Trust Funds	Activity Funds	
Assets							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,378	\$ 8,378
Investments	13,553	6,472	6,176	1,935	28,136	37,400	65,536
Assets held by others	322,720	-	-	-	322,720	-	322,720
Due from other funds	-	-	-	-	-	1,056	1,056
Total assets	<u>\$ 336,273</u>	<u>\$ 6,472</u>	<u>\$ 6,176</u>	<u>\$ 1,935</u>	<u>\$ 350,856</u>	<u>\$ 46,834</u>	<u>\$ 397,690</u>
Liabilities and Fund Balance							
Liabilities							
Due to student groups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,834	\$ 46,834
Net assets							
Reserved for endowments	336,273	6,472	6,176	1,935	350,856	-	350,856
Total liabilities and fund balance	<u>\$ 336,273</u>	<u>\$ 6,472</u>	<u>\$ 6,176</u>	<u>\$ 1,935</u>	<u>\$ 350,856</u>	<u>\$ 46,834</u>	<u>\$ 397,690</u>

Saginaw Intermediate School District
Other Supplemental Information
Private Purpose Trust Funds
Detailed Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2007

	<u>Feige Trust</u>	<u>Independence Park</u>	<u>Memorial Escrow</u>	<u>Society for Crippled Children</u>	<u>Total</u>
Revenues					
Local	<u>\$ 57,543</u>	<u>\$ 88,049</u>	<u>\$ 444</u>	<u>\$ 101</u>	<u>\$ 146,137</u>
Expenditures					
Awards and grants	<u>12,807</u>	<u>129,176</u>	<u>-</u>	<u>-</u>	<u>141,983</u>
Excess (deficiency) of revenues over expenditures	44,736	(41,127)	444	101	4,154
Fund balance - July 1	<u>291,537</u>	<u>47,599</u>	<u>5,732</u>	<u>1,834</u>	<u>346,702</u>
Fund balance - June 30	<u><u>\$ 336,273</u></u>	<u><u>\$ 6,472</u></u>	<u><u>\$ 6,176</u></u>	<u><u>\$ 1,935</u></u>	<u><u>\$ 350,856</u></u>

Saginaw Intermediate School District
Other Supplemental Information
Agency Funds
Activity Funds
Statement of Changes in Amounts Due to Student Groups
Year Ended June 30, 2007

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2007</u>
Student activities				
Millet Center	\$ 12,745	\$ 4,394	\$ 2,314	\$ 14,825
STEP	6,588	3,301	3,193	6,696
Hartley Education Center Bookstore	9,564	27,026	28,654	7,936
RESC	13,764	9,907	7,294	16,377
Head Start	-	1,000	-	1,000
	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total due to student groups	<u>\$ 42,661</u>	<u>\$ 45,628</u>	<u>\$ 41,455</u>	<u>\$ 46,834</u>

GENERAL LONG TERM DEBT

These following schedules recap the outstanding bonded debt and long-term notes payable of the School District.

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2007

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Annual Maturity May 15th</u>	<u>Interest Payment May 15th</u>	<u>Total Annual Requirements</u>
Date of issue - May 15, 1998	4.761353%	2007-08	\$ -	\$ -	\$ -
		2008-09	104,410	27,338	131,748
Original amount of issue - \$ 1,876,089		2009-10	109,377	22,366	131,743
		2010-11	648,189	236,987	885,176
Purpose of issue - To purchase		2011-12	120,035	11,703	131,738
technology, buses, moveable		2012-13	125,749	5,987	131,736
equipment, technology infrastructure			<u>\$ 1,107,760</u>	<u>\$ 304,381</u>	<u>\$ 1,412,141</u>
and remodeling of school facilities.					

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2007

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Annual Maturity May 1st</u>	<u>Semi-Annual Interest Payments</u>		<u>Total Annual Requirements</u>
				<u>November 1st</u>	<u>May 1st</u>	
Date of issue - April 1, 2000	5.25 %	2007-08	\$ 135,000	\$ 7,350	\$ 7,350	\$ 149,700
Original amount of issue - \$ 3,365,000	5.25	2008-09	<u>145,000</u>	<u>3,806</u>	<u>3,806</u>	<u>152,612</u>
			<u>\$ 280,000</u>	<u>\$ 11,156</u>	<u>\$ 11,156</u>	<u>\$ 302,312</u>

Purpose of issue - Building, furnishing and equipping an education center; acquiring, installing and equipping technology for the center; and acquiring, developing and improving the site.

Advance refunding - \$2,330,000 of this original issue was advance refunded by bonds issued May 19, 2005. The refunding consisted of those term bonds maturing on May 1, 2010 through May 1, 2020.

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2007

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Annual Maturity May 1st</u>	<u>Semi-Annual Interest Payments</u>		<u>Total Annual Requirements</u>
				<u>November 1st</u>	<u>May 1st</u>	
Date of issue - July 1, 2001	4.20 %	2007-08	\$ 55,000	\$ 20,574	\$ 20,574	\$ 96,148
	4.20	2008-09	55,000	19,419	19,419	93,838
Original amount of issue - \$ 1,100,000	4.40	2009-10	55,000	18,264	18,264	91,528
	4.40	2010-11	60,000	17,054	17,054	94,108
Purpose of issue - Building, furnishing and equipping an education center; acquiring, installing and equipping technology for the center; and acquiring, developing and improving the site.	4.50	2011-12	60,000	15,734	15,734	91,468
	4.60	2012-13	65,000	14,384	14,384	93,768
	4.70	2013-14	70,000	12,889	12,889	95,778
	4.80	2014-15	75,000	11,244	11,244	97,488
	4.90	2015-16	75,000	9,444	9,444	93,888
	4.95	2016-17	75,000	7,606	7,606	90,212
	5.00	2017-18	75,000	5,750	5,750	86,500
	5.00	2018-19	75,000	3,875	3,875	82,750
	5.00	2019-20	80,000	2,000	2,000	84,000
			<u>\$ 875,000</u>	<u>\$ 158,237</u>	<u>\$ 158,237</u>	<u>\$ 1,191,474</u>

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2007

	Interest Rate	Fiscal Year	Annual Maturity May 1st	Semi-Annual Interest Payments		Total Annual Requirements
				November 1st	May 1st	
Date of issue - May 19, 2005	3.25 %	2007-08	\$ 25,000	\$ 48,656	\$ 48,656	\$ 122,312
	3.50	2008-09	25,000	48,250	48,250	121,500
Original amount of issue - \$ 2,535,000	3.50	2009-10	180,000	47,813	47,813	275,626
	3.50	2010-11	185,000	44,663	44,663	274,326
Purpose of issue - To advance refund	3.75	2011-12	195,000	41,425	41,425	277,850
the callable portion of the 2000 School	4.00	2012-13	200,000	37,769	37,769	275,538
Building and Site issue. This issue was	4.00	2013-14	205,000	33,769	33,769	272,538
for building, furnishing and equipping an	4.25	2014-15	215,000	29,669	29,669	274,338
education center; acquiring, installing and	4.00	2015-16	225,000	25,100	25,100	275,200
equipping technology for the center; and	4.00	2016-17	240,000	20,600	20,600	281,200
acquiring, developing and improving the site.	4.00	2017-18	250,000	15,800	15,800	281,600
	4.00	2018-19	265,000	10,800	10,800	286,600
	4.00	2019-20	275,000	5,500	5,500	286,000
			<u>\$ 2,485,000</u>	<u>\$ 409,814</u>	<u>\$ 409,814</u>	<u>\$ 3,304,628</u>

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Outstanding Installment Note Indebtedness
June 30, 2007

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Requirements</u>
Date of issuance - August 9, 2000 Original amount of issue - \$ 474,000	5.36%	2007-08	<u>\$ 21,930</u>	<u>\$ 300</u>	<u>\$ 22,230</u>
Date of issuance - June 28, 2001 Original amount of issue - \$ 351,751	4.91%	2007-08	<u>71,138</u>	<u>2,182</u>	<u>73,320</u>
Date of issuance - June 28, 2001 Original amount of issue - \$ 436,716	4.91%	2007-08	<u>57,294</u>	<u>1,757</u>	<u>59,051</u>
Date of issuance - December 19, 2001 Original amount of issue - \$ 280,385	4.86%	2007-08 2008-09	44,962 <u>23,880</u> <u>68,842</u>	2,535 <u>446</u> <u>2,981</u>	47,497 <u>24,326</u> <u>71,823</u>
Total Installment Note Indebtedness - SAGINET project			<u><u>\$ 219,204</u></u>	<u><u>\$ 7,220</u></u>	<u><u>\$ 226,424</u></u>

Purpose of notes - Purchase of data electronic and video equipment for the SAGINET project
Principal and interest payments on all the above notes are due quarterly.

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Outstanding Installment Note Indebtedness
June 30, 2007

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Requirements</u>
Date of issuance - August 29, 2003	2.25%	2007-08	\$ 120,000	\$ 5,400	\$ 125,400
Original amount of issue - \$ 608,701		2008-09	<u>120,000</u>	<u>2,700</u>	<u>122,700</u>
Purpose of note - Purchase of nine school buses			<u>240,000</u>	<u>8,100</u>	<u>248,100</u>
Principal and interest payments are due annually on July 15.					
Date of issuance - January 15, 2004	2.975%	2007-08	160,000	9,520	169,520
Original amount of issue - \$ 807,404		2008-09	<u>160,000</u>	<u>4,760</u>	<u>164,760</u>
Purpose of note - Purchase of twelve school buses			<u>320,000</u>	<u>14,280</u>	<u>334,280</u>
Principal and interest payments are due annually on January 15.					
Total Installment Note Indebtedness - Bus Purchases			<u>\$ 560,000</u>	<u>\$ 22,380</u>	<u>\$ 582,380</u>

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Outstanding Installment Note Indebtedness
June 30, 2007

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Requirements</u>
Date of issuance - August 17, 2006	4.19%	2007-08	\$ 140,000	\$ 32,014	\$ 172,014
Original amount of issue - \$ 701,674		2008-09	140,000	23,534	163,534
Purpose of note - Data electronic equipment for SAGINET II project.		2009-10	140,000	17,668	157,668
Principal and interest payments are due annually on September 20.		2010-11	140,000	11,802	151,802
		2011-12	<u>141,674</u>	<u>5,936</u>	<u>147,610</u>
Total Installment Note Indebtedness - SAGINET II project			<u>\$ 701,674</u>	<u>\$ 90,954</u>	<u>\$ 792,628</u>

SCHEDULES OF INTERGOVERNMENTAL EXPENDITURES

These schedules recap the intergovernmental expenditures made by the School District.

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Intergovernmental Expenditures - General Fund
Year Ended June 30, 2007

	Drug Free Grants	Beverage Consortium	ASAP Pie Grant	Reading First	WIA Grant	Great Start Grant	Other	Total
Payments to other entities								
Birch Run	\$ 2,480	\$ 4,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,593
Bridgeport-Spaulding	6,122	4,706	-	-	-	-	-	10,828
Buena Vista	6,197	2,445	-	-	-	-	-	8,642
Carrollton	1,643	3,518	-	-	-	-	-	5,161
Chesaning	3,314	4,283	-	-	-	-	-	7,597
Frankenmuth	1,404	2,785	-	-	-	-	-	4,189
Freeland	1,741	3,889	-	-	-	-	-	5,630
Hemlock	1,834	3,252	-	-	-	-	-	5,086
Merrill	900	1,790	-	-	-	-	-	2,690
Saginaw City Schools	-	24,180	-	-	-	66,000	107,703	197,883
Saginaw Township	6,140	11,395	-	-	-	-	-	17,535
St. Charles	1,909	2,619	-	-	-	-	-	4,528
Swan Valley	1,851	3,883	-	-	-	-	-	5,734
Mosaica Academy	1,481	-	-	-	-	-	-	1,481
Frances Reh Public School Academy	1,542	-	-	-	-	-	-	1,542
MSU Extension	-	-	203,267	-	-	19,564	11,734	234,565
Teen Parent Services	-	-	41,792	-	-	-	81,888	123,680
CAN Council	-	-	27,040	-	-	-	30,156	57,196
Saginaw Valley Regional 4-C	-	-	3,750	-	-	-	-	3,750
Bay-Arenac ISD	-	-	-	18,567	-	-	-	18,567
Clare-Gladwin RESD	-	-	-	11,814	-	-	-	11,814
Gratiot-Isabella RESD	-	-	-	20,255	-	-	-	20,255
Huron ISD	-	-	-	10,127	-	-	-	10,127
Midland ISD	-	316	-	20,255	-	-	-	20,571
Montcalm Area ISD	-	-	-	13,303	-	-	-	13,303
Sanilac ISD	-	-	-	8,424	-	-	-	8,424
Tuscola ISD	-	-	-	15,191	-	-	-	15,191
SVRC Industries, Inc.	-	-	-	-	172,407	-	75,250	247,657
Business Education Partnership	-	-	-	-	20,174	-	-	20,174
Other governmental units	361	-	-	-	-	-	38,891	39,252
	<u>\$ 38,919</u>	<u>\$ 73,174</u>	<u>\$ 275,849</u>	<u>\$ 117,936</u>	<u>\$ 192,581</u>	<u>\$ 85,564</u>	<u>\$ 345,622</u>	<u>\$ 1,129,645</u>

Note - The "Other" column totaling \$345,622 consists of the following items: The \$107,703 to Saginaw City Schools is for the Michigan Nutrition Network grant. The \$11,734 to MSU Extension and \$30,156 to CAN Council is for the ECIC grant. The \$81,888 to Teen Parent Services is for the Even Start grant. The \$75,250 to SVRC Industries was Title I funds. The \$38,891 to other governmental units consists of \$4,444 in High Priority grant funds, \$30,471 in Section 74 payouts, and \$3,976 in Title V payouts to parochials.

Saginaw Intermediate School District
Other Supplemental Information
Schedule of Intergovernmental Expenditures
Special Revenue Fund - Special Education
Year Ended June 30, 2007

	<u>County-Wide Programs</u>	<u>Med Bill Reimbursement</u>	<u>Public Act 18 Disbursement</u>	<u>IDEA Flowthrough</u>	<u>IDEA Preschool</u>	<u>Early On</u>	<u>Other</u>	<u>Total</u>
Intergovernmental expenditures								
Payments to other entities								
Birch Run	\$ -	\$ 31,279	\$ 16,532	\$ 222,321	\$ 10,999	\$ -	\$ -	\$ 281,131
Bridgeport-Spaulding	-	103,911	42,770	377,743	16,957	-	-	541,381
Buena Vista	-	94,513	22,448	269,219	4,125	-	-	390,305
Carrollton	321,986	40,524	12,854	435,983	-	-	-	811,347
Chesaning	-	161,089	21,636	337,887	16,499	-	-	537,111
Frankenmuth	-	14,656	9,590	163,494	5,041	-	-	192,781
Freeland	-	12,921	21,284	198,372	-	-	-	232,577
Hemlock	-	18,711	17,833	225,621	-	-	-	262,165
Merrill	-	30,903	6,388	141,694	-	-	-	178,985
Saginaw City	1,370,686	692,398	148,153	2,447,158	-	21,400	-	4,679,795
Saginaw Township	-	139,013	67,105	724,821	51,330	-	-	982,269
St. Charles	-	13,022	19,622	184,203	-	-	-	216,847
Swan Valley	-	15,531	17,782	257,230	-	-	-	290,543
Saginaw County Department of Public Health	-	-	-	-	-	141,500	-	141,500
Frances Reh Academy	-	-	4,369	56,678	-	-	-	61,047
North Saginaw Academy	-	-	7,948	-	-	-	-	7,948
Mosaica Academy	-	83	1,655	21,779	92,578	-	-	116,095
Learn To Earn Academy	-	-	-	35,125	-	-	-	35,125
Saginaw Valley 4-C's	-	-	-	-	-	20,453	-	20,453
SVRC - Juvenile	-	-	-	-	-	-	455,633	455,633
St. Vincent	-	44,112	-	35,969	-	-	753,502	833,583
Michigan School for the Deaf	-	-	-	-	-	-	179,823	179,823
Other	-	-	62,031	-	-	4,900	38,467	105,398
	<u>\$1,692,672</u>	<u>\$ 1,412,666</u>	<u>\$ 500,000</u>	<u>\$ 6,135,297</u>	<u>\$ 197,529</u>	<u>\$ 188,253</u>	<u>\$ 1,427,425</u>	<u>\$ 11,553,842</u>

Note - The "Other" column totaling \$1,427,425 consists of the following significant items: State aid to SVRC of \$455,633 and St. Vincent of \$753,502 for the operation of juvenile centers. The \$179,823 is a payment to Michigan School for the Deaf for tuition payments that are deducted from State Aid payments

This page intentionally left blank

FINANCIAL TRENDS

These schedules contain trend information to help the reader assess and understand how the District's financial position has changed over time.

Saginaw Intermediate School District
Net Assets by Component
Last Five Fiscal Years

	Fiscal Year				
	2007	2006	2005	2004	2003
Governmental activities					
Invested in capital assets, net of related debt	10,334,190	8,675,662	8,415,250	8,557,845	8,566,714
Restricted for:					
Debt services	-	27,418	6,962	24,430	75,870
Unrestricted	<u>5,882,508</u>	<u>6,215,778</u>	<u>4,899,664</u>	<u>4,331,220</u>	<u>4,189,653</u>
Total net assets	<u>\$ 16,216,698</u>	<u>\$ 14,918,858</u>	<u>\$ 13,321,876</u>	<u>\$ 12,913,495</u>	<u>\$ 12,832,237</u>

Note - Only five years of information is presented, instead of the normal ten years since the District didn't begin reporting information for net assets on the accrual basis until it implemented GASB Statement 34 in 2003.

Source - Saginaw ISD Comprehensive Annual Financial Reports

Saginaw Intermediate School District
Expenses, Revenues and Other Changes in Net Assets
Last Five Fiscal Years

	Fiscal Year				
	2007	2006	2005	2004	2003
Expenses					
Governmental activities					
Instruction	\$ 9,106,309	\$ 7,370,567	\$ 5,644,721	\$ 4,822,631	\$ 4,458,728
Supporting services	25,864,286	22,172,534	19,631,620	17,449,542	16,729,446
Community services	355,479	180,918	-	-	-
Facilities Acquisition	102,740	-	-	-	-
Food services	860,427	660,001	304,846	157,241	156,754
Intergovernmental payments	12,683,487	12,671,181	13,049,919	14,594,916	16,020,785
Capital outlay (noncapitalized)	251,104	245,964	177,544	180,360	389,231
Interest on long-term debt	263,355	135,103	319,433	334,362	341,194
Depreciation - unallocated	-	-	-	826,551	705,991
Bond refunding issuance costs	37,840	37,840	53,641	-	-
Total governmental expenses	<u>49,525,027</u>	<u>43,474,108</u>	<u>39,181,724</u>	<u>38,365,603</u>	<u>38,802,129</u>
Program Revenues					
Governmental activities					
Charges for services					
Instruction	63,532	143,400	122,385	24,605	-
Supporting services	6,657,294	6,208,266	5,779,946	5,164,201	4,944,720
Food services	43,252	35,971	32,404	28,546	27,762
Intergovernmental payments	1,443,632	1,706,183	1,790,308	1,330,964	1,530,720
Operating grants and contributions	<u>17,444,938</u>	<u>14,477,887</u>	<u>11,162,980</u>	<u>11,283,501</u>	<u>12,379,964</u>
Total governmental program revenues	<u>25,652,648</u>	<u>22,571,707</u>	<u>18,888,023</u>	<u>17,831,817</u>	<u>18,883,166</u>
Net (expense) revenue	<u>(23,872,379)</u>	<u>(20,902,401)</u>	<u>(20,293,701)</u>	<u>(20,533,786)</u>	<u>(19,918,963)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities					
Property taxes, levied for general purposes	10,375,490	9,884,054	9,470,499	9,132,907	8,784,854
State aid - unrestricted	6,686,493	4,163,756	4,291,813	4,230,259	4,217,641
State aid - categorical	6,582,395	7,726,314	6,474,234	5,888,847	5,295,882
Interest and investment earnings	230,419	110,848	65,038	59,929	92,797
Other	<u>1,295,422</u>	<u>614,411</u>	<u>400,498</u>	<u>1,303,102</u>	<u>1,428,026</u>
Total general revenues	<u>25,170,219</u>	<u>22,499,383</u>	<u>20,702,082</u>	<u>20,615,044</u>	<u>19,819,200</u>
Change in Net Assets	1,297,840	1,596,982	408,381	81,258	(99,763)
Net assets - beginning	<u>14,918,858</u>	<u>13,321,876</u>	<u>12,913,495</u>	<u>12,832,237</u>	<u>12,932,000</u>
Net assets - ending	<u>\$ 16,216,698</u>	<u>\$ 14,918,858</u>	<u>\$ 13,321,876</u>	<u>\$ 12,913,495</u>	<u>\$ 12,832,237</u>

Source - Saginaw ISD Comprehensive Annual Financial Reports

Saginaw Intermediate School District
Fund Balances, governmental funds - Last ten fiscal years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved for prepaid expenditures	\$ 228,017	\$ 332,413	\$ 515,339	\$ 720,054	\$ 592,258	\$ 19,723	\$ 606,161	\$ 16,061	\$ 10,890	\$ 13,847
Reserved for inventory	-	2,646	2,622	1,778	-	-	-	-	18,205	8,100
Reserved for IBNR insurance benefits	210,900	191,300	86,600	81,900	83,000	-	-	-	-	-
Reserved subtotal	438,917	526,359	604,561	803,732	675,258	19,723	606,161	16,061	29,095	21,947
Unreserved	1,794,117	2,935,742	2,737,163	2,080,339	1,945,620	2,390,879	1,820,514	2,548,809	2,463,430	1,667,441
Total general fund	2,233,034	3,462,101	3,341,724	2,884,071	2,620,878	2,410,602	2,426,675	2,564,870	2,492,525	1,689,388
Special Education Fund										
Reserved for prepaid expenditures	230,234	254,802	67,993	211,480	34,871	162,776	20,387	19,963	17,139	25,853
Reserved for inventory	175,810	161,035	135,689	113,426	97,464	84,898	13,611	13,611	34,155	20,574
Reserved subtotal	406,044	415,837	203,682	324,906	132,335	247,674	33,998	33,574	51,294	46,427
Unreserved	3,846,611	3,029,079	2,795,621	2,476,763	2,749,620	3,212,999	3,440,201	3,071,830	2,961,683	2,937,436
Total special education fund	4,252,655	3,444,916	2,999,303	2,801,669	2,881,955	3,460,673	3,474,199	3,105,404	3,012,977	2,983,863
All Other Governmental Funds										
Reserved for debt service	225,515	224,970	206,906	191,578	75,870	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-	59,202	1,224,643	4,768,948	1,914,841	-
Reserved subtotal	225,515	224,970	206,906	191,578	75,870	59,202	1,224,643	4,768,948	1,914,841	-
Unreserved	184,737	180,709	-	-	-	-	-	-	-	-
Total for all other governmental funds	410,252	405,679	206,906	191,578	75,870	59,202	1,224,643	4,768,948	1,914,841	-
Total fund balance - governmental funds	\$6,895,941	\$7,312,696	\$6,547,933	\$5,877,318	\$5,578,703	\$5,930,477	\$7,125,517	\$10,439,222	\$7,420,343	\$4,673,251

Source - Saginaw ISD Comprehensive Annual Financial Reports

Saginaw Intermediate School District
Governmental Funds Revenues - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenues										
Local sources										
Property taxes	\$ 10,359,495	\$ 9,902,794	\$ 9,505,042	\$ 9,111,930	\$ 8,786,853	\$ 8,465,475	\$ 8,018,631	\$ 7,865,960	\$ 7,444,032	\$ 7,150,692
Earnings on investments	230,419	110,848	65,038	59,929	92,797	217,893	435,927	398,777	240,653	230,036
Other	<u>3,987,408</u>	<u>3,241,186</u>	<u>3,239,585</u>	<u>2,764,001</u>	<u>3,087,385</u>	<u>3,008,552</u>	<u>4,184,182</u>	<u>2,165,780</u>	<u>1,818,361</u>	<u>1,469,649</u>
Total local sources	<u>14,577,322</u>	<u>13,254,828</u>	<u>12,809,665</u>	<u>11,935,860</u>	<u>11,967,035</u>	<u>11,691,920</u>	<u>12,638,740</u>	<u>10,430,517</u>	<u>9,503,046</u>	<u>8,850,377</u>
Intergovernmental sources	<u>5,451,083</u>	<u>5,087,290</u>	<u>4,677,845</u>	<u>4,703,167</u>	<u>4,300,851</u>	<u>3,842,468</u>	<u>3,119,261</u>	<u>2,455,698</u>	<u>1,826,402</u>	<u>1,699,175</u>
State sources										
State school aid - unrestricted	6,686,493	4,163,756	4,291,813	4,230,259	4,217,641	3,778,139	4,285,142	4,050,146	5,057,940	4,699,862
Restricted grants	<u>6,927,057</u>	<u>8,456,287</u>	<u>7,159,562</u>	<u>8,826,263</u>	<u>12,367,477</u>	<u>12,900,981</u>	<u>7,967,002</u>	<u>6,426,208</u>	<u>4,730,668</u>	<u>4,240,482</u>
Total state sources	<u>13,613,550</u>	<u>12,620,043</u>	<u>11,451,375</u>	<u>13,056,522</u>	<u>16,585,118</u>	<u>16,679,120</u>	<u>12,252,144</u>	<u>10,476,354</u>	<u>9,788,608</u>	<u>8,940,344</u>
Federal sources	<u>17,351,097</u>	<u>13,971,723</u>	<u>10,698,535</u>	<u>8,730,335</u>	<u>5,851,361</u>	<u>7,615,799</u>	<u>4,995,695</u>	<u>5,890,267</u>	<u>5,071,433</u>	<u>4,363,609</u>
Total revenues	<u>\$ 50,993,052</u>	<u>\$ 44,933,884</u>	<u>\$ 39,637,420</u>	<u>\$ 38,425,884</u>	<u>\$ 38,704,365</u>	<u>\$ 39,829,307</u>	<u>\$ 33,005,840</u>	<u>\$ 29,252,836</u>	<u>\$ 26,189,489</u>	<u>\$ 23,853,505</u>

Source - Saginaw ISD Comprehensive Annual Financial Reports

Saginaw Intermediate School District
Governmental Funds Expenditures and Debt Service Ratio - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Expenditures										
Instruction										
Basic programs	\$ 73,017	\$ 68,283	\$ 57,939	\$ 61,294	\$ -	\$ -	\$ -	\$ 45,823	\$ 203,312	\$ 291,506
Special education	5,920,047	5,659,496	5,410,177	4,781,631	4,458,728	4,030,650	3,861,946	3,582,869	3,415,848	3,295,938
Compensatory education	2,919,141	1,465,608	-	-	-	-	-	-	-	-
Total instructional services	<u>8,912,205</u>	<u>7,193,387</u>	<u>5,468,116</u>	<u>4,842,925</u>	<u>4,458,728</u>	<u>4,030,650</u>	<u>3,861,946</u>	<u>3,628,692</u>	<u>3,619,160</u>	<u>3,587,444</u>
Supporting services										
Pupil services	7,673,328	6,593,745	5,819,056	5,344,317	4,845,907	4,311,749	3,876,265	3,348,395	2,801,784	2,613,684
Guidance	-	-	-	-	-	-	-	89	4,508	4,815
Instructional staff	6,121,958	4,929,293	4,414,255	4,701,014	2,531,385	2,695,129	2,279,222	2,108,991	1,726,290	1,516,224
Audiovisual	-	-	-	-	1,144,473	1,037,760	887,603	796,103	631,310	581,386
General administration	911,184	809,880	711,946	681,064	749,970	907,588	824,714	881,909	870,339	804,111
School administration	198,686	148,498	68,915	94,894	2,226,877	1,810,814	1,481,206	1,446,298	1,090,425	1,190,092
Business services	979,228	925,577	777,401	748,107	683,317	717,538	657,376	436,962	388,235	383,411
Operation and maintenance	2,482,853	1,944,166	1,461,023	1,265,932	1,321,415	1,400,470	1,196,010	1,198,690	1,007,319	1,023,035
Central staff	2,052,676	1,633,356	1,613,349	1,377,523	495,047	806,673	88,632	6,334	6,936	5,962
Transportation	4,521,217	4,398,781	3,929,267	2,896,893	2,557,053	2,231,452	1,962,083	1,709,170	1,345,116	979,958
Other	-	-	21,827	140,745	130,667	258,847	245,121	243,718	277,956	216,469
Total supporting services	<u>24,941,130</u>	<u>21,383,296</u>	<u>18,817,039</u>	<u>17,250,489</u>	<u>16,686,111</u>	<u>16,178,020</u>	<u>13,498,232</u>	<u>12,176,659</u>	<u>10,150,218</u>	<u>9,319,147</u>
Community services	355,479	180,918	5,887	14,759	40,963	44,646	50,326	6,709	11,244	13,649
Facilities acquisition	102,740	-	-	-	-	-	-	-	-	-
Food service	858,503	658,077	302,922	157,241	156,754	144,637	155,683	165,462	171,257	143,557
Capital outlay	3,324,093	1,146,866	354,563	2,054,543	1,077,847	4,013,903	7,183,928	2,091,212	801,365	693,818
Debt service										
Principal	729,161	707,090	681,722	360,286	329,362	439,550	294,376	154,349	192,304	-
Interest	204,683	228,306	286,637	268,215	285,589	347,654	287,697	80,171	42,430	-
Intergovernmental	<u>12,683,487</u>	<u>12,671,181</u>	<u>13,049,919</u>	<u>14,594,916</u>	<u>16,020,785</u>	<u>17,189,172</u>	<u>12,249,824</u>	<u>11,247,743</u>	<u>10,330,507</u>	<u>8,286,864</u>
Total expenditures	<u>\$ 52,111,481</u>	<u>\$ 44,169,121</u>	<u>\$ 38,966,805</u>	<u>\$ 39,543,374</u>	<u>\$ 39,056,139</u>	<u>\$ 42,388,232</u>	<u>\$ 37,582,012</u>	<u>\$ 29,550,997</u>	<u>\$ 25,318,485</u>	<u>\$ 22,044,479</u>
Debt service as a percentage of noncapital expenditures	1.9%	2.2%	2.5%	1.7%	1.6%	2.1%	1.9%	0.9%	1.0%	0.0%

Note - Beginning with the 2003-2004 fiscal year, the Michigan Department of Education required school districts to submit their year end financial information electronically to the State. This resulted in changes being made to the District's account coding structure, causing some programs to be shown under different functions above.

Saginaw Intermediate School District
Other financing sources and uses and net change in fund balances, governmental funds - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Governmental fund revenues	\$50,993,052	\$44,933,884	\$39,637,420	\$38,425,884	\$38,704,365	\$39,829,307	\$33,005,840	\$29,252,836	\$26,189,489	\$23,853,505
Governmental fund expenditures	52,111,481	44,169,121	38,966,805	39,543,374	39,056,139	42,388,232	37,582,012	29,550,997	25,318,485	22,044,479
Excess of revenues over (under) expenditures	(1,118,429)	764,763	670,615	(1,117,490)	(351,774)	(2,558,925)	(4,576,172)	(298,161)	871,004	1,809,026
Other financing sources (uses)										
Transfers in	3,223,773	1,614,885	1,131,042	896,426	624,992	1,426,921	1,545,896	824,319	195,377	151,655
Proceeds from issuance of long-term debt	701,674	-	2,535,000	1,416,105	-	1,380,385	1,262,467	3,317,040	1,876,088	-
Transfers out	(3,223,773)	(1,614,885)	(1,131,042)	(896,426)	(624,992)	(1,426,921)	(1,545,896)	(824,319)	(195,377)	(151,655)
Payment of refunded debt escrow agent	-	-	(2,481,359)	-	-	-	-	-	-	-
Debt issuance costs	-	-	(53,641)	-	-	(16,500)	-	-	-	-
Total other financing sources (uses)	701,674	-	-	1,416,105	-	1,363,885	1,262,467	3,317,040	1,876,088	-
Net change in fund balances	\$ (416,755)	\$ 764,763	\$ 670,615	\$ 298,615	\$ (351,774)	\$ (1,195,040)	\$ (3,313,705)	\$ 3,018,879	\$ 2,747,092	\$ 1,809,026

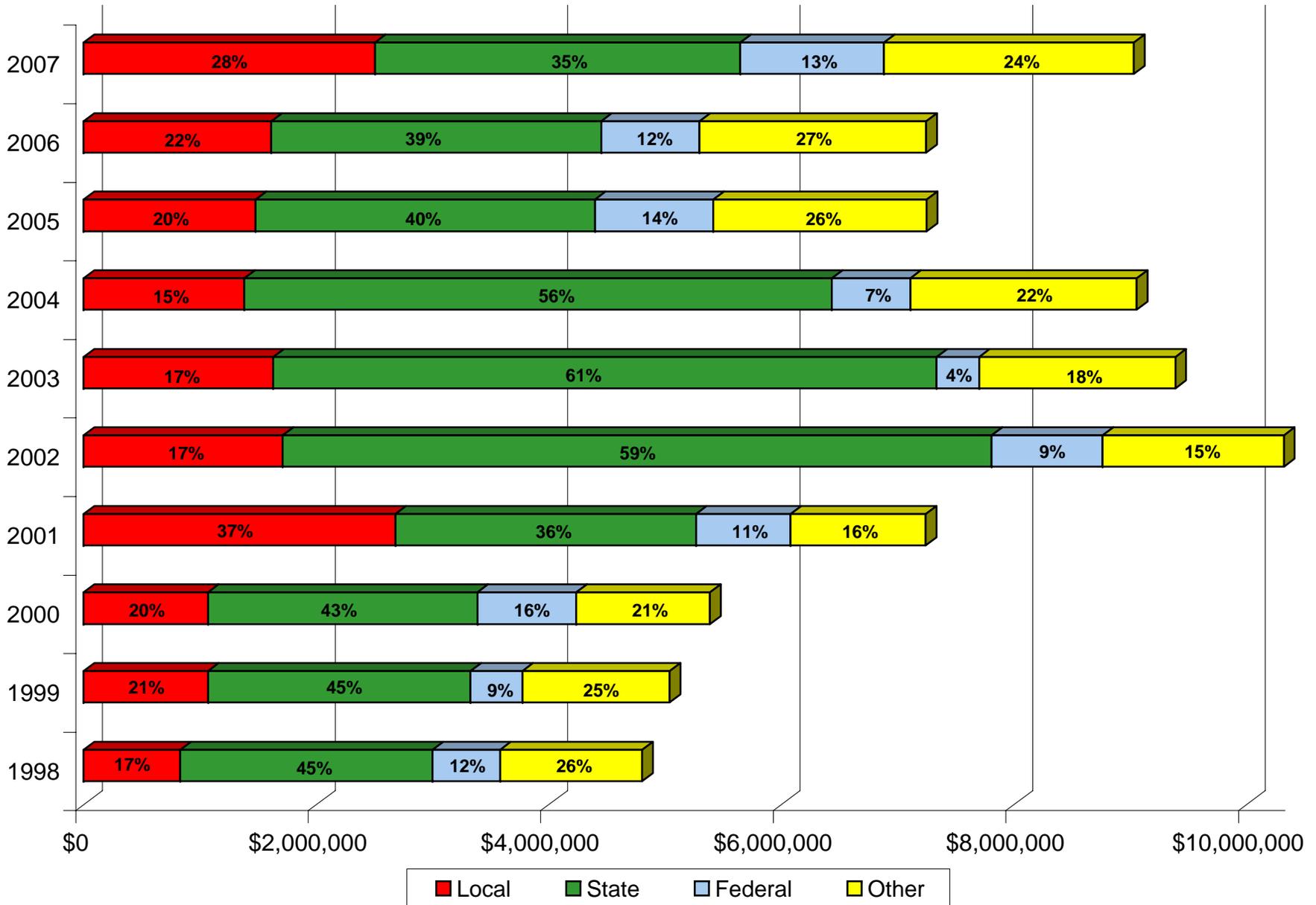
Source - Saginaw ISD Comprehensive Annual Financial Reports

Saginaw Intermediate School District
General Fund Revenues and Other Financing Sources by Source - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenues										
Local sources										
Property taxes	\$ 722,168	\$ 686,184	\$ 658,658	\$ 631,091	\$ 612,720	\$ 590,576	\$ 560,068	\$ 551,472	\$ 517,702	\$ 499,885
Earnings on investments	102,473	42,656	27,635	36,237	81,229	126,469	184,111	110,454	67,708	72,396
Other	<u>1,680,293</u>	<u>885,838</u>	<u>792,212</u>	<u>715,122</u>	<u>935,909</u>	<u>994,339</u>	<u>1,936,228</u>	<u>407,978</u>	<u>483,223</u>	<u>258,093</u>
Total local sources	<u>2,504,934</u>	<u>1,614,678</u>	<u>1,478,505</u>	<u>1,382,450</u>	<u>1,629,858</u>	<u>1,711,384</u>	<u>2,680,407</u>	<u>1,069,904</u>	<u>1,068,633</u>	<u>830,374</u>
Intergovernmental sources	<u>1,601,086</u>	<u>1,553,277</u>	<u>1,664,287</u>	<u>1,710,088</u>	<u>1,688,407</u>	<u>1,216,383</u>	<u>1,073,983</u>	<u>1,038,388</u>	<u>1,266,561</u>	<u>1,219,698</u>
State sources										
State school aid - unrestricted	2,908,710	2,122,431	2,251,072	2,274,776	2,333,082	2,348,345	2,234,726	2,004,470	1,934,960	1,611,910
Restricted grants	<u>231,675</u>	<u>711,998</u>	<u>668,021</u>	<u>2,776,787</u>	<u>3,370,957</u>	<u>3,747,740</u>	<u>350,600</u>	<u>310,814</u>	<u>321,793</u>	<u>557,644</u>
Total state sources	<u>3,140,385</u>	<u>2,834,429</u>	<u>2,919,093</u>	<u>5,051,563</u>	<u>5,704,039</u>	<u>6,096,085</u>	<u>2,585,326</u>	<u>2,315,284</u>	<u>2,256,753</u>	<u>2,169,554</u>
Federal sources	<u>1,235,901</u>	<u>845,426</u>	<u>1,017,115</u>	<u>674,700</u>	<u>365,607</u>	<u>955,668</u>	<u>813,848</u>	<u>849,501</u>	<u>447,396</u>	<u>582,004</u>
Total revenues	8,482,306	6,847,810	7,079,000	8,818,801	9,387,911	9,979,520	7,153,564	5,273,077	5,039,343	4,801,630
Other financing sources	<u>548,507</u>	<u>398,322</u>	<u>169,374</u>	<u>236,811</u>	-	<u>342,735</u>	<u>88,476</u>	<u>112,922</u>	-	-
Total revenues and other financing sources	<u>\$ 9,030,813</u>	<u>\$ 7,246,132</u>	<u>\$ 7,248,374</u>	<u>\$ 9,055,612</u>	<u>\$ 9,387,911</u>	<u>\$ 10,322,255</u>	<u>\$ 7,242,040</u>	<u>\$ 5,385,999</u>	<u>\$ 5,039,343</u>	<u>\$ 4,801,630</u>

Source - Saginaw ISD Comprehensive Annual Financial Reports

**Saginaw Intermediate School District
General Fund Revenues and Other Financing Sources by Source
Last Ten Fiscal Years (Unaudited)**

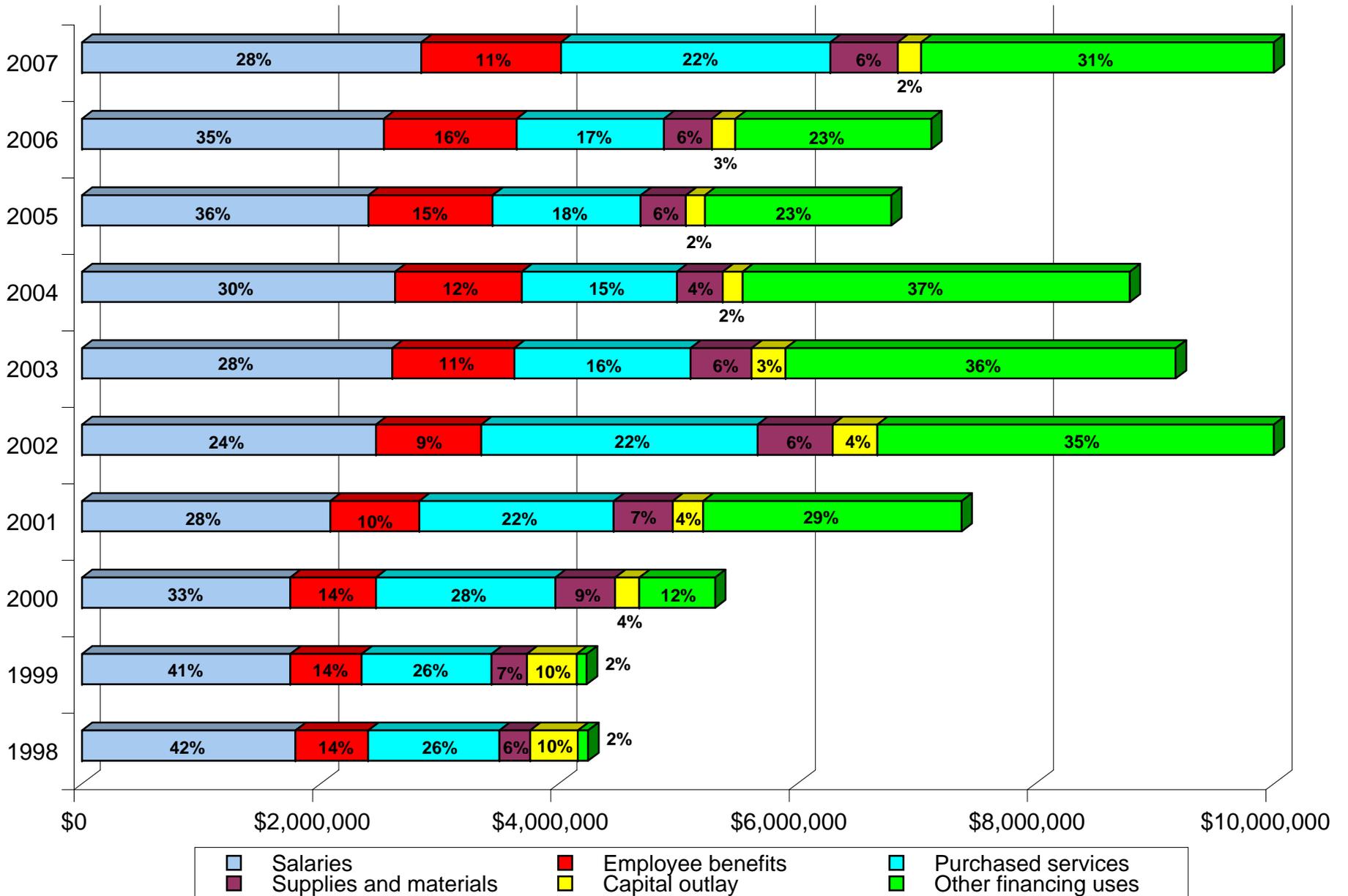


Saginaw Intermediate School District
General Fund Expenditures and Other Financing Uses by Function - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Expenditures										
Instruction										
Basic programs	\$ 73,017	\$ 68,283	\$ 57,939	\$ 61,294	\$ -	\$ -	\$ -	\$ 45,823	\$ 203,312	\$ 291,506
Supporting services										
Pupil services	50,317	18,733	21,120	21,977	111,526	92,188	87,691	77,850	65,000	79,278
Guidance	-	-	-	-	-	-	-	89	4,508	4,815
Instructional staff	2,893,019	2,112,057	2,102,710	2,423,096	2,081,358	2,244,197	1,920,916	1,744,646	1,096,015	1,148,076
Audiovisual	-	-	-	-	1,144,473	1,037,760	887,603	796,103	631,310	581,386
General administration	652,814	549,216	448,551	471,516	562,195	680,202	598,136	688,641	670,621	642,577
Business services	796,915	733,961	601,789	672,303	634,304	659,680	620,279	402,575	362,253	335,799
Operation and maintenance	729,724	569,572	579,720	422,670	422,189	475,824	458,162	461,464	403,652	445,349
Central staff	1,581,890	1,232,227	1,255,683	1,148,756	492,401	803,776	88,632	6,334	6,936	5,962
Other	106,501	21,810	21,827	140,745	130,667	258,847	245,121	243,718	277,956	216,469
Total supporting services	<u>6,811,180</u>	<u>5,237,576</u>	<u>5,031,400</u>	<u>5,301,063</u>	<u>5,579,113</u>	<u>6,252,474</u>	<u>4,906,540</u>	<u>4,421,420</u>	<u>3,518,251</u>	<u>3,459,711</u>
Community services	8,848	12,819	5,887	14,759	40,963	44,646	50,326	6,709	11,244	13,649
Capital outlay	196,140	198,759	159,713	165,621	284,605	376,837	253,294	202,726	419,916	400,366
Intergovernmental	<u>1,129,645</u>	<u>988,859</u>	<u>1,061,849</u>	<u>2,730,222</u>	<u>2,794,811</u>	<u>3,114,856</u>	<u>1,234,789</u>	<u>82,362</u>	<u>83,483</u>	<u>82,045</u>
Total expenditures	8,218,830	6,506,296	6,316,788	8,272,959	8,699,492	9,788,813	6,444,949	4,759,040	4,236,206	4,247,277
Other financing uses	<u>2,041,050</u>	<u>619,459</u>	<u>473,933</u>	<u>519,460</u>	<u>478,143</u>	<u>549,575</u>	<u>935,286</u>	<u>554,614</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 10,259,880</u>	<u>\$ 7,125,755</u>	<u>\$ 6,790,721</u>	<u>\$ 8,792,419</u>	<u>\$ 9,177,635</u>	<u>\$ 10,338,388</u>	<u>\$ 7,380,235</u>	<u>\$ 5,313,654</u>	<u>\$ 4,236,206</u>	<u>\$ 4,247,277</u>

Note - Beginning with the 2003-2004 fiscal year, the Michigan Department of Education required school districts to submit their year end financial information electronically to the State. This resulted in changes being made to the District's account coding structure, causing some programs to be shown under different functions above.

**Saginaw Intermediate School District
General Fund Expenditures and Other Financing Uses
Last Ten Fiscal Years (Unaudited)**

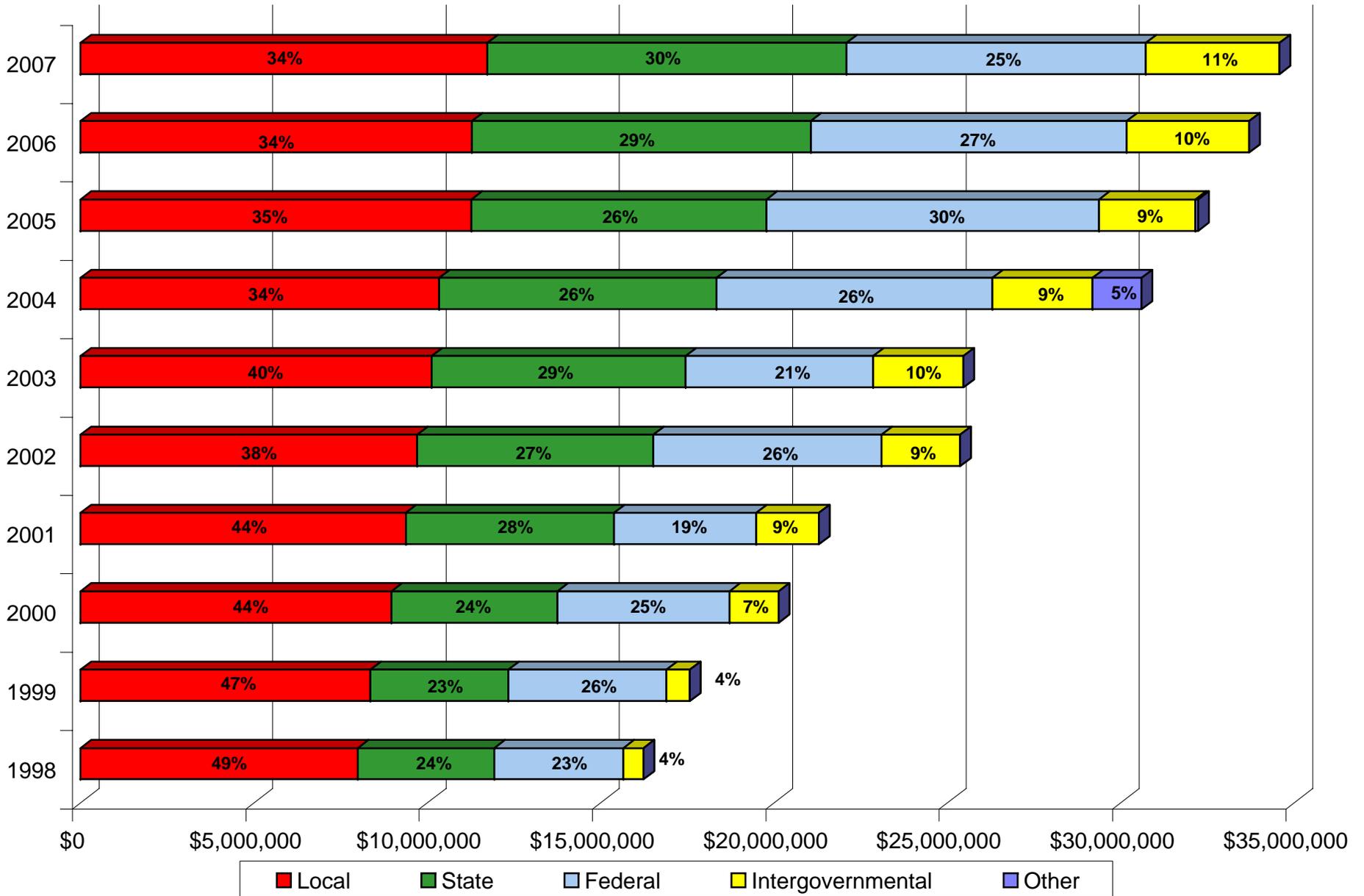


Saginaw Intermediate School District
Special Education Fund Revenues and Other Financing Sources by Source - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenues										
Local sources										
Property taxes	\$ 9,637,327	\$ 9,216,610	\$ 8,846,384	\$ 8,480,839	\$ 8,174,133	\$ 7,874,899	\$ 7,458,563	\$ 7,314,613	\$ 6,933,628	\$ 6,665,152
Earnings on investments	127,946	68,192	37,403	23,692	11,568	91,424	251,816	288,323	172,945	157,640
Medicaid reimbursement	1,834,608	1,863,200	2,044,974	1,609,999	1,767,009	1,597,611	1,506,077	1,222,963	1,115,909	1,013,350
Other	128,958	145,890	103,331	234,812	180,917	144,022	163,663	138,009	144,147	155,823
Total local sources	<u>11,728,839</u>	<u>11,293,892</u>	<u>11,032,092</u>	<u>10,349,342</u>	<u>10,133,627</u>	<u>9,707,956</u>	<u>9,380,119</u>	<u>8,963,908</u>	<u>8,366,629</u>	<u>7,991,965</u>
Intergovernmental sources	<u>3,849,997</u>	<u>3,534,013</u>	<u>3,013,558</u>	<u>2,889,218</u>	<u>2,612,444</u>	<u>2,263,221</u>	<u>1,815,868</u>	<u>1,417,310</u>	<u>674,203</u>	<u>578,890</u>
State sources										
State school aid - unrestricted	10,360,178	9,767,639	8,514,975	7,989,799	7,324,383	6,813,490	6,009,233	4,794,289	3,968,644	3,944,436
Federal sources	<u>8,642,855</u>	<u>9,112,624</u>	<u>9,589,388</u>	<u>7,964,254</u>	<u>5,400,169</u>	<u>6,583,539</u>	<u>4,097,612</u>	<u>4,967,445</u>	<u>4,563,416</u>	<u>3,719,684</u>
Total revenues	34,581,869	33,708,168	32,150,013	29,192,613	25,470,623	25,368,206	21,302,832	20,142,952	17,572,892	16,234,975
Other financing sources	<u>-</u>	<u>-</u>	<u>83,466</u>	<u>1,416,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 34,581,869</u>	<u>\$ 33,708,168</u>	<u>\$ 32,233,479</u>	<u>\$ 30,608,718</u>	<u>\$ 25,470,623</u>	<u>\$ 25,368,206</u>	<u>\$ 21,302,832</u>	<u>\$ 20,142,952</u>	<u>\$ 17,572,892</u>	<u>\$ 16,234,975</u>

Source - Saginaw ISD Comprehensive Annual Financial Reports

**Saginaw Intermediate School District
Special Education Fund Revenues and Other Financing Sources by Source
Last Ten Fiscal Years (Unaudited)**

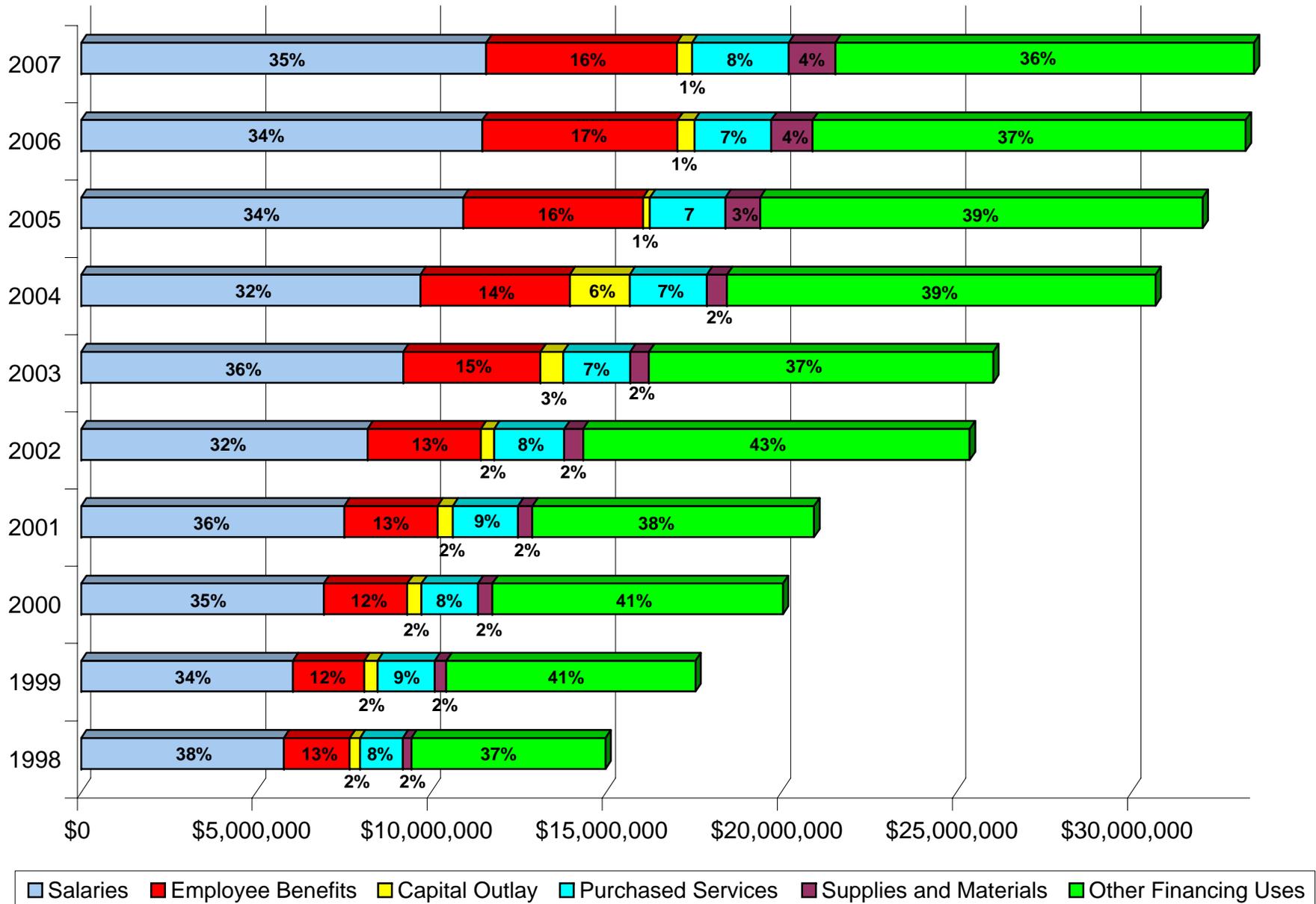


Saginaw Intermediate School District
Special Education Fund Expenditures and Other Financing Uses by Function - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Expenditures										
Instruction										
Special education	\$ 5,920,047	\$ 5,659,496	\$ 5,410,177	\$ 4,781,631	\$ 4,458,728	\$ 4,030,650	\$ 3,861,946	\$ 3,582,869	\$ 3,415,848	\$ 3,295,938
Supporting services										
Pupil services	6,605,427	6,251,014	5,797,936	5,322,340	4,734,381	4,219,561	3,788,574	3,270,545	2,736,784	2,534,406
Instructional staff	2,357,808	2,448,005	2,311,545	2,277,918	450,027	450,932	358,306	364,345	630,275	368,148
General administration	233,927	237,766	263,395	209,548	187,775	227,386	226,578	193,268	199,718	161,534
School administration	126,396	95,616	68,915	94,894	2,226,877	1,810,814	1,481,206	1,446,298	1,090,425	1,190,092
Business services	138,100	155,439	175,612	75,804	49,013	57,858	37,097	34,387	25,982	47,612
Operation and maintenance	1,201,548	1,040,374	881,303	843,262	899,226	924,646	737,848	737,226	603,667	577,686
Transportation	4,191,529	4,207,719	3,929,267	2,896,893	2,557,053	2,231,452	1,962,083	1,709,170	1,345,116	979,958
Central staff	332,687	313,719	357,666	228,767	2,646	2,897	-	-	-	-
Total supporting services	<u>15,187,422</u>	<u>14,749,652</u>	<u>13,785,639</u>	<u>11,949,426</u>	<u>11,106,998</u>	<u>9,925,546</u>	<u>8,591,692</u>	<u>7,755,239</u>	<u>6,631,967</u>	<u>5,859,436</u>
Community services	1,577	1,269	-	-	-	-	-	-	-	-
Capital outlay	431,137	483,967	194,850	1,716,287	652,930	382,360	437,919	409,384	381,449	293,452
Intergovernmental	<u>11,553,842</u>	<u>11,682,322</u>	<u>11,988,070</u>	<u>11,864,694</u>	<u>9,683,836</u>	<u>10,539,142</u>	<u>7,779,501</u>	<u>8,033,328</u>	<u>7,114,514</u>	<u>5,531,476</u>
Total expenditures	33,094,025	32,576,706	31,378,736	30,312,038	25,902,492	24,877,698	20,671,058	19,780,820	17,543,778	14,980,302
Other financing uses	<u>680,105</u>	<u>685,849</u>	<u>657,109</u>	<u>376,966</u>	<u>146,849</u>	<u>504,034</u>	<u>262,979</u>	<u>269,705</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 33,774,130</u>	<u>\$ 33,262,555</u>	<u>\$ 32,035,845</u>	<u>\$ 30,689,004</u>	<u>\$ 26,049,341</u>	<u>\$ 25,381,732</u>	<u>\$ 20,934,037</u>	<u>\$ 20,050,525</u>	<u>\$ 17,543,778</u>	<u>\$ 14,980,302</u>

Note - Beginning with the 2003-2004 fiscal year, the Michigan Department of Education required school districts to submit their year end financial information electronically to the State. This resulted in changes being made to the District's account coding structure, causing some programs to be shown under different functions above.

**Saginaw Intermediate School District
Special Education Fund Expenditures and Other Financing Uses
Last Ten Fiscal Years (Unaudited)**



This page intentionally left blank

REVENUE CAPACITY

These schedules contain information to help the reader assess and understand the factors that affect the District's ability to generate property tax revenue.

Saginaw Intermediate School District
State Taxable Value, Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	State Taxable Value			Assessed Value	Estimated Actual Value	Total Direct Property Tax Rate
	Homestead	Non-Homestead	Total			
2007	\$ 3,145,340,743	\$ 1,805,645,242	4,950,985,985	\$ 5,752,981,883	\$ 11,505,963,766	2.0872
2006	2,988,185,447	1,714,718,769	4,702,904,216	5,458,555,173	10,917,110,346	2.0872
2005	2,863,004,729	1,652,887,247	4,515,891,976	5,311,871,290	10,623,742,580	2.0876
2004	2,738,201,592	1,608,446,470	4,346,648,062	5,079,031,856	10,158,063,712	2.0885
2003	2,657,322,571	1,557,201,120	4,214,523,691	4,854,358,119	9,708,716,238	2.0885
2002	2,494,156,186	1,566,005,165	4,060,161,351	4,615,383,095	9,230,766,190	2.0885
2001	2,337,690,030	1,495,694,451	3,833,384,481	4,313,467,449	8,626,934,898	2.0910
2000	2,223,907,189	1,475,683,234	3,699,590,423	4,079,428,865	8,158,857,730	2.0910
1999	2,126,161,728	1,442,442,243	3,568,603,971	3,880,504,509	7,761,009,018	2.0910
1998	2,021,044,776	1,351,235,077	3,372,279,853	3,603,827,389	7,207,654,778	2.0910

Note: With the passage of Senate Bill 1 on August 19, 1993 and the subsequent approval of Proposal A by the State's voters in 1994, the growth of taxable values was limited to the lesser of the increase in the consumer price index or 3%, effective with the 1995-96 fiscal year. For this reason the taxable value of property doesn't keep up with its assessed valuation. The assessed value is based on 50% of the estimated actual value.

Saginaw Intermediate School District
Tax Base Composition
June 30, 2007
(Unaudited)

<u>By County</u>	<u>Fiscal Year 2007</u>		<u>Fiscal Year 1998</u>	
	<u>Taxable Value</u>	<u>Percent of Total</u>	<u>Taxable Value</u>	<u>Percent of Total</u>
Bay	\$ 5,854,448	0.12%	\$ 3,211,016	0.10%
Genesee	3,994,957	0.08%	2,316,628	0.07%
Gratiot	5,960,340	0.12%	4,134,504	0.12%
Midland	41,153,809	0.83%	25,074,059	0.74%
Saginaw	4,867,382,228	98.31%	3,318,419,555	98.41%
Shiawassee	12,684,702	0.26%	8,535,325	0.25%
Tuscola	13,955,501	0.28%	10,588,766	0.31%
Total	<u>\$ 4,950,985,985</u>	<u>100.00%</u>	<u>\$ 3,372,279,853</u>	<u>100.00%</u>
<u>By Class</u>				
Real Property	\$ 4,475,554,925	90.40%	\$ 2,882,571,203	85.48%
Personal Property	475,431,060	9.60%	489,708,650	14.52%
Total	<u>\$ 4,950,985,985</u>	<u>100.00%</u>	<u>\$ 3,372,279,853</u>	<u>100.00%</u>
<u>By Use</u>				
Agricultural	\$ 279,439,076	5.64%	\$ 247,599,412	7.34%
Commercial	1,042,828,671	21.06%	700,607,969	20.78%
Industrial	309,627,249	6.26%	351,951,832	10.44%
Residential	3,213,003,689	64.90%	1,964,131,513	58.24%
Timber Cutover	-	0.00%	1,837,431	0.05%
Utility	99,448,677	2.01%	98,504,867	2.93%
Developmental	6,638,623	0.13%	7,646,829	0.23%
Total	<u>\$ 4,950,985,985</u>	<u>100.00%</u>	<u>\$ 3,372,279,853</u>	<u>100.01%</u>

Source - Saginaw County Equalization Department

Saginaw Intermediate School District
Property Tax Rates - All Overlapping Governments - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Saginaw Intermediate School District			State Education	Saginaw County	Delta College	Overlapping Rates		
	General Allocated	Special Education	Total School District				City of Saginaw	City of Frankenmuth	City of Zilwaukee
2007	0.1455	1.9417	2.0872	6.00	7.5265	2.0427	8.2130	9.60	13.3355
2006	0.1455	1.9417	2.0872	6.00	7.5362	2.0427	8.3717	9.60	13.3298
2005	0.1456	1.9420	2.0876	6.00	7.6343	2.0427	8.4944	9.60	13.3774
2004	0.1457	1.9428	2.0885	6.00	7.2352	2.5427	8.5638	9.60	13.3882
2003	0.1457	1.9428	2.0885	6.00	7.2022	2.5427	8.5345	9.60	13.3573
2002	0.1457	1.9428	2.0885	6.00	7.2067	2.5427	8.2785	9.60	13.3573
2001	0.1459	1.9451	2.0910	6.00	6.6358	2.0400	8.6100	9.60	13.3573
2000	0.1459	1.9451	2.0910	6.00	6.6800	2.0400	8.0700	9.60	13.3573
1999	0.1459	1.9451	2.0910	6.00	6.5600	2.0400	9.5200	9.60	13.3577
1998	0.1459	1.9451	2.0910	6.00	6.5600	2.0400	10.1500	9.60	13.3577

Note - The above figures indicate the number of mills levied for each area.

Source - Saginaw County Equalization Department

**Saginaw Intermediate School District
Principal Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Principal Taxpayers	Type of Business	Fiscal Year 2007			Fiscal Year 1998		
		Taxable Value	Rank	Percent of Total	Taxable Value	Rank	Percent of Total
Delphi Automotive Systems	Automotive	\$ 256,370,878	1	5.18%	\$ -	-	-
General Motors	Automotive	97,066,686	2	1.96%	212,874,515	1	4.30%
Consumers Energy	Utility	90,140,770	3	1.82%	102,820,193	2	2.08%
Hemlock Semi-Conductor	Silicone mfg	83,732,547	4	1.69%	18,391,600	4	0.37%
Sahasa/SSP Associates	Real estate	24,880,317	5	0.50%	-	-	-
Frankenmuth Bavarian Inn	Lodging/restaurant	22,247,564	6	0.45%	11,189,320	7	0.23%
Saginaw Joint Ventures (Fashion Square)	Shopping mall	21,951,588	7	0.44%	21,628,900	3	0.44%
Birch Run Outlet Center	Shopping center	19,247,857	8	0.39%	12,674,257	6	-
Wal Mart	Retail Sales	16,437,794	9	0.33%	-	-	0.00%
Zehnder's of Frankenmuth	Restaurant/Hotel/Golf Course	13,774,972	10	0.28%	-	-	-
Great Lakes Gas Transmission	Utility	-	-	-	14,141,572	5	0.29%
Frankenmuth Mutual Insurance	Insurance	-	-	-	10,571,360	8	0.21%
Meijers	Department Store	-	-	-	10,241,652	9	0.21%
Dow Corning	Manufacturing	-	-	-	8,346,668	10	0.17%
Subtotal		645,850,973		13.04%	422,880,037		8.30%
All others		4,305,135,012		86.96%	2,949,399,816		91.70%
Totals		<u>\$4,950,985,985</u>		<u>100.00%</u>	<u>\$3,372,279,853</u>		<u>100.00%</u>

Note - Subsequent to fiscal year 1998, Delphi Automotive Systems was spun off from General Motors and became a separate company

Source - Saginaw County Equalization Department

Saginaw Intermediate School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (A)		Delinquent Taxes Collected (C)
		Amount	Percentage of Levy (B)	
2007	\$ 10,333,698	\$10,263,624	99.32%	\$ 95,871
2006	9,815,902	9,775,794	99.59%	42,714
2005	9,450,456	9,410,075	99.57%	39,827
2004	9,092,568	9,007,159	99.06%	12,528
2003	8,823,058	8,776,549	99.47%	10,304
2002	8,483,799	8,453,952	99.65%	11,523
2001	8,029,920	8,018,631	99.86%	-
2000	7,811,445	7,865,960	100.70%	125
1999	7,583,256	7,444,032	98.16%	7,298
1998	7,150,692	7,150,692	100.00%	14,345

(A) - Note that these columns are to reflect that portion of the levy that is collected prior to the end of the period for which it is levied. This period coincides with our fiscal year in our situation.

(B) - Note that collections are in excess of the tax levy in several years presented. This is primarily due to the collection of Industrial Facility Taxes. The total tax levy above does not include any levy generated by Industrial Facility Taxes. The District has deemed it immaterial to obtain this detail from the numerous tax collection authorities.

(C) - The District did not previously track delinquent tax collections to specific tax years, so the amount of each year's levy that was collected in subsequent years cannot be presented above. The amounts listed in this column are the total delinquent taxes collected in that fiscal year and not the amounts collected for that year's levy.

DEBT CAPACITY

These schedules contain information to help the reader assess the district's current level of outstanding debt as well as its ability to issue additional debt in the future.

Saginaw Intermediate School District
Outstanding Debt by Type - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities				Percentage of Personal Income (A)	Debt Per Capita (A)
	Transitions Center Bonds	Installment Purchase Agreements		Total		
		Saginet Project	Bus Purchases			
2007	3,640,000	920,878	560,000	5,120,878	0.0904%	\$ 25
2006	3,845,000	463,364	840,000	5,148,364	0.0909%	25
2005	4,040,000	695,455	1,120,000	5,855,455	0.1049%	28
2004	4,000,000	916,072	1,416,105	6,332,177	0.1160%	30
2003	4,150,000	1,125,675	-	5,275,675	0.0998%	25
2002	4,280,000	1,324,791	-	5,604,791	0.1046%	27
2001	3,275,000	1,219,711	-	4,494,711	0.0836%	21
2000	3,365,000	-	-	3,365,000	0.0651%	16
1999	-	-	-	-	0.0000%	-
1998	-	-	-	-	0.0000%	-

Note - The District had no outstanding debt in fiscal years 1998 and 1999

(A) - See page 6 - 28 for personal income and population data. These ratios are calculated using the personal income and population figures from the prior calendar year. Since 2006 personal income data wasn't available, the 2005 personal income data was used for the 2007 calculation above.

Source - Saginaw Intermediate School District

Saginaw Intermediate School District
Schedule of Direct and Overlapping Bonded Debt
June 30, 2007
(Unaudited)

<u>Direct Debt</u>	Debt Outstanding	Estimated Percentage Applicable to District	Estimated Share of Debt	Debt per Capita (Pop 206,300)	Percent of Taxable Value (B)
General obligation bonds	\$ 3,640,000	100.00%	\$ 3,640,000	\$ 18	0.07%
<u>Overlapping Debt (A)</u>					
Cities	22,713,860	100.00%	22,713,860	110	0.46%
Townships	26,847,068	78.64%	21,111,457	102	0.43%
Villages	2,855,000	100.00%	2,855,000	14	0.06%
School Districts	183,099,454	100.00%	183,099,454	888	3.70%
Counties	126,991,591	35.24%	44,747,194	217	0.90%
Authority	10,555,000	0.04%	4,222	235	0.00%
Subtotal, overlapping debt	<u>373,061,973</u>		<u>274,531,187</u>	<u>1,331</u>	<u>5.55%</u>
Total direct and overlapping debt	<u>\$ 376,701,973</u>		<u>\$ 278,171,187</u>	<u>1,349</u>	<u>5.62%</u>

(A) Data Source for overlapping debt information is the Municipal Advisory Council of Michigan.

(B) The state taxable value for fiscal year 2007 equaled \$ 4,950,985,985. This valuation is for the 2006 tax year, which is the tax base for the District's 2007 fiscal year.

Note - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Saginaw Intermediate School District
Legal Debt Margin Information - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	State Equalized Valuation (A)	Debt Limit (B)	Debt Outstanding	Legal Debt Margin	Total net debt applicable to the limit as a percentage of the debt limit
2007	\$ 5,752,981,883	\$ 6,392,202	\$ 3,640,000	\$ 2,752,202	56.9%
2006	5,458,555,173	6,065,061	3,845,000	2,220,061	63.4%
2005	5,311,871,290	5,902,079	4,040,000	1,862,079	68.5%
2004	5,079,031,856	5,643,369	4,000,000	1,643,369	70.9%
2003	4,854,358,119	5,393,731	4,150,000	1,243,731	76.9%
2002	4,615,383,095	5,128,203	4,280,000	848,203	83.5%
2001	4,313,467,449	4,792,742	3,275,000	1,517,742	68.3%
2000	4,079,428,865	4,532,699	3,365,000	1,167,699	74.2%
1999	3,880,504,509	4,311,672	-	4,311,672	0.0%
1998	3,603,827,389	4,004,253	-	4,004,253	0.0%

(A) Data Source: Saginaw County Equalization Department.

(B) The debt limit is statutorily set at 1/9 of 1% of the state equalized value

(C) Debt outstanding does not include Durant Bonds outstanding which are paid directly by the State of Michigan and thus are not included above.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules present various demographic and economic indicators in order to help the reader understand the environment within which the district operates and to help make comparisons over time as well as with other intermediate school districts.

**Saginaw Intermediate School District
Demographic Statistics - Saginaw County
Last Ten Calendar Years
(Unaudited)**

Calendar Year	Population (Estimate) (A)	Personal Income (in thousands) - (B)	Per Capita Personal Income (B)	Unemployment Rate (C)
2006	206,300	Not available	Not available	7.5%
2005	207,846	5,664,991	27,256	7.8%
2004	208,903	5,580,131	26,712	8.6%
2003	209,074	5,460,178	26,116	8.9%
2002	209,636	5,288,616	25,228	7.1%
2001	209,611	5,356,307	25,554	5.7%
2000	209,954	5,373,864	25,595	4.1%
1999	210,400	5,166,304	24,555	4.0%
1998	210,839	4,938,384	23,423	4.3%
1997	211,406	4,806,318	22,735	4.4%

(A) Source - Population Division, U.S. Census Bureau

(B) Source - Bureau of Economic Analysis, U.S. Department of Commerce - 2006 information was not available at this time

(C) Source - U.S. Department of Labor, Bureau of Labor Statistics Data - Yearly average, not seasonally adjusted

Saginaw Intermediate School District
Principal Employers - Current Year and Nine Years Ago
(Unaudited)

Employer	Type of Business	Fiscal Year 2007			Fiscal Year 1998		
		Employees	Rank	Percent of Total	Employees	Rank	Percent of Total
Delphi Automotive Systems	Automotive	4,600	1	4.93%	8,418	1	9.02%
Covenant Healthcare	Medical	4,129	2	4.42%	2,070	2	-
St. Mary's of Michigan	Medical	2,686	3	2.88%	1,794	4	1.92%
General Motors Powertrain	Automotive	1,700	4	1.82%	2,000	3	2.14%
Saginaw Public Schools	Education	1,588	5	1.70%	1,649	5	1.77%
AT&T	Communication	1,273	6	1.36%	-		0.00%
Frankenmuth Bavarian Inn	Restaurant, Hotel	1,000	7	1.07%	-		-
Hemlock Semiconductor	Polycrystalline silicon	1,000	7	1.07%	-		-
Meijer	Department Store	825	9	0.88%	600	9	-
County of Saginaw	Government	720	10	0.77%	769	7	0.82%
Michigan Sugar	Beet sugar, molasses	-		-	1,200	6	1.29%
Eaton Corporation	Automotive parts & tools	-		-	610	8	0.65%
Saginaw Township Schools	Education	-		-	600	10	0.64%
	Subtotal	19,521		20.90%	19,710		18.25%
	All others	73,822		79.10%	76,915		81.75%
	Totals	93,343		100.00%	96,625		100.00%

Source - Saginaw Future Inc. and Michigan Economic Development Corporation

This page intentionally left blank

OPERATING INFORMATION

These schedules present various information about the district's operations and help the reader understand how the financial information that has been presented relates to the activities the district performs.

Saginaw Intermediate School District
Full-Time Equivalent Employees by Type - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year										Change from FY '98 to FY '07
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	
General Administration and Operation											
Central administration	6	6	6	6	6	5	5	5	5	5	1
Technical - Technology	11	10	12	12	10	9	8	7	7	7	4
Technical - Finance	7	6	7	6	6	6	5	4	3	3	4
Secretarial	26	25	22	21	22	22	21	22	20	20	6
Custodial & Maintenance	15	14	12	12	11	10	9	10	10	10	5
Transportation	7	7	5	5	4	4	-	-	-	-	7
Food Service	10	10	9	9	7	7	7	8	7	7	3
Instruction and pupil support services											
Operational administration	15	13	11	10	8	9	7	6	5	6	9
Teachers - Special Education	41	40	41	40	44	41	41	41	37	37	4
Teachers - Head Start	43	37	-	-	-	-	-	-	-	-	43
Teachers - General	8	8	9	9	4	4	4	4	4	3	5
Classroom aides - Special Education	67	72	69	67	64	62	56	57	49	50	17
Classroom aides - Head Start	75	71	-	-	-	-	-	-	-	-	75
Psychologists	12	11	11	10	6	6	6	6	6	5	7
Social workers	10	10	10	11	8	8	6	6	4	4	6
Therapists - Speech, O.T., P.T.	24	23	24	22	19	19	16	16	14	13	11
Interpreters	5	5	5	5	3	2	2	2	-	-	5
Supervisors / consultants - Special Education	35	27	29	30	32	30	25	23	18	17	18
Supervisors / consultants - Head Start	37	36	-	-	-	-	-	-	-	-	37
Supervisors / consultants - General	5	6	2	2	1	1	2	2	2	2	3
Nursing	7	7	7	7	7	4	4	4	4	4	3
Bus drivers	56	54	48	45	29	28	27	24	18	18	38
Bus aides	39	39	47	38	25	22	21	18	15	15	24
Total	561	537	386	367	316	299	272	265	228	226	335

Source: Saginaw Intermediate School District

**Saginaw Intermediate School District
Enrollment Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Students		
	Local School Districts	Saginaw ISD	Total Intermediate District
2007	33,814	469	34,283
2006	34,667	477	35,144
2005	35,295	452	35,747
2004	35,641	434	36,075
2003	35,928	427	36,355
2002	36,127	401	36,528
2001	36,345	353	36,698
2000	36,619	338	36,957
1999	36,540	317	36,857
1998	36,454	301	36,755

Data Source: Michigan Department of Education, FTE membership counts

Saginaw Intermediate School District
Teacher Base Salaries - Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>BA Base Minimum Salary</u>	<u>MA / BA +30 Maximum Salary</u>
2007	\$ 36,730	\$ 74,799
2006	36,010	73,332
2005	35,304	71,540
2004	34,782	70,483
2003	34,100	67,739
2002	33,107	65,766
2001	32,299	64,162
2000	31,435	62,445
1999	30,675	60,938
1998	30,675	60,938

Source - Saginaw Intermediate School District, Personnel Department

Saginaw Intermediate School District
Capital Asset Information - Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<u>Buildings</u>										
Regional Educational Service Center										
Square Feet	28,398	28,398	28,398	28,398	28,398	28,398	28,398	28,398	28,398	28,398
Employees	100	96	96	94	74	69	73	70	56	54
Melvin G. Millet Learning Center										
Square Feet	93,403	93,403	93,403	93,403	93,403	93,403	93,403	93,403	93,403	93,403
Employees	126	130	128	121	126	119	135	138	125	126
Hartley Outdoor Education Center										
Square Feet	14,682	14,682	14,682	14,682	14,682	14,682	14,682	14,682	14,682	14,682
Employees	14	14	14	14	14	14	14	13	12	11
Transitions Center										
Square Feet	52,320	39,260	39,260	39,260	39,260	39,260	-	-	-	-
Employees	47	47	44	46	41	40	-	-	-	-
<u>Transportation</u>										
Buses	58	51	51	47	32	29	27	23	18	18
Miles Driven	1,236,891	1,254,838	1,166,477	1,002,323	873,796	877,673	822,182	757,445	529,693	473,048

Source - Saginaw Intermediate School District

This page intentionally left blank

Saginaw Intermediate School District

Saginaw, Michigan

Single Audit Report

June 30, 2007

CONTENTS

	<u>Page</u>
Single Audit Report	
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	1
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	9
Schedule of Federal Financial Assistance Provided to Subrecipients	10
Schedule of Findings and Questioned Costs	14
Summary Schedule of Prior Audit Findings	16



3023 Davenport
Saginaw, MI 48602
Phone (989) 793-9830 / (800) 968-0010
Fax (989) 793-0186

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

Members of the Board of Education
Saginaw Intermediate School District
Saginaw, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saginaw Intermediate School District as of and for the year ended June 30, 2007, which collectively comprise Saginaw Intermediate School District's basic financial statements and have issued our report thereon dated October 29, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Saginaw Intermediate School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saginaw Intermediate School District's financial reporting. Accordingly, we do not express an opinion on the effectiveness of Saginaw Intermediate School District's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saginaw Intermediate School District'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*.

We noted certain matters that we reported to management of Saginaw Intermediate School District in a separate letter dated October 29, 2007.

This report is intended solely for the information and use of the Board of Education, management, 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.

Yeo & Yeo, P.C.

Saginaw, Michigan

October 29, 2007

**Report on Compliance with Requirements Applicable to Each
Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133**

Members of the Board of Education
Saginaw Intermediate School District
Saginaw, Michigan

Compliance

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

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

In our opinion, Saginaw Intermediate School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saginaw Intermediate School District as of and for the year ended June 30, 2007, and have issued our report thereon dated October 29, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Saginaw Intermediate School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, 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.

Yeo & Yeo, P.C.

Saginaw, Michigan
October 29, 2007

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

Federal Grantor Pass-Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Amount	Accrued (Deferred) Revenue July 1, 2006	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Deferred) Revenue June 30, 2007
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Food Distribution								
Commodities - Entitlement	10.550	\$ 5,870	\$ -	\$ -	\$ 5,870	\$ 5,870	\$ -	\$ -
Commodities - Bonus		22	-	-	22	22	-	-
			-	-	5,892	5,892	-	-
Passed through Michigan State University Extension								
Food Stamp Program								
Michigan Nutrition Network Grant - FY '06 award	10.551	120,591	1,717	-	108,952	110,669	-	-
			1,717	-	108,952	110,669	-	-
Passed through Michigan Department of Education								
Nutrition Cluster								
National School Lunch								
061970 National School Breakfast	10.553	33,954	1,414	29,271	4,683	6,097	-	-
071970 National School Breakfast		30,782	-	-	30,782	29,016	-	1,766
			1,414	29,271	35,465	35,113	-	1,766
061950 Section 4 - Total Servings	10.555	9,059	444	7,832	1,227	1,671	-	-
071950 Section 4 - Total Servings		8,064	-	-	8,064	7,590	-	474
061960 Section 11 - Free and Reduced		52,448	2,349	45,013	7,435	9,784	-	-
071960 Section 11 - Free and Reduced		42,676	-	-	42,676	39,916	-	2,760
			2,793	52,845	59,402	58,961	-	3,234
Total Nutrition Cluster			4,207	82,116	94,867	94,074	-	5,000
061920 CCFP Meals	10.558	216,171	-	193,996	22,175	22,175	-	-
062010 Child Care Cash in Lieu		10,692	-	9,652	1,040	1,040	-	-
071920 CCFP Meals		335,709	-	-	335,709	335,709	-	-
072010 Child Care Cash in Lieu		15,154	-	-	15,154	15,154	-	-
			-	203,648	374,078	374,078	-	-
Total U.S. Department of Agriculture			5,924	285,764	583,789	584,713	-	5,000

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

Federal Grantor Pass-Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Amount	Accrued (Deferred) Revenue July 1, 2006	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Deferred) Revenue June 30, 2007
U.S. Department of Labor								
Passed through Saginaw, Midland, Bay Michigan Works Agency								
WIA Youth Activities 17.259								
In school services		\$ 184,040	\$ -	\$ -	\$ 103,319	\$ 39,947	\$ -	\$ 63,372
Out-of-school services		206,826	-	-	103,329	46,296	-	57,033
			-	-	206,648	86,243	-	120,405
Passed through Michigan Department of Labor and Economic Growth								
Michigan High Tech Connections 17.720								
MI Connections		15,000	(1,648)	13,352	1,095	-	-	(553)
Total U.S. Department of Labor			(1,648)	13,352	207,743	86,243	-	119,852
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I 84.010								
061700/0506 Prevention Intervention for Delinquents		85,849	11,829	66,829	19,020	30,849	-	-
051570/0506 Regional Assistance		35,556	(8,888)	31,112	4,444	-	4,444	-
071700/0607 Prevention Intervention for Delinquents		61,039	-	-	56,230	55,000	-	1,230
061570/0607 Regional Assistance		140,000	-	-	15,033	-	-	15,033
			2,941	97,941	94,727	85,849	4,444	16,263
Special Education Cluster								
060450/0506 PL 94-142 Flow-Through	84.027	7,862,906	2,262,906	7,862,906	-	2,262,906	-	-
070450/0607 PL 94-142 Flow-Through		7,819,129	-	-	7,703,727	5,000,000	-	2,703,727
060490-TS State Initiated/Department		103,522	10,744	95,744	7,778	18,522	-	-
070490-TS State Initiated/Department		105,000	-	-	99,234	70,000	-	29,234
070480-EOSD State Initiated/Competitive		60,000	-	-	60,000	60,000	-	-
070440/0607 - Service Provider Self-Review		3,000	-	-	1,523	-	-	1,523
			2,273,650	7,958,650	7,872,262	7,411,428	-	2,734,484
Passed through Michigan Department of Education								
060460/0506 PL 94-142 Preschool Incentive	84.173	299,273	84,273	299,273	-	84,273	-	-
070460/0607 PL 94-142 Preschool Incentive		292,980	-	-	291,147	190,000	-	101,147
			84,273	299,273	291,147	274,273	-	101,147
Total Special Education Cluster			2,357,923	8,257,923	8,163,409	7,685,701	-	2,835,631

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

Federal Grantor Pass-Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Amount	Accrued (Deferred) Revenue July 1, 2006	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Deferred) Revenue June 30, 2007
U.S. Department of Education								
Passed through Michigan Department of Education								
Infant and Toddler Formula								
051340/190 Infant and Toddler Formula	84.181	\$ 311,980	\$ 36,980	\$ 311,980	\$ -	\$ 36,980	\$ -	\$ -
061340/190 Infant and Toddler Formula		307,506	92,506	307,506	-	92,506	-	-
071340/190 Infant and Toddler Formula		302,237	-	-	284,573	208,000	-	76,573
			<u>129,486</u>	<u>619,486</u>	<u>284,573</u>	<u>337,486</u>	<u>-</u>	<u>76,573</u>
Drug-free schools								
062860/0506 Drug-free schools	84.186	112,710	72,711	112,711	-	72,710	(1)	-
062860/0607 Drug-free schools		50,038	-	-	50,038	41,000	-	9,038
072860/0607 Drug-free schools		109,047	-	-	81,212	70,000	-	11,212
			<u>72,711</u>	<u>112,711</u>	<u>131,250</u>	<u>183,710</u>	<u>(1)</u>	<u>20,250</u>
Even Start								
050390/C0630CES Even Start	84.213	210,044	44	210,044	-	44	-	-
070390/D0718CES Even Start		182,787	-	-	158,076	130,000	-	28,076
			<u>44</u>	<u>210,044</u>	<u>158,076</u>	<u>130,044</u>	<u>-</u>	<u>28,076</u>
Received directly from U.S. Department of Education								
Partnerships in Character Education								
	84.215S	298,610	-	-	253,180	228,000	-	25,180
Passed through Delta College								
Tech Prep grant								
Tech Prep grant	84.243	3,000	1,466	1,466	-	1,466	-	-
Tech Prep grant		3,000	-	-	2,659	-	-	2,659
			<u>1,466</u>	<u>1,466</u>	<u>2,659</u>	<u>1,466</u>	<u>-</u>	<u>2,659</u>
Passed through Michigan Department of Education								
Title V								
060250/0506 Title V	84.298	35,672	9,809	30,809	4,863	14,672	-	-
070250/0607 Title V		16,294	-	-	11,162	6,000	-	5,162
			<u>9,809</u>	<u>30,809</u>	<u>16,025</u>	<u>20,672</u>	<u>-</u>	<u>5,162</u>

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

Federal Grantor Pass-Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Amount	Accrued (Deferred) Revenue July 1, 2006	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts	Adjustments	Accrued (Deferred) Revenue June 30, 2007
U.S. Department of Education								
Reading First								
	84.357							
071B3001238 - FY '04 grant		\$ 250,000	\$ -	\$ 249,770	\$ 230	\$ 230	\$ -	\$ -
071B3001238 - FY '06 grant		250,000	162,026	229,364	20,636	182,662	-	-
072910 / 0607		250,000	-	-	242,031	104,843	-	137,188
			<u>162,026</u>	<u>479,134</u>	<u>262,897</u>	<u>287,735</u>	<u>-</u>	<u>137,188</u>
Passed through Michigan Department of Education								
Title IIA - Teacher Quality								
	84.367							
060520/0506 Title IIA - Teacher Quality		1,169	(155)	695	474	319	-	-
070520/0607 Title IIA - Teacher Quality		1,169	-	-	1,014	1,000	-	14
			<u>(155)</u>	<u>695</u>	<u>1,488</u>	<u>1,319</u>	<u>-</u>	<u>14</u>
Total U.S. Department of Education			<u>2,736,251</u>	<u>9,810,209</u>	<u>9,368,284</u>	<u>8,961,982</u>	<u>4,443</u>	<u>3,146,996</u>
U.S. Department of Health and Human Services								
2006-G054122-4151 - Head Start Operating	93.600	3,761,106	145,278	3,519,351	215,790	361,068	-	-
2006-G054122-4151 - Head Start Start-up		558,675	-	144,277	311,022	311,022	-	-
2007-G054122-4151 - Head Start Operating		6,434,505	-	-	6,111,381	5,364,851	-	746,530
2007-G054122-4151 - Head Start		75,059	-	-	73,059	73,059	-	-
			<u>145,278</u>	<u>3,663,628</u>	<u>6,711,252</u>	<u>6,110,000</u>	<u>-</u>	<u>746,530</u>
Passed through Saginaw Valley Regional 4C's Association								
Workfirst								
	93.558	20,000	-	-	18,556	18,387	-	169
Training Contracts								
	93.575	30,600	-	-	25,541	22,390	-	3,151
Child Care and Development Block Grant								
	93.596	312,861	-	-	188,106	119,113	-	68,993
Passed through Tuscola Intermediate School District								
Medicaid Transportation								
	93.778	29,935	-	-	29,935	29,935	-	-
Medicaid Outreach								
		217,891	-	-	217,891	217,891	-	-
			<u>-</u>	<u>-</u>	<u>247,826</u>	<u>247,826</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>145,278</u>	<u>3,663,628</u>	<u>7,191,281</u>	<u>6,517,716</u>	<u>-</u>	<u>818,843</u>
Total Federal Financial Assistance			<u>\$ 2,885,805</u>	<u>\$13,772,953</u>	<u>\$ 17,351,097</u>	<u>\$ 16,150,654</u>	<u>\$ 4,443</u>	<u>\$ 4,090,691</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Saginaw Intermediate School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2007

1. The Schedule of Expenditures of Federal Awards was prepared using the accrual basis of accounting.
2. Management has reported the expenditures in the Schedule of Expenditures of Federal Awards equal to those amounts reported in the annual or final cost reports that have been submitted as of June 30, 2007.
3. The federal amounts reported on the Form R-7120 "Grant Sections Auditor's Report" and the "Grant Auditor Report" are in agreement with the Schedule of Expenditures of Federal Awards, except for National School Breakfast and Lunch payments made near the end of the two fiscal years on the Grant Section Auditors Report not received until the following year by the District.
4. The amounts reported on the Recipient Entitlement Balance Report agree with the Schedule of Expenditures of Federal Awards for U.S.D.A. donated food commodities.

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards Provided to Subrecipients
Year Ended June 30, 2007

Program Title/Subrecipient	Federal CFDA Number	Pass-Through Grantor Number	Subrecipient Award/Contract Amount	Due to/(From) Subrecipient July 1, 2006	(Memo Only) Prior Year Expenditures of Subrecipient	Current Year Expenditures of Subrecipient	Current Year Cash Payment To Subrecipient	Adjustments	Due to/(From) Subrecipient June 30, 2007
Michigan Nutrition Network Grant School District of the City of Saginaw - FY '06	10.551		\$ 107,703	\$ 82,190	\$ 82,190	\$ 25,513	\$ 107,703	\$ -	\$ -
WIA Youth Activities	17.259								
Sag. Co. Business & Education Partnership			20,174	-	-	20,174	17,116	-	3,058
SVRC Industries, Inc. - In school services			159,226	-	-	76,831	45,141	-	31,690
SVRC Industries, Inc. - Out-of-school services			201,917	-	-	95,576	71,554	-	24,022
				-	-	192,581	133,811	-	58,770
Title 1 - Prevention Intervention for Delinquents	84.010								
SVRC Industries, Inc.		061700-0506	85,849	5,887	66,829	19,020	24,907	-	-
SVRC Industries, Inc.		071700-0607	61,039	-	-	56,230	47,010	-	9,220
				5,887	66,829	75,250	71,917	-	9,220
Title 1 - Regional Assistance	84.010								
Huron ISD		051570-0506	4,444	4,444	4,444	-	4,444	-	-
IDEA Flow-Through	84.027								
North Saginaw Charter Academy		050450-0405	43,018	13,690	43,018	-	13,690	-	-
Birch Run Area Schools		060450-0506	211,190	62,474	211,190	-	62,474	-	-
Bridgeport-Spaulding Community Schools		060450-0506	377,746	157,215	377,746	-	157,215	-	-
Chesaning Union Schools		060450-0506	338,557	168,664	338,557	-	168,664	-	-
School District of the City of Saginaw		060450-0506	2,565,693	904,210	2,553,693	-	904,210	-	-
Saginaw Preparatory Academy		060450-0506	20,684	20,684	20,684	-	20,684	-	-
Saginaw Township Community Schools		060450-0506	686,911	184,158	686,911	-	184,158	-	-
Birch Run Area Schools		070450-0607	235,431	-	-	222,321	171,249	-	51,072
Bridgeport-Spaulding Community Schools		070450-0607	386,935	-	-	377,743	235,925	-	141,818
Buena Vista School District		070450-0607	269,219	-	-	269,219	269,219	-	-
Carrollton Public Schools		070450-0607	279,029	-	-	279,029	279,029	-	-
Carrollton Public Schools - Post Secondary		070450-0607	156,954	-	-	156,954	156,954	-	-
Chesaning Union Schools		070450-0607	337,887	-	-	337,887	337,887	-	-
Frances Reh Public Academy		070450-0607	56,678	-	-	56,678	41,474	-	15,204
Frankenmuth School District		070450-0607	163,494	-	-	163,494	163,494	-	-
Freeland Community School District		070450-0607	198,372	-	-	198,372	-	-	198,372
Hemlock Public Schools		070450-0607	225,621	-	-	225,621	225,621	-	-
Merrill Community School District		070450-0607	141,694	-	-	141,694	141,694	-	-
North Saginaw Charter Academy		070450-0607	67,577	-	-	-	-	-	-
Holy Cross Children's Services		070450-0607	35,969	-	-	35,969	35,969	-	-
School District of the City of Saginaw		070450-0607	2,457,576	-	-	2,447,158	1,481,381	-	965,777
Saginaw Preparatory Academy		070450-0607	21,799	-	-	21,779	21,779	-	-
Saginaw Learn To Earn Academy		070450-0607	49,048	-	-	35,125	3,917	-	31,208
Saginaw Township Community Schools		070450-0607	724,821	-	-	724,821	615,011	-	109,810
St. Charles Community Schools		070450-0607	184,203	-	-	184,203	-	-	184,203
Swan Valley School District		070450-0607	257,230	-	-	257,230	209,737	-	47,493
				1,511,095	4,231,799	6,135,297	5,901,435	-	1,744,957

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards Provided to Subrecipients
Year Ended June 30, 2007

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Subrecipient Award/ Contract Amount</u>	<u>Due to/(From) Subrecipient July 1, 2006</u>	<u>(Memo Only) Prior Year Expenditures of Subrecipient</u>	<u>Current Year Expenditures of Subrecipient</u>	<u>Current Year Cash Payment To Subrecipient</u>	<u>Adjustments</u>	<u>Due to/(From) Subrecipient June 30, 2007</u>
IDEA Preschool Incentive	84.173								
Birch Run Area Schools		060460-0506	\$ 10,835	\$ 3,378	\$ 10,835	\$ -	\$ 3,378	\$ -	\$ -
Bridgeport-Spaulding Community Schools		060460-0506	19,826	7,518	19,826	-	7,518	-	-
Buena Vista School District		060460-0506	4,720	4,720	4,720	-	4,720	-	-
School District of the City of Saginaw		060460-0506	101,017	51,017	101,017	-	51,017	-	-
Saginaw Township Community Schools		060460-0506	49,564	19,149	49,564	-	19,149	-	-
Birch Run Area Schools		070460-0607	10,999	-	-	10,999	4,137	-	6,862
Bridgeport-Spaulding Community Schools		070460-0607	16,957	-	-	16,957	12,820	-	4,137
Buena Vista School District		070460-0607	4,125	-	-	4,125	-	-	4,125
Chesaning Union Schools		070460-0607	16,499	-	-	16,499	-	-	16,499
Frankenmuth School District		070460-0607	5,041	-	-	5,041	5,041	-	-
North Saginaw Charter Academy		070460-0607	1,833	-	-	-	-	-	-
School District of the City of Saginaw		070460-0607	92,578	-	-	92,578	50,752	-	41,826
Saginaw Township Community Schools		070460-0607	51,330	-	-	51,330	42,952	-	8,378
				<u>85,782</u>	<u>185,962</u>	<u>197,529</u>	<u>201,484</u>	<u>-</u>	<u>81,827</u>
Infant and Toddler Formula	84.181								
School District of the City of Saginaw		051340-190	20,800	20,800	20,800	-	20,800	-	-
Saginaw Co. Comm. Mental Health Authority		051340-190	5,500	5,500	5,500	-	5,500	-	-
MSU Extension		051340-190	300	300	300	-	300	-	-
Bridgeport-Spaulding Community Schools		061340-190	3,600	3,600	3,600	-	3,600	-	-
Chesaning Union Schools		061340-190	2,150	2,150	2,150	-	2,150	-	-
School District of the City of Saginaw		061340-190	22,700	22,700	22,700	-	22,700	-	-
Saginaw Co. Comm. Mental Health Authority		061340-190	7,900	7,900	7,900	-	7,900	-	-
Saginaw Co. Dept. of Public Health		061340-190	137,695	34,657	137,695	-	34,657	-	-
Chesaning Union Schools		071340-190	2,150	-	-	-	-	-	-
School District of the City of Saginaw		071340-190	21,400	-	-	21,400	-	-	21,400
Saginaw Co. Comm. Mental Health Authority		071340-190	4,900	-	-	4,900	4,900	-	-
Saginaw Co. Dept. of Public Health		071340-190	141,500	-	-	141,500	141,500	-	-
Saginaw Valley Regional 4-C's		071340-190	14,249	-	-	14,249	14,249	-	-
				<u>97,607</u>	<u>200,645</u>	<u>182,049</u>	<u>258,256</u>	<u>-</u>	<u>21,400</u>

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards Provided to Subrecipients
Year Ended June 30, 2007

Program Title/Subrecipient	Federal CFDA Number	Pass-Through Grantor Number	Subrecipient Award/ Contract Amount	Due to/(From) Subrecipient July 1, 2006	(Memo Only) Prior Year Expenditures of Subrecipient	Current Year Expenditures of Subrecipient	Current Year Cash Payment To Subrecipient	Adjustments	Due to/(From) Subrecipient June 30, 2007
Drug Free	84.186								
Bridgeport-Spaulding Community Schools		062860-0506	\$ 16,429	\$ 16,429	\$ 16,429	\$ -	\$ 16,429	\$ -	\$ -
Freeland Community Schools		062860-0506	2,798	2,798	2,798	-	2,798	-	-
Merrill Community Schools		062860-0506	2,594	2,364	2,364	-	2,364	-	-
Birch Run Area Schools		072860-0607	2,501	-	-	2,480	2,480	-	-
Bridgeport-Spaulding Community Schools		072860-0607	6,122	-	-	6,122	6,122	-	-
Buena Vista School District		072860-0607	6,197	-	-	6,197	6,197	-	-
Carrollton Public Schools		072860-0607	1,878	-	-	1,643	1,643	-	-
Chesaning Union Schools		072860-0607	3,314	-	-	3,314	-	-	3,314
Francis Reh Academy		072860-0607	1,542	-	-	1,542	1,542	-	-
Frankenmuth School District		072860-0607	1,404	-	-	1,404	1,404	-	-
Freeland Community Schools		072860-0607	1,741	-	-	1,741	1,741	-	-
Hemlock Public Schools		072860-0607	1,834	-	-	1,834	1,834	-	-
Merrill Community Schools		072860-0607	1,474	-	-	900	600	-	300
Saginaw Learn To Earn Academy		072860-0607	361	-	-	361	361	-	-
Saginaw Preparatory Academy		072860-0607	1,481	-	-	1,481	1,481	-	-
Saginaw Township Community Schools		072860-0607	6,140	-	-	6,140	6,140	-	-
St. Charles Community Schools		072860-0607	1,909	-	-	1,909	1,909	-	-
Swan Valley School District		072860-0607	1,852	-	-	2,946	2,946	-	-
				21,591	21,591	40,014	57,991	-	3,614
Even Start	84.213								
Teen Parent Services		050390/C0630CES	161,911	12,032	141,761	-	12,032	-	-
Teen Parent Services		070390/D0718CES	99,378	-	-	81,888	71,154	-	10,734
				12,032	141,761	81,888	83,186	-	10,734
Title V	84.298								
Bethlehem Lutheran School		070250-0607	274	-	-	265	265	-	-
Holy Cross Lutheran School		070250-0607	250	-	-	173	173	-	-
Immanuel Lutheran School		070250-0607	149	-	-	149	149	-	-
Michigan Lutheran Seminary		070250-0607	506	-	-	506	506	-	-
Nouvel Catholic Central High School		070250-0607	896	-	-	-	-	-	-
Peace Lutheran School		070250-0607	476	-	-	476	476	-	-
SS Peter & Paul Catholic School		070250-0607	97	-	-	80	80	-	-
St. Helen School		070250-0607	243	-	-	243	243	-	-
St. Paul Lutheran School		070250-0607	259	-	-	259	259	-	-
St. Peter Lutheran School		070250-0607	234	-	-	-	-	-	-
St. Stephen Parish School		070250-0607	646	-	-	642	642	-	-
St. Thomas Aquinas School		070250-0607	705	-	-	696	696	-	-
Valley Lutheran High School		070250-0607	636	-	-	636	636	-	-
				-	-	4,125	4,125	-	-

Saginaw Intermediate School District
Schedule of Expenditures of Federal Awards Provided to Subrecipients
Year Ended June 30, 2007

<u>Program Title/Subrecipient</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Subrecipient Award/ Contract Amount</u>	<u>Due to/(From) Subrecipient July 1, 2006</u>	<u>(Memo Only) Prior Year Expenditures of Subrecipient</u>	<u>Current Year Expenditures of Subrecipient</u>	<u>Current Year Cash Payment To Subrecipient</u>	<u>Adjustments</u>	<u>Due to/(From) Subrecipient June 30, 2007</u>
Reading First	84.357								
Bay-Arenac ISD			\$ 18,959	\$ 18,657	\$ 18,657	\$ -	\$ 18,657	\$ -	\$ -
Clare-Gladwin RESD			12,065	12,065	12,065	-	12,065	-	-
Gratiot-Isabella RESD			20,682	13,720	20,682	-	13,720	-	-
Huron ISD			10,341	5,747	10,341	-	5,747	-	-
Midland County ESA			20,682	12,868	20,682	-	12,868	-	-
Montcalm Area ISD			17,235	11,674	17,235	-	11,674	-	-
Sanilac ISD			8,618	8,618	8,618	-	8,618	-	-
Tuscola ISD			15,512	12,092	15,512	-	12,092	-	-
Bay-Arenac ISD			18,567	-	-	18,567	-	-	18,567
Clare-Gladwin RESD			11,815	-	-	11,814	-	-	11,814
Gratiot-Isabella RESD			20,255	-	-	20,255	20,255	-	-
Huron ISD			10,127	-	-	10,127	-	-	10,127
Midland County ESA			20,255	-	-	20,255	-	-	20,255
Montcalm Area ISD			16,879	-	-	13,303	8,092	-	5,211
Sanilac ISD			8,439	-	-	8,424	-	-	8,424
Tuscola ISD			15,191	-	-	15,191	-	-	15,191
				<u>95,441</u>	<u>123,792</u>	<u>117,936</u>	<u>123,788</u>	<u>-</u>	<u>89,589</u>
Medicaid Administrative Outreach	93.778								
Birch Run Area Schools			9,257	-	-	9,257	7,360	-	1,897
Bridgeport-Spaulding Community Schools			13,506	-	-	13,506	10,865	-	2,641
Buena Vista School District			4,167	-	-	4,167	3,171	-	996
Carrollton Public Schools			8,296	-	-	8,296	6,660	-	1,636
Chesaning Union Schools			8,426	-	-	8,426	6,482	-	1,944
Frankenmuth School District			6,844	-	-	6,844	5,315	-	1,529
Freeland Community Schools			4,210	-	-	4,210	3,246	-	964
Hemlock Public Schools			2,625	-	-	2,625	2,038	-	587
Merrill Community Schools			2,809	-	-	2,809	2,187	-	622
School District of the City of Saginaw			59,503	-	-	59,503	46,705	-	12,798
Saginaw Township Community Schools			27,595	-	-	27,595	20,628	-	6,967
St. Charles Community Schools			3,322	-	-	3,322	2,622	-	700
Swan Valley School District			7,374	-	-	7,374	7,374	-	-
				<u>-</u>	<u>-</u>	<u>157,934</u>	<u>124,653</u>	<u>-</u>	<u>33,281</u>
Medicaid Transportation	93.778								
Bridgeport-Spaulding Community Schools			5,707	15	5,707	-	15	-	-
School District of the City of Saginaw			110,707	1,280	110,707	-	1,280	-	-
Birch Run Area Schools			158	-	-	158	95	-	63
Bridgeport-Spaulding Community Schools			672	-	-	672	514	-	158
Hemlock Public Schools			512	-	-	512	512	-	-
Merrill Community Schools			371	-	-	371	371	-	-
School District of the City of Saginaw			15,215	-	-	15,215	13,010	-	2,205
Saginaw Township Community Schools			125	-	-	125	125	-	-
Swan Valley School District			267	-	-	267	267	-	-
				<u>1,295</u>	<u>116,414</u>	<u>17,320</u>	<u>16,189</u>	<u>-</u>	<u>2,426</u>
Total Federal Financial Assistance Provided to Subrecipients				<u>\$ 1,917,364</u>	<u>\$ 5,175,427</u>	<u>\$ 7,227,436</u>	<u>\$ 7,088,982</u>	<u>\$ -</u>	<u>\$ 2,055,818</u>

**Saginaw Intermediate School District
Schedule of Findings and Questioned Costs
June 30, 2007**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
 - Significant Deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.027 and 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 520,500

Auditee qualified as low-risk auditee? X yes _____ no

**Saginaw Intermediate School District
Schedule of Findings and Questioned Costs
June 30, 2007
(continued)**

SECTION II - GOVERNMENT AUDITING STANDARDS FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with government auditing standards generally accepted in the United States of America for the year ended June 30, 2007.

SECTION III - FEDERAL AWARD FINDINGS

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2007.

**Saginaw Intermediate School District
Summary Schedule of Prior Audit Findings
June 30, 2007**

There were no audit findings for the year ended June 30, 2006.



3023 Davenport
Saginaw, MI 48602
Phone (989) 793-9830 / (800) 968-0010
Fax (989) 793-0186

To the Management and
Board of Education of
Saginaw Intermediate School District

In planning and performing our audit of the financial statements of Saginaw Intermediate School District as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Saginaw Intermediate School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

We have noted various items we feel could improve your internal controls or operating efficiencies. These items are not considered significant deficiencies or material weaknesses but are presented for your consideration.

Head Start Expenditures

During our testing of accounts payable transactions we noted that there were several items included in accounts payable that were 2008 expenditures. Head Start encumbrances were reported as accounts payable and expensed in fiscal year 2007 when the items ordered were received after June 30, 2007. Head Start allows expenditures to be included in the current year grant as long as they are encumbered as of June 30, 2007 and paid within 90 days. Management was able to identify which items needed to be removed from accounts payable and posted a journal entry to correct the issue. We recommend that management develop a process to prevent and detect this and similar issues.

Mileage reimbursements

During the audit we tested travel and mileage reimbursements for timely reporting. We noted one instance where almost 12 months of mileage reimbursements was submitted at year end and several other instances where mileage was not submitted until two months after the mileage expenditure had been incurred. We recommend that management amend their travel policy to include a reasonable time frame as to when mileage reimbursement requests need to be submitted in order to receive reimbursement. By allowing reimbursement of mileage outside of a two month window, there is an increased likelihood of abuse, it is difficult for a supervisor to recall if the expenditure was warranted after so much time has passed, and it could cause problems with monitoring program budgets.

Proportionate Share Calculation

We noted during our audit that management is properly calculating the proportionate share for parentally-placed private school children for the IDEA flow-through money, but not for the preschool funds. The Michigan Department of Education, Office of Special Education and Early Intervention Services needs to provide additional technical assistance and guidance to Intermediate School Districts, their Local School Districts and Public School Academies, regarding the implementation of the Individuals with Disabilities Education Act, Proportionate Share Requirement. We recommend that the ISD follow up with the Michigan Department of Education on what is required under the implementation of the Proportionate Share Requirement.

Documentation of Internal Controls

As part of our audit planning procedures, we are required to obtain an understanding of internal controls of the District. SAS 112 became effective for audits of financial statements for periods ending on or after December 15, 2006. Part of SAS 112 states that there must be adequate documentation of the components of internal control. Part of the internal control process is the communication of information, including the communication of how internal controls are designed and operating. During our audit we noted that there is documentation of the internal control policies, but not necessarily a formalized documentation of the procedures in place. We recommend that the District completely describe all internal control policies and procedures in one document. This ensures that all employees understand what their responsibilities in internal control are. In addition, it ensures continuity of internal control procedures in the unfortunate event of employee turnover or unexpected absence. Documentation should not only indicate the flow of documents but also what internal control procedures are performed by each employee and what documentation is required to indicate a procedure was completed. The monitoring process should also be documented in this manual, including who is responsible for monitoring, the minimum monitoring which must be done, and what documentation is required to indicate monitoring was performed. We did note that management is already in the process of developing such a manual for one of their federal programs, and plans on amending it to cover the rest of their programs as well.

This communication is intended solely for the information and use of management, Board of Education, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Yeo & Yeo, P.C.
Saginaw, Michigan
October 29, 2007