

**CADILLAC AREA PUBLIC SCHOOLS**

**CADILLAC, MICHIGAN**

**JUNE 30, 2007**

*Baird, Cotter and Bishop, P. C.*

**CERTIFIED PUBLIC ACCOUNTANTS**

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

PHONE: 231-775-9789 FAX: 231-775-9749

[www.bcbcpa.com](http://www.bcbcpa.com)

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2007

TABLE OF CONTENTS

	<u>PAGES</u>
<b>Independent Auditors' Report</b>	i-ii
<b>Management's Discussion and Analysis</b>	iii-ix
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Reconciliation of Balance Sheet of Governmental Funds to Net Assets	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	6
Fiduciary Funds	
Statement of Fiduciary Net Assets	7
Statement of Changes in Fiduciary Net Assets	8
Notes to Financial Statements	9-25
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	26
<b>Combining and Individual Fund Financial Statements</b>	
Nonmajor Governmental Fund Types	
Combining Balance Sheet	27
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	28
<b>Financial Statements of Individual Funds</b>	
General Fund	
Comparative Balance Sheet	29
Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	30-31
Analysis of Revenues - Budget and Actual	32-33
Analysis of Expenditures - Budget and Actual	34-39

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2007

TABLE OF CONTENTS

	<u>PAGES</u>
Special Revenue (School Service) Funds	
Combining Balance Sheet	40-41
Combining Statement of Revenues, Expenditures and Changes In Fund Balance	42-43
Food Service Fund	
Comparative Balance Sheet	44
Comparative Statement of Revenues, Expenditures and Changes In Fund Balance	45
Athletic Activities Fund	
Comparative Balance Sheet	46
Comparative Statement of Revenues, Expenditures and Changes In Fund Balance	47
Cadillac Community School Recreation Fund	
Comparative Balance Sheet	48
Comparative Statement of Revenues, Expenditures and Changes In Fund Balance	49-50
Camp Torenta Fund	
Comparative Balance Sheet	51
Comparative Statement of Revenues, Expenditures and Changes In Fund Balance	52
Debt Retirement Funds	
Combining Balance Sheet	53
Combining Statement of Revenues, Expenditures and Changes In Fund Balance	54
Capital Projects Fund	
Comparative Balance Sheet	55
Comparative Statement of Revenues, Expenditures and Changes In Fund Balance	56
Fiduciary Fund Types	
Combining Balance Sheet	57-58
Private Purpose Trust Funds	
Combining Balance Sheet	59-60
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	61-62

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2007

TABLE OF CONTENTS

	<u>PAGES</u>
Agency Funds	
Combining Balance Sheet	63-64
Statement of Cash Receipts, Disbursements and Balance	
Elementary Schools Account	65
Junior High School Account	66
Mackinaw Trail Middle School Account	67
High School Account	68-69
Cadillac Community School Recreation Fund	70
 <b>Other Supplementary Information</b>	
Schedule of 2006 Tax Rolls	71
Schedule of 2006 Industrial Facilities Tax Rolls	72
Schedule of Bonds Payable	
1998 Refunding Bond Issue	73-74
1998 School Improvement Bond Issue	75-76
2005 Refunding Bond Issue	77-78

# *Baird, Cotter and Bishop, P.C.*

## CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

PHONE: 231-775-9789 FAX: 231-775-9749

www.bcbcpa.com

July 25, 2007

### INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Cadillac Area Public Schools  
Cadillac, Michigan

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2007, on our consideration of Cadillac Area Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages iii through ix and 26, 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 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 Cadillac Area Public Schools, Cadillac, Michigan basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

Cadillac Area Public Schools, a K-12 school district located in Wexford, Osceola and Lake Counties, Michigan has implemented the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the Cadillac Area Public Schools administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2007, along with specific comparative information as required.

Generally accepted accounting principles (GAAP), according to GASB 34, require the reporting of two types of financial statements: fund financial statements and government-wide financial statements.

**A. Fund Financial Statements**

The fund level statements are reported on a modified accrual basis in that 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 are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." In the State of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds which include Special Revenue Funds, Capital Projects and Debt Service Funds.

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

**B. Government-wide Financial Statements**

The government-wide financial statements are calculated using full accrual accounting and more closely represent those presented by business and industry. The entire District's assets and liabilities, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt of the District.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

**C. Summary of Net Assets**

The following schedule summarizes the net assets at fiscal year ended June 30:

	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Current Assets	\$ 7,776,634	\$ 7,618,108
Non Current Assets		
Capital Assets	\$ 45,123,100	\$ 44,199,312
Less Accumulated Depreciation	<u>(19,574,442)</u>	<u>(18,506,396)</u>
Total Non Current Assets	<u>\$ 25,548,658</u>	<u>\$ 25,692,916</u>
Total Assets	<u><u>\$ 33,325,292</u></u>	<u><u>\$ 33,311,024</u></u>
<b>Liabilities</b>		
Current Liabilities	\$ 3,479,059	\$ 3,149,730
Non Current Liabilities	<u>21,289,345</u>	<u>22,407,508</u>
Total Liabilities	<u>\$ 24,768,404</u>	<u>\$ 25,557,238</u>
<b>Net Assets</b>		
Invested in Capital Assets Net of Related Debt	\$ 3,718,798	\$ 2,784,389
Restricted for Debt Service	628,663	601,777
Unrestricted	<u>4,209,427</u>	<u>4,367,620</u>
Total Net Assets	<u>\$ 8,556,888</u>	<u>\$ 7,753,786</u>
Total Liabilities and Net Assets	<u><u>\$ 33,325,292</u></u>	<u><u>\$ 33,311,024</u></u>

**D. Analysis of Financial Position**

During the fiscal year ended June 30, 2007, the District's net assets increased by \$803,102. A few of the more significant factors affecting net assets during the year are discussed below:

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

**1. Depreciation Expense**

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

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2007, \$1,191,771 was recorded for depreciation expense.

**2. Capital Outlay Acquisitions**

For the fiscal year ended June 30, 2007, \$1,047,513 of expenditures for buses, equipment, textbooks and building improvements were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained above.

The net effect of the new capital assets and the current year's depreciation is a decrease to capital assets in the amount of \$144,258 for the fiscal year ended June 30, 2007.

**E. Results of Operations**

For the fiscal year ended June 30, the results of operations, on a District-wide basis, were:

	2007		2006	
	Amount	% of Total	Amount	% of Total
<b>General Revenues</b>				
Property Taxes	\$ 7,583,733	24.65%	\$ 7,694,243	25.31%
Investment Earnings	198,013	0.64%	134,708	0.44%
State Sources	17,013,312	55.29%	16,874,793	55.49%
Other	476,482	1.55%	468,247	1.54%
Total General Revenues	<u>\$25,271,540</u>	<u>82.13%</u>	<u>\$25,171,991</u>	<u>82.78%</u>
<b>Program Revenues</b>				
Charges for Services	\$ 1,257,032	4.09%	\$ 1,034,133	3.40%
Operating Grants	3,699,692	12.02%	4,119,988	13.55%
Capital Grants	541,840	1.76%	82,778	0.27%
Total Program Revenues	<u>\$ 5,498,564</u>	<u>17.87%</u>	<u>\$ 5,236,899</u>	<u>17.22%</u>
Total Revenues	<u>\$30,770,104</u>	<u>100.00%</u>	<u>\$30,408,890</u>	<u>100.00%</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

	<u>2007</u>		<u>2006</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
<b>Expenses</b>				
Instruction	\$16,236,330	54.18%	\$15,892,101	53.57%
Supporting Services	9,449,496	31.53%	9,453,902	31.87%
Food Service Activities	1,128,052	3.76%	1,124,684	3.79%
Athletic Activities	556,123	1.86%	539,411	1.82%
Community Services	445,699	1.49%	462,258	1.56%
Interest on Long-Term Debt	926,314	3.09%	1,027,474	3.46%
Other Transactions	33,217	0.11%	16,211	0.05%
Unallocated Depreciation	1,191,771	3.98%	1,150,621	3.88%
Total Expenses	<u>\$29,967,002</u>	<u>100.00%</u>	<u>\$29,666,662</u>	<u>100.00%</u>
Change in Net Assets	<u>\$ 803,102</u>		<u>\$ 742,228</u>	

**F. Analysis of Significant Revenues and Expenses**

Significant revenues and expenses are discussed in the segments below:

**1. Property Taxes**

The District levies 18.00 mills of property taxes for operations on non-homestead properties, less the mandatory reductions required by the Headlee Amendment, Article IX, Section 31. In November 2006, the District received approval from the voters for an extra 1.00 mill for seven years to insure the full 18 mills could be levied. According to Michigan law, the taxable levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer's Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is half of the property's market value.

For the 2006-2007 fiscal year, the District levied \$5,592,580 in non-homestead property taxes. This represented an increase of 6% from the prior year. The amount of unpaid property taxes at June 30, 2007, was \$109,196.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

The following table summarizes the non-homestead property tax levies for operations for the past five years:

<u>Fiscal Year</u>	<u>Non-Homestead Tax Levy</u>
2006-2007	5,592,580
2005-2006	5,270,523
2004-2005	4,685,895
2003-2004	4,391,490
2002-2003	4,124,994

**2. State Sources**

The majority of the state sources is comprised of the per student foundation allowance. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 75% of the current year's fall count and 25% of the prior year's spring count. For the 2006-2007 fiscal year, the District received \$7,085 per student FTE.

**3. Student Enrollment**

The following schedule summarizes the blended student enrollment for the past five fiscal years:

<u>Fiscal Year</u>	<u>Blended Student FTE</u>
2006-2007	3,261
2005-2006	3,304
2004-2005	3,357
2003-2004	3,385
2002-2003	3,495

**4. Operating Grants**

The District funds a significant portion of its operations with categorical grant sources. For the fiscal year ended June 30, 2007, federal, state, and other grants of this type accounted for \$3,699,692.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

**G. General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30.

For the 2006-2007 fiscal year, the District amended the general fund budget in June 2007. The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations:

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>
<u>REVENUES</u>	\$ 26,070,860	\$ 26,362,448	\$ 26,382,848
<u>EXPENDITURES</u>			
Instruction	\$ 16,190,094	\$ 16,488,159	\$ 16,465,145
Supporting Services	9,503,959	9,789,648	9,567,311
Community Services	54,880	66,135	45,167
Capital Outlay	297,340	0	0
Transfers and Other Transactions	390,400	388,400	388,400
Total Expenditures	<u>\$ 26,436,673</u>	<u>\$ 26,732,342</u>	<u>\$ 26,466,023</u>

The change from the Total Revenue Original Budget to Final Budget was an increase of \$291,588.

The change in the Total Expenditures Original Budget to Final Budget was an increase of \$295,669.

**H. Capital Asset and Debt Administration**

**1. Capital Assets**

At June 30, 2007, the District has \$45,123,100 in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment. This represents a net increase of \$923,788 over the prior fiscal year. Depreciation expense for the year amounted to \$1,191,771 bringing the accumulated depreciation to \$19,574,442 as of June 30, 2007.

**2. Long-Term Debt**

At June 30, 2007, the District had \$21,404,633 in bonded debt outstanding. This represents a reduction of \$1,050,000 from the amount outstanding at the close of the prior fiscal year.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

**I. Factors Bearing on the District's Future**

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

- With the current economic condition in the country, and especially in the State of Michigan, uncertainty surrounds the level at which districts will be funded for the student foundation allowance for the 2007-2008 and 2008-2009 fiscal years. This will pose a challenge to the District to maintain structural balance while continuing with its educational programming.
- As with other employers, the District continues to face a rapid increase in rates paid for employee benefits, particularly for health insurance and state retirement. Health insurance for retirees is the primary reason for the increase in state retirement rates.

**J. Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, please contact Cadillac Area Public Schools, 421 S. Mitchell Street, Cadillac, Michigan 49601.

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2007

ASSETS

CURRENT ASSETS

Cash	\$ 3,406,349
Taxes Receivable	109,196
Accounts Receivable	305,714
Due from Other Governments	3,484,483
Interest Receivable	3,332
Prepaid Expense	176,463
Inventory	90,266
Investments	200,831
Total Current Assets	<u>\$ 7,776,634</u>

NON CURRENT ASSETS

Capital Assets	\$ 45,123,100
Less Accumulated Depreciation	(19,574,442)
Total Non Current Assets	<u>\$ 25,548,658</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 33,325,292</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 439,126
Accrued Expenses	529,734
Accrued Interest Payable	164,814
Salaries Payable	1,254,447
Deferred Revenue	4,735
Current Portion of Non Current Liabilities	1,086,203
Total Current Liabilities	<u>\$ 3,479,059</u>

NON CURRENT LIABILITIES

Bonds Payable - Net	\$ 21,829,860
Special Assessments	5,942
Compensated Absences	539,746
Less Current Portion of Non Current Liabilities	(1,086,203)
Total Non Current Liabilities	<u>\$ 21,289,345</u>
Total Liabilities	<u>\$ 24,768,404</u>

NET ASSETS

Invested in Capital Assets Net of Related Debt	\$ 3,718,798
Restricted for Debt Service	628,663
Unrestricted	4,209,427
Total Net Assets	<u>\$ 8,556,888</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 33,325,292</u></u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			GOVERNMENTAL
		CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS	ACTIVITIES
					NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
<u>GOVERNMENTAL ACTIVITIES</u>					
Instruction					
Basic Programs	\$12,870,024	\$ 65,727	\$ 1,199,454	\$ 27,127	\$ (11,577,716)
Added Needs	2,443,405	78,647	1,537,802	0	(826,956)
Adult/Continuing Education	922,901	0	38,569	0	(884,332)
Supporting Services					
Pupil	1,465,779	0	241,396	0	(1,224,383)
Instructional Staff	772,053	146,000	3,172	0	(622,881)
General Administration	449,466	0	0	0	(449,466)
School Administration	1,780,603	0	0	0	(1,780,603)
Business	546,339	0	0	0	(546,339)
Operation and Maintenance of Plant	3,120,156	0	0	0	(3,120,156)
Pupil Transportation Services	1,315,100	0	0	0	(1,315,100)
Food Service Activities	1,128,052	532,774	651,632	0	56,354
Athletic Activities	556,123	142,878	0	0	(413,245)
Community Services	445,699	291,006	27,667	514,713	387,687
Interest on Long Term Debt	926,314	0	0	0	(926,314)
Other Transactions	33,217	0	0	0	(33,217)
Unallocated Depreciation	1,191,771	0	0	0	(1,191,771)
Total Governmental Activities	<u>\$29,967,002</u>	<u>\$ 1,257,032</u>	<u>\$ 3,699,692</u>	<u>\$ 541,840</u>	<u>\$ (24,468,438)</u>
<u>GENERAL REVENUES</u>					
Property Taxes -Levied for General Purposes					\$ 5,592,579
Property Taxes -Levied for Debt Service					1,991,154
Investment Earnings					198,013
State Sources					17,013,312
Other					476,482
Total General Revenues					<u>\$ 25,271,540</u>
Change in Net Assets					\$ 803,102
<u>NET ASSETS</u> - Beginning of Year					<u>7,753,786</u>
<u>NET ASSETS</u> - End of Year					<u>\$ 8,556,888</u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2007

	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,959,880	\$ 1,446,469	\$ 3,406,349
Taxes Receivable	89,685	19,511	109,196
Accounts Receivable	24,490	281,224	305,714
Due from Other Governments	3,472,010	12,473	3,484,483
Due from Other Funds	76,940	5,000	81,940
Interest Receivable	621	2,711	3,332
Prepaid Expenditures	172,676	3,787	176,463
Inventory	50,679	39,587	90,266
Investments	200,831	0	200,831
	\$ 6,047,812	\$ 1,810,762	\$ 7,858,574
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 240,585	\$ 198,541	\$ 439,126
Accrued Expenses	527,400	2,334	529,734
Salaries Payable	1,247,423	7,024	1,254,447
Deferred Revenue	80,854	14,215	95,069
Due to Other Funds	0	81,940	81,940
	\$ 2,096,262	\$ 304,054	\$ 2,400,316
 <u>FUND BALANCE</u>			
Reserved for Inventory	\$ 50,679	\$ 39,587	\$ 90,266
Reserved for Prepaid Expenditures	172,676	3,787	176,463
Reserved for Debt Service	0	793,477	793,477
Unreserved, Designated for, Reported In			
General Fund	3,728,195	0	3,728,195
Special Revenue Funds	0	175,855	175,855
Unreserved, Undesignated, Reported In			
Special Revenue Funds	0	81,126	81,126
Capital Project Fund	0	412,876	412,876
	\$ 3,951,550	\$ 1,506,708	\$ 5,458,258
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 6,047,812	 \$ 1,810,762	 \$ 7,858,574

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS

JUNE 30, 2007

Total Governmental Fund Balances		\$ 5,458,258
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds		
The cost of the capital assets is	\$ 45,123,100	
Accumulated depreciation is	<u>(19,574,442)</u>	25,548,658
Long term liabilities are not due and payable in the current period and are not reported in the funds		
Bonds Payable		(21,404,633)
Special Assessment		(5,942)
Compensated Absences		(539,746)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(164,814)
Balance of taxes receivable at June 30, 2007, expected to be collected after September 1, 2007		90,334
The issuance of Long-Term Debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		<u>(425,227)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 8,556,888</u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2007

	GENERAL FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b><u>REVENUES</u></b>			
Local Sources	\$ 5,962,303	\$ 3,294,593	\$ 9,256,896
Intermediate Sources	0	68,700	68,700
State Sources	18,842,479	418,791	19,261,270
Federal Sources	931,402	605,077	1,536,479
Other Transactions	646,664	95	646,759
Total Revenues	<u>\$ 26,382,848</u>	<u>\$ 4,387,256</u>	<u>\$ 30,770,104</u>
<b><u>EXPENDITURES</u></b>			
Instruction			
Basic Programs	\$ 13,092,573	\$ 0	\$ 13,092,573
Added Needs	2,449,253	0	2,449,253
Adult/Continuing Education	923,319	0	923,319
Supporting Services			
Pupil	1,466,197	0	1,466,197
Instructional Staff	806,964	0	806,964
General Administration	453,967	0	453,967
School Administration	1,782,810	0	1,782,810
Business	531,917	0	531,917
Operation and Maintenance of Plant	3,129,158	0	3,129,158
Pupil Transportation Services	1,396,298	0	1,396,298
Community Services	45,167	412,532	457,699
Food Service Activities	0	1,127,163	1,127,163
Athletic Activities	0	566,819	566,819
Capital Outlay	0	678,581	678,581
Debt Service			
Principal	0	1,050,000	1,050,000
Interest	0	978,069	978,069
Other Transactions	7,000	26,217	33,217
Total Expenditures	<u>\$ 26,084,623</u>	<u>\$ 4,839,381</u>	<u>\$ 30,924,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 298,225</u>	<u>\$ (452,125)</u>	<u>\$ (153,900)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In	\$ 0	\$ 381,400	\$ 381,400
Transfers Out	(381,400)	0	(381,400)
Total Other Financing Sources (Uses)	<u>\$ (381,400)</u>	<u>\$ 381,400</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (83,175)</u>	<u>\$ (70,725)</u>	<u>\$ (153,900)</u>
<b><u>FUND BALANCE</u></b> - Beginning of Year	<u>4,034,725</u>	<u>1,577,433</u>	<u>5,612,158</u>
<b><u>FUND BALANCE</u></b> - End of Year	<u>\$ 3,951,550</u>	<u>\$ 1,506,708</u>	<u>\$ 5,458,258</u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

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 \$ (153,900)

Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	(1,191,771)
Capital Outlay	1,047,513

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued Interest Payable - Beginning of Year	187,902
Accrued Interest Payable - End of Year	(164,814)

Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered

Taxes Included in Deferred Revenue - Beginning of Year	(104,756)
Taxes Included in Deferred Revenue - End of Year	90,334

The issuance of Long-Term Debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

1,080,213

Employees Early Retirement and Accumulated Sick Pay are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Accumulated Sick Pay - Beginning of Year	552,127
Accumulated Sick Pay - End of Year	(539,746)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 803,102

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

JUNE 30, 2007

	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 267,809	\$ 164,433
Accrued Interest	1,203	0
Accounts Receivable	1,253	0
	<u>\$ 270,265</u>	<u>\$ 164,433</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Groups and Organizations	\$ 1,253	\$ 164,433
 <u>NET ASSETS</u>		
Reserved for Trust Activities	<u>269,012</u>	<u>0</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 270,265</u>	 <u>\$ 164,433</u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

JUNE 30, 2007

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
<u>ADDITIONS</u>	
Donations	\$ 6,323
Earnings on Investments and Deposits	<u>13,263</u>
Total Additions	<u>\$ 19,586</u>
<u>DEDUCTIONS</u>	
Scholarships Awarded	\$ 19,103
Miscellaneous	<u>3,020</u>
Total Deductions	<u>\$ 22,123</u>
CHANGE IN NET ASSETS	\$ (2,537)
<u>NET ASSETS</u> - Beginning of Year	<u>271,549</u>
<u>NET ASSETS</u> - End of Year	<u><u>\$ 269,012</u></u>

The notes to the financial statements are an integral part of this statement.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Cadillac Area Public Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

Cadillac Area Public Schools (the "District") is located in Wexford, Osceola, and Lake Counties with its administrative offices located in Cadillac, Michigan. The District is governed by the Cadillac Area Public Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District provides services to its 3,261 students in elementary, middle school, high school, special education instruction, guidance, health, transportation, food service, athletics and recreation. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board Statement No. 14.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges paid by recipients who purchase, use or directly benefit from goods or services by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. State Foundation Aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenues but instead as *general revenues*.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

In the government-wide statement of net assets, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The District first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses by related program revenues and operating 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, intermediate district sources, interest income and other revenues).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

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

**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 District reports the following major governmental fund:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

**Other Non-major Funds**

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes. The District accounts for its food service, athletic, community school recreation, and Camp Torenta activities in the special revenue funds.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

The *1998, 2005 and Durant debt service funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* accounts for the acquisition of fixed assets or construction of major capital projects.

**Fiduciary funds** account for assets held by the District in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

The *private purpose trust funds* are accounted for using the accrual method of accounting. Private purpose trust funds account for contributions earmarked for scholarships available to qualifying students of the District.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the District holds for others in an agency capacity (primarily student activities).

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

**Accrual Method**

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

**Modified Accrual Method**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days 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.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

Property taxes, state and federal aid and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

**State Revenue**

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2007, the foundation allowance was based on pupil membership counts taken in February and September of 2006. For fiscal year ended June 30, 2007, the per pupil foundation allowance was \$7,085 for Cadillac Area Public Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period and is funded through payments from October 2006 to August 2007. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year are recorded as deferred revenue. Other categorical funding is recognized when the appropriation is received.

**D. Other Accounting Policies**

1. Cash and Investments

Cash includes amounts in demand deposits.

Investments are carried at market value.

The District complies with State statutes regarding investment of funds.

The Board policy on investment of funds authorizes the School District to invest as follows:

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

- (a) Bonds, bills, or notes of the United States, or obligations, the principal and interest of which are fully guaranteed by the United States Government.
- (b) Certificates of deposit issued by any state or national bank organized and authorized to operate in this state.
- (c) Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- (d) Securities issued or guaranteed by agencies or instrumentalities of the United States.

The School's deposits and investments are held separately by several of the School District's funds.

2. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

3. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. Property taxes are assessed as of January 1. The District has elected to have 50% of the taxes billed and due July 1st and the remaining 50% billed and due December 1. The summer levy becomes delinquent as of August 14 for City taxpayers and September 14 for Township taxpayers, and the winter levy becomes delinquent as of February 14 for all taxpayers. After these dates, unpaid taxes are subject to penalties and interest.

For the year ended June 30, 2007, the District levied the following amounts per \$1,000 of assessed valuation:

<u>Fund</u>	<u>Mills</u>
General Fund - Non-homestead	17.5505
Debt Service Fund - Homestead and non-homestead	3.0000

4. Inventories and Prepaid Expenditures

Inventories are valued at cost. Inventories in the general and special revenue funds consist of expendable supplies held for consumption, which are recorded as expenditures when consumed

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures.

5. Capital Assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received.

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

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

Buildings and additions	50 years
Furniture and other equipment	5-15 years

The District's capitalization policy is to capitalize individual amounts exceeding \$5,000.

6. Compensated Absences

It is the District's policy to permit employees to accumulated earned but unused sick pay and comp time benefits. The amount allowable to be compensated for depends on the position and the longevity of the individual employee. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The District has opted to apply the provisions of GASB 34 paragraph

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

146, which allows the amortization of premiums, discounts and bond issuance costs, prospectively for all bonds issued after July 1, 2002.

8. Fund Balance

In the fund financial statements, the unreserved fund balances for governmental funds represent the amount available for budgeting future operations. Reservations of fund balance are for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Use of Estimates

The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, and debt service funds.

The District maintains a formalized encumbrance system. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

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

1. The Assistant Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

3. Prior to July 1, the budget is legally adopted by the School Board resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year, when necessary, to adjust appropriations if it appears that revenues and other financial sources will be less than anticipated, or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated.
4. The assistant superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.
5. During the year, the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.
6. Budgeted amounts are as originally adopted on June 26, 2006, or as amended by the School Board of Education on June 25, 2007.

**B. Excess of Expenditures Over Appropriations**

Excess of expenditures over appropriations occurred in the following funds:

General Fund Supporting Services – School Administration expenditures of \$1,782,810 exceeded appropriations of \$1,777,498 by \$5,312; School Service Fund – Camp Torenta Fund expenditures of \$49,079 exceeded appropriations of \$37,487 by \$11,592; Capital Projects Fund expenditures of \$678,581 exceeded appropriations of \$652,889 by \$25,692.

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments - Credit Risk**

The District's deposits and investments are all on deposit with banks within the City of Cadillac and Michigan School District Liquid Asset Fund Plus.

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

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

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

*Credit risk.* The District will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in the District's investment policy; and pre-qualifying the financial institutions, brokers/dealer, intermediaries and advisors with which the District will do business in accordance with the District's investment policy.

*Concentration of credit risk.* The District will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2007, \$4,106,540 of the government's bank balance of \$4,826,084 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. The District's investments are categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered, or securities held by the District or the District's agent in the District's name. Category 2 includes investments that are uninsured and unregistered with securities held by the counterparty's trust department or its agent in the District's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counterparty, or by its trust department or its agent but not in the District's name. At year end, all of the District's investments were uncategorized as to risk.

At year-end, the only investments were investment trust funds.

Investments not subject to categorization:

Investment Trust Funds	\$ <u>200,831</u>
------------------------	-------------------

The District invests certain excess funds in the Michigan Investment Liquid Asset Fund (MILAF). MILAF is an external pooled investment fund of "qualified" investments for Michigan school districts. MILAF is not regulated nor is it registered with the SEC. MILAF reports that as of June 30, 2007, the fair value of the District's investments is the same as the value of the pool share.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

Balance Sheet classifications:

	<u>Deposits</u>	<u>Investments</u>	<u>Fiduciary Assets</u>	<u>Total</u>
Cash	\$ 3,406,349	\$ 0	\$ 432,242	\$ 3,838,591
Investments	0	200,831	0	200,831
	<u>\$ 3,406,349</u>	<u>\$ 200,831</u>	<u>\$ 432,242</u>	<u>\$ 4,039,422</u>

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**B. Receivables**

Receivables as of year end for the government's individual major funds and nonmajor, and fiduciary funds are as follows:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables			
Interest	\$ 621	\$ 2,711	\$ 3,332
Taxes	89,685	19,511	109,196
Accounts	24,490	281,224	305,714
Due from Other Governments	3,472,010	12,473	3,484,483
Total Receivables	<u>\$ 3,586,806</u>	<u>\$ 315,919</u>	<u>\$ 3,902,725</u>

The allowance for doubtful accounts is not considered to be material for disclosure.

Governmental funds report deferred revenue in connection with receivables for revenues 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 and unearned revenue reported in the governmental funds were as follows:

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

	Unavailable	Unearned
Delinquent Property Taxes Receivable (General Fund)	\$ 76,119	\$ 0
Delinquent Property Taxes Receivable (Debt Service Funds)	14,215	0
Grants Receipts Received, But Not Yet Utilized	0	4,735
	\$ 90,334	\$ 4,735

**C. Capital Assets**

A summary of changes in the District's capital assets follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b>Other Capital Assets:</b>				
Buildings and Additions	\$ 29,782,302	\$ 663,455	\$ 0	\$ 30,445,757
Machinery and Equipment	12,167,487	302,381	0	12,469,868
Transportation Equipment	2,249,523	81,677	123,725	2,207,475
Subtotal	\$ 44,199,312	\$ 1,047,513	\$ 123,725	\$ 45,123,100
<b>Accumulated Depreciation</b>				
Buildings and Additions	\$ 7,365,088	\$ 473,558	\$ 0	\$ 7,838,646
Machinery and Equipment	9,846,508	517,803	0	10,364,311
Transportation Equipment	1,294,800	200,410	(123,725)	1,371,485
Total Accumulated Depreciation	\$ 18,506,396	\$ 1,191,771	\$ (123,725)	\$ 19,574,442
Net Other Capital Assets	\$ 25,692,916	\$ (144,258)	\$ 0	\$ 25,548,658
Net Capital Assets	\$ 25,692,916	\$ (144,258)	\$ 0	\$ 25,548,658

Depreciation for the fiscal year ended June 30, 2007 amounted to \$1,191,771. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

Construction Commitments:

The District has no active construction projects as of June 30, 2007.

**D. Long-Term Debt**

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of the governmental long-term obligations for the District for the year ended June 30, 2007:

	SPECIAL ASSESSMENTS	TERMINATION BENEFITS AND COMPENSATED ABSENCES	BONDS	TOTAL
Balance, July 1, 2006	\$ 7,488	\$ 552,127	\$ 22,454,633	\$ 23,014,248
Additions	0	0	0	0
Deletions	(1,545)	(12,381)	(1,050,000)	(1,063,926)
Balance, June 30, 2007	\$ 5,943	\$ 539,746	\$ 21,404,633	\$ 21,950,322
Less current portion	(1,203)	0	(1,085,000)	(1,086,203)
Total due after one year	\$ 4,740	\$ 539,746	\$ 20,319,633	\$ 20,864,119

At June 30, 2007, the School District's Long-Term Debt consisted of the following:

GENERAL OBLIGATION SERIAL BONDS

1998 Refunding Bonds due in annual installments of \$40,000 to \$870,000, through May 1, 2022, interest at 4.05% to 4.75%	\$ 9,515,000
2005 Refunding Bonds due in annual installments of \$590,000 to \$1,130,000 through May 1, 2022, interest at 3.00% to 5.00%	11,740,000

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

SELF-LIQUIDATING BOND

1998 School Improvement Bond due in annual installments of \$0 to \$110,507, through May 15, 2013 149,633

SPECIAL ASSESSMENTS

The School District has five special assessments on paving and curb and gutter installation by the City of Cadillac. The obligations require annual installments of \$1,805 plus interest computed at rates varying from 6.13% to 7.00% 5,943

OTHER

Employee Benefits - Sick Leave 539,746

TOTAL LONG-TERM DEBT \$ 21,950,322

The annual requirements to amortize all debt outstanding as of June 30, 2007, including interest payments of \$8,405,079 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amounts Payable</u>
2008	\$ 1,086,203	\$ 946,583	\$ 2,032,786
2009	1,129,237	929,985	2,059,222
2010	1,267,812	864,683	2,132,495
2011	1,240,508	801,362	2,041,870
2012	1,286,054	753,339	2,039,393
2013-2017	7,210,762	2,922,119	10,132,881
2018-2022	8,190,000	1,187,008	9,377,008
	<u>\$ 21,410,576</u>	<u>\$ 8,405,079</u>	<u>\$ 29,815,655</u>
Compensated absences	539,746	0	0
	<u><u>\$ 21,950,322</u></u>	<u><u>\$ 8,405,079</u></u>	<u><u>\$ 29,815,655</u></u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

The annual requirements to amortize the accrued sick leave is uncertain because it is unknown when the employees will use the sick leave.

**E. Interfund Receivables, Payables, and Transfers**

Interfund Receivables and Payables as shown in the individual fund financial statements at June 30, 2007, were:

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	\$ 76,940	\$ 0
School Service Fund - Food Service	0	60,244
School Service Fund - Athletic Activities Fund	0	16,696
School Service Fund - Camp Torenta Fund	5,000	0
Capital Projects Fund	0	5,000
	\$ 81,940	\$ 81,940

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2007 are expected to be repaid within one year.

Interfund transfers as shown in the individual fund financial statements at June 30, 2007, were:

	TRANSFERS IN	TRANSFERS OUT
General Fund	\$ 0	\$ 381,400
School Service Fund - Community School Recreation	40,000	0
School Service Fund - Camp Torenta Fund	28,000	0
School Service Fund - Athletic Activities Fund	313,400	0
	\$ 381,400	\$ 381,400

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**F. Leases**

The rental expense for the year ended June 30, 2007, and 2006, totaled \$52,841 and \$62,003, respectively.

The rental expense consists of lease agreements on copiers. The future minimum lease payments for these leases are as follows:

YEAR ENDING	<u>PAYABLES</u>
2008	\$ 52,288
2009	43,724
2010	28,488
2011	22,425
2012	854
	<u>\$ 147,779</u>

**G. Designated and Reserved Fund Balance**

The School has designated the General Fund balance as follows:

1. Sick Leave

At June 30, 2007, the accumulated employee benefits liability for sick pay is estimated at \$539,746. It is reasonably possible that the estimated liabilities could change significantly due to nonvested employees leaving the District or a higher or lower than normal use of employee sick leave.

2. Working Capital

The School has had a long-standing goal of not borrowing general operating funds and of maintaining a general fund balance designated for working capital. To accomplish this goal, the School has designated 18% of budgeted expenditures for working capital, if available.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

**NOTE 4 - OTHER INFORMATION**

**A. Employee Retirement System**

Plan Description. The District contributes to the statewide Michigan Public School Employees' Retirement System (MPSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the nine member board of MPSERS. The MPSERS provides retirement benefits and postretirement benefits for health, dental and vision. The MPSERS was established by Act 136 of 1945 and operates under the provisions of Public Act 300 of 1980, as amended. The MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by writing to Michigan Public School Employees Retirement System, P.O. Box 30171, Lansing, Michigan 48909 or by calling (517) 322-5103.

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

Basic Plan members make no contributions. For a limited period ending December 31, 1992, an active Basic Plan member could enroll in the MIP by paying the contributions that would have been made had enrollment occurred initially on January 1, 1987 or on the date of hire, plus interest. MIP contributions at the rate of 3.9% of gross wages begin at enrollment. Market rate interest is posted to member accounts on July 1st on all MIP monies on deposit for 12 months. If a member leaves MPSERS service and no pension is payable, the member's accumulated contribution plus interest, if any, are refundable.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rate for the year ended June 30, 2007, was 16.34% for the first quarter and 17.74% for the remainder of the year. The contribution requirements of plan members and the District are established and may be amended by the MPSERS Board of Trustees. The District contributions to MPSERS for the year ended June 30, 2007, 2006 and 2005 were \$2,682,603, \$2,509,797 and \$2,190,364 respectively, and were equal to the required contribution for those years.

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

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

Other Post Employment Benefits Funding Policy

Under the MPSERS Act, all retirees have the option of continuing health, dental and vision coverage.

**B. 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; injuries to employees' and natural disasters. The District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The District pays annual premiums under retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of \$500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

The District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2007 or any of the prior three years.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR FUNDS

YEAR ENDED JUNE 30, 2007

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>REVENUES</u>			
Local Sources	\$ 6,087,381	\$ 6,039,245	\$ 5,962,303
State Sources	18,254,966	18,763,816	18,842,479
Federal Sources	1,031,293	924,972	931,402
Other Transactions	697,220	634,915	646,664
Total Revenues	\$ 26,070,860	\$ 26,362,948	\$ 26,382,848
<u>EXPENDITURES</u>			
Instruction			
Basic Programs	\$ 12,880,752	\$ 13,095,692	\$ 13,092,573
Added Needs	2,381,450	2,457,133	2,449,253
Adult/Continuing Education	927,892	935,334	923,319
Supporting Services			
Pupil	1,428,444	1,504,044	1,466,197
Instructional Staff	896,910	850,846	806,964
General Administration	467,203	467,727	453,967
School Administration	1,759,263	1,777,498	1,782,810
Business	536,263	555,729	531,917
Operation and Maintenance of Plant	3,096,401	3,196,857	3,129,158
Pupil Transportation Services	1,319,394	1,436,947	1,396,298
Information Services	81	0	0
Community Services	54,880	66,135	45,167
Capital Outlay	297,340	0	0
Other Transactions	0	7,000	7,000
Total Expenditures	\$ 26,046,273	\$ 26,350,942	\$ 26,084,623
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 24,587	\$ 12,006	\$ 298,225
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers Out	(390,400)	(381,400)	(381,400)
Net Change in Fund Balance	\$ (365,813)	\$ (369,394)	\$ (83,175)
<u>FUND BALANCE</u> - Beginning of Year	5,188,864	4,034,725	4,034,725
<u>FUND BALANCE</u> - End of Year	\$ 4,823,051	\$ 3,665,331	\$ 3,951,550

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2007

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 338,972	\$ 785,690	\$ 321,807	\$ 1,446,469
Taxes Receivable	0	19,511	0	19,511
Accounts Receivable	10,626	0	270,598	281,224
Due from Other Governments	12,473	0	0	12,473
Due from Other Funds	5,000	0	0	5,000
Interest Receivable	0	2,491	220	2,711
Prepaid Expenditures	3,787	0	0	3,787
Inventory	39,587	0	0	39,587
<b>TOTAL ASSETS</b>	<b>\$ 410,445</b>	<b>\$ 807,692</b>	<b>\$ 592,625</b>	<b>\$ 1,810,762</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 23,792	\$ 0	\$ 174,749	\$ 198,541
Accrued Expenses	2,334	0	0	2,334
Salaries Payable	7,024	0	0	7,024
Deferred Revenue	0	14,215	0	14,215
Due to Other Funds	76,940	0	5,000	81,940
	<b>\$ 110,090</b>	<b>\$ 14,215</b>	<b>\$ 179,749</b>	<b>\$ 304,054</b>
<u>FUND BALANCE</u>				
Reserved for Inventory	\$ 39,587	\$ 0	\$ 0	\$ 39,587
Reserved for Prepaid Expenditures	3,787	0	0	3,787
Reserved for Debt Service	0	793,477	0	793,477
Unreserved, Undesignated	81,126	0	412,876	494,002
Unreserved, Designated	175,855	0	0	175,855
<b>Total Fund Balances</b>	<b>\$ 300,355</b>	<b>\$ 793,477</b>	<b>\$ 412,876</b>	<b>\$ 1,506,708</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 410,445</b>	<b>\$ 807,692</b>	<b>\$ 592,625</b>	<b>\$ 1,810,762</b>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2007

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Local Sources	\$ 1,043,513	\$ 2,058,084	\$ 192,996	\$ 3,294,593
Intermediate Sources	68,700	0	0	68,700
State Sources	54,522	0	364,269	418,791
Federal Sources	605,077	0	0	605,077
Other Transactions	95	0	0	95
Total Revenues	<u>\$ 1,771,907</u>	<u>\$ 2,058,084</u>	<u>\$ 557,265</u>	<u>\$ 4,387,256</u>
<u>EXPENDITURES</u>				
Community Services	\$ 412,532	\$ 0	\$ 0	\$ 412,532
Food Service Activities	1,127,163	0	0	1,127,163
Athletic Activities	566,819	0	0	566,819
Capital Outlay - Capital Projects	0	0	678,581	678,581
Debt Service				
Principle	0	1,050,000	0	1,050,000
Interest	0	978,069	0	978,069
Other Expenses	0	26,217	0	26,217
Total Expenditures	<u>\$ 2,106,514</u>	<u>\$ 2,054,286</u>	<u>\$ 678,581</u>	<u>\$ 4,839,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (334,607)	\$ 3,798	\$ (121,316)	\$ (452,125)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	\$ 381,400	\$ 0	\$ 0	\$ 381,400
Net Change in Fund Balance	\$ 46,793	\$ 3,798	\$ (121,316)	\$ (70,725)
<u>FUND BALANCE</u> - Beginning of Year	<u>253,562</u>	<u>789,679</u>	<u>534,192</u>	<u>1,577,433</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 300,355</u>	<u>\$ 793,477</u>	<u>\$ 412,876</u>	<u>\$ 1,506,708</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND

COMPARATIVE BALANCE SHEET  
JUNE 30,

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 1,959,880	\$ 2,108,027
Taxes Receivable	89,685	99,714
Accounts Receivable	24,490	35,713
Interest Receivable	621	925
Due from Other Governmental Units	3,472,010	3,201,003
Due from Other Funds	76,940	49,903
Prepaid Expenditures	172,676	117,376
Inventory	50,679	56,483
Investments	200,831	319,482
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,047,812	\$ 5,988,626
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 240,585	\$ 128,276
Accrued Expenses	527,400	531,428
Salaries Payable	1,247,423	1,208,939
Deferred Revenue	80,854	85,258
	<hr/>	<hr/>
Total Liabilities	\$ 2,096,262	\$ 1,953,901
<u>FUND BALANCE</u>		
Reserved for		
Inventory	\$ 50,679	\$ 56,483
Prepaid Expenditures	172,676	117,376
Unreserved		
Designated for		
Technology	0	96,572
Sick Leave	539,746	552,127
Working Capital	3,188,449	3,212,167
	<hr/>	<hr/>
Total Fund Balance	\$ 3,951,550	\$ 4,034,725
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,047,812	\$ 5,988,626

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>REVENUES</u>			
Local Sources	\$ 6,039,245	\$ 5,962,303	\$ 5,614,955
State Sources	18,763,816	18,842,479	18,537,638
Federal Sources	924,972	931,402	1,029,665
Other Transactions	634,915	646,664	978,253
Total Revenues	\$ 26,362,948	\$ 26,382,848	\$ 26,160,511
<u>EXPENDITURES</u>			
Instruction			
Basic Programs			
Elementary	\$ 5,370,816	\$ 5,361,835	\$ 5,104,234
Middle/Junior High	4,022,326	4,033,467	3,872,518
High School	3,041,622	3,029,343	3,034,000
Pre-School	543,898	534,243	394,606
Other Basic Programs	117,030	133,685	150,065
Added Needs			
Special Education	1,938,681	1,950,302	1,932,363
Compensatory Education	518,452	498,951	576,506
Adult/Continuing Education			
Basic Programs	935,334	923,319	940,722
Supporting Services			
Pupil			
Attendance Services	162,683	158,995	134,492
Guidance Services	918,052	903,398	860,333
Health Services	1,250	939	630
Other Pupil Services	422,059	402,865	404,184
Instructional Staff			
Curriculum Improvement	114,513	107,567	191,223
Educational Media Service	234,223	230,705	257,382
Educational Radio and TV	42,320	41,166	41,779
Computer Assisted Instruction	432,698	402,637	416,410
Supervision and Direction	26,592	24,889	24,431
Academic Student Assessment	500	0	0
General Administration			
Board of Education	109,831	107,540	84,913
Executive Administration	357,896	346,427	339,759

CADILLAC AREA PUBLIC SCHOOLS

CADILLAC, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
School Administration			
Office of the Principal	1,777,498	1,782,810	1,714,034
Business			
Fiscal Services	409,552	397,895	394,692
Other Business Services	146,177	134,022	126,412
Operation and Maintenance of Plant	3,196,857	3,129,158	3,321,871
Pupil Transportation Services	1,436,947	1,396,298	1,426,438
Information Services	0	0	81
Community Services			
Civic Activities	15,819	12,511	0
Custody and Care of Children	50,316	32,656	41,998
Other Community Services	0	0	30,081
Other Transactions			
Transfers to Other School Districts	7,000	7,000	6,805
Total Expenditures	\$ 26,350,942	\$ 26,084,623	\$ 25,822,962
Excess of Revenues Over (Under) Expenditures	\$ 12,006	\$ 298,225	\$ 337,549
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers Out			
School Service Funds			
Athletic Activities	\$ (313,400)	\$ (313,400)	\$ (349,000)
Camp Torenta	(28,000)	(28,000)	(30,000)
Cadillac Community School Recreation	(40,000)	(40,000)	0
Total	\$ (381,400)	\$ (381,400)	\$ (379,000)
Net Change in Fund Balance	\$ (369,394)	\$ (83,175)	\$ (41,451)
<u>FUND BALANCE</u> - Beginning of Year	4,034,725	4,034,725	4,076,176
<u>FUND BALANCE</u> - End of Year	\$ 3,665,331	\$ 3,951,550	\$ 4,034,725

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND  
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>LOCAL SOURCES</u>			
Property Taxes			
Current Year Levy	\$ 5,607,655	\$ 5,592,579	\$ 5,270,523
Penalties and Interest on Delinquent Taxes	20,830	19,155	20,999
Tuition	8,025	6,762	8,845
Earnings on Investments and Deposits	110,000	113,718	74,635
Other Local Revenues			
Rentals	48,000	57,049	44,355
Private Sources	29,835	28,027	18,242
Driver Education	0	600	15,925
Miscellaneous	214,900	144,413	161,431
	<u>\$ 6,039,245</u>	<u>\$ 5,962,303</u>	<u>\$ 5,614,955</u>
<u>STATE SOURCES</u>			
Grants-In-Aid			
Received Through State			
State School Aid	\$ 18,140,940	\$ 18,222,188	\$ 18,072,769
Middle School Math and Science	38,054	37,626	0
Durant	23,422	23,422	23,422
Received Through Intermediate School District			
Childhood	554,400	554,400	422,400
Great Parents	7,000	4,843	19,047
	<u>\$ 18,763,816</u>	<u>\$ 18,842,479</u>	<u>\$ 18,537,638</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND  
ANALYSIS OF REVENUES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>FEDERAL SOURCES</u>			
Grants-In-Aid Restricted			
Received Through the State			
Title I	\$ 589,510	\$ 589,510	\$ 652,511
Drug Free Schools	16,550	16,550	36,396
FIA School Success Program	18,000	14,508	21,785
Homeland Security	0	0	8,994
Title II	226,271	237,849	225,613
Title V	2,759	2,759	10,510
Handicapped Preschool Program	0	0	3,710
Grants-In-Aid			
Received Through Intermediate School District			
Administrative Outreach	19,000	20,496	17,264
Payments in Lieu of Taxes			
National Forest	52,882	49,730	52,882
Total Federal Sources	<u>\$ 924,972</u>	<u>\$ 931,402</u>	<u>\$ 1,029,665</u>
<u>OTHER TRANSACTIONS</u>			
Transfers from Other Governmental Units			
Intermediate School District			
Special Education	\$ 385,683	\$ 402,993	\$ 789,613
Meal Delivery Reimbursement	3,000	3,340	2,980
Medicaid Caseload Coordination	70,000	68,723	52,414
Transition Mini-Grant	0	3,102	55,858
Transportation Reimbursement	5,000	3,122	9,749
Technology Reimbursement	0	0	26,057
Curriculum Reimbursement	146,000	146,000	0
City of Cadillac	12,000	12,000	12,000
Sale of Capital Assets	11,732	7,384	29,582
Miscellaneous Income	1,500	0	0
Total Other Transactions	<u>\$ 634,915</u>	<u>\$ 646,664</u>	<u>\$ 978,253</u>
TOTAL REVENUES	<u><u>\$ 26,362,948</u></u>	<u><u>\$ 26,382,848</u></u>	<u><u>\$ 26,160,511</u></u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND  
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

<u>INSTRUCTION</u>	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Basic Programs</u>			
<u>Elementary</u>			
Salaries	\$ 3,363,900	\$ 3,357,568	\$ 3,232,318
Employee Benefits	1,739,007	1,743,087	1,621,587
Purchased Services	112,857	110,713	76,859
Supplies and Materials	105,854	96,747	173,470
Capital Outlay	49,198	53,720	0
	<u>\$ 5,370,816</u>	<u>\$ 5,361,835</u>	<u>\$ 5,104,234</u>
<u>Middle/Junior High</u>			
Salaries	\$ 2,515,328	\$ 2,515,139	\$ 2,512,877
Employee Benefits	1,233,502	1,242,001	1,170,156
Purchased Services	59,865	57,214	48,455
Supplies and Materials	174,888	184,032	105,023
Capital Outlay	37,273	34,211	34,581
Other Expense	1,470	870	1,426
	<u>\$ 4,022,326</u>	<u>\$ 4,033,467</u>	<u>\$ 3,872,518</u>
<u>High School</u>			
Salaries	\$ 1,944,804	\$ 1,951,447	\$ 1,953,869
Employee Benefits	895,502	883,886	865,820
Purchased Services	53,775	50,511	56,228
Supplies and Materials	109,247	113,456	90,669
Capital Outlay	28,114	20,237	56,843
Other Expense	10,180	9,806	10,571
	<u>\$ 3,041,622</u>	<u>\$ 3,029,343</u>	<u>\$ 3,034,000</u>
<u>Pre-School</u>			
Salaries	\$ 271,214	\$ 268,113	\$ 130,364
Employee Benefits	118,532	111,930	33,165
Purchased Services	121,820	121,648	213,384
Supplies and Materials	23,332	24,423	14,259
Capital Outlay	9,000	8,129	3,434
	<u>\$ 543,898</u>	<u>\$ 534,243</u>	<u>\$ 394,606</u>
<u>Other Basic Programs</u>			
Salaries	\$ 93,931	\$ 107,208	\$ 121,456
Employee Benefits	21,704	24,300	27,430
Supplies and Materials	1,395	2,177	1,179
	<u>\$ 117,030</u>	<u>\$ 133,685</u>	<u>\$ 150,065</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Added Needs</u>			
<u>Special Education</u>			
Salaries	\$ 1,273,176	\$ 1,284,650	\$ 1,308,283
Employee Benefits	633,128	634,240	594,486
Purchased Services	3,250	4,535	3,992
Supplies and Materials	29,127	26,877	25,602
	<u>\$ 1,938,681</u>	<u>\$ 1,950,302</u>	<u>\$ 1,932,363</u>
<u>Compensatory Education</u>			
Salaries	\$ 316,593	\$ 313,428	\$ 361,477
Employee Benefits	200,210	183,297	211,395
Purchased Services	149	649	695
Supplies and Materials	0	917	2,464
Other Expense	1,500	660	475
	<u>\$ 518,452</u>	<u>\$ 498,951</u>	<u>\$ 576,506</u>
<u>Adult/Continuing Education</u>			
Salaries	\$ 622,456	\$ 619,460	\$ 634,755
Employee Benefits	269,321	267,394	262,597
Purchased Services	28,140	25,528	25,743
Supplies and Materials	10,675	8,195	13,318
Capital Outlay	4,373	2,373	3,600
Other Expense	369	369	709
	<u>\$ 935,334</u>	<u>\$ 923,319</u>	<u>\$ 940,722</u>
<u>SUPPORTING SERVICES</u>			
<u>Pupil</u>			
<u>Attendance Services</u>			
Salaries	\$ 93,000	\$ 91,823	\$ 80,773
Employee Benefits	69,683	67,172	53,719
	<u>\$ 162,683</u>	<u>\$ 158,995</u>	<u>\$ 134,492</u>
<u>Guidance Services</u>			
Salaries	\$ 547,885	\$ 552,157	\$ 528,671
Employee Benefits	289,921	281,725	275,018
Purchased Services	76,992	67,896	54,481
Supplies and Materials	3,254	1,620	2,163
	<u>\$ 918,052</u>	<u>\$ 903,398</u>	<u>\$ 860,333</u>
<u>Health Services</u>			
Supplies and Materials	\$ 1,250	\$ 939	\$ 630

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Other Pupil Services</u>			
Salaries	\$ 315,167	\$ 319,984	\$ 313,088
Employee Benefits	79,761	78,297	72,609
Purchased Services	26,735	4,584	9,097
Supplies and Materials	396	0	9,390
	<u>\$ 422,059</u>	<u>\$ 402,865</u>	<u>\$ 404,184</u>
<u>Instructional Staff</u>			
<u>Curriculum Improvement</u>			
Salaries	\$ 68,073	\$ 68,171	\$ 67,965
Employee Benefits	22,949	24,220	23,014
Purchased Services	18,201	10,709	18,864
Supplies	3,000	2,287	81,380
Capital Outlay	2,200	2,180	0
Other Expenses	90	0	0
	<u>\$ 114,513</u>	<u>\$ 107,567</u>	<u>\$ 191,223</u>
<u>Educational Media Services</u>			
Salaries	\$ 132,683	\$ 132,430	\$ 139,690
Employee Benefits	69,389	69,595	80,575
Purchased Services	8,950	8,395	8,910
Supplies and Materials	22,283	19,367	28,207
Capital Outlay	918	918	0
	<u>\$ 234,223</u>	<u>\$ 230,705</u>	<u>\$ 257,382</u>
<u>Educational Radio and TV</u>			
Salaries	\$ 27,461	\$ 26,480	\$ 26,165
Employee Benefits	11,890	11,874	13,953
Purchased Services	1,955	2,028	1,425
Supplies and Materials	614	509	236
Capital Outlay	400	275	0
	<u>\$ 42,320</u>	<u>\$ 41,166</u>	<u>\$ 41,779</u>
<u>Computer Assisted Instruction</u>			
Salaries	\$ 235,000	\$ 224,168	\$ 246,466
Employee Benefits	98,770	97,495	92,673
Purchased Services	41,000	42,202	21,446
Supplies and Materials	17,000	12,492	17,030
Capital Outlay	40,928	26,280	38,795
	<u>\$ 432,698</u>	<u>\$ 402,637</u>	<u>\$ 416,410</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND  
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Supervision and Direction</u>			
Salaries	\$ 18,403	\$ 17,483	\$ 16,937
Employee Benefits	8,189	7,406	7,444
Purchased Services	0	0	50
	<u>\$ 26,592</u>	<u>\$ 24,889</u>	<u>\$ 24,431</u>
<u>Academic Student Assessment</u>			
Supplies and Materials	\$ 500	\$ 0	\$ 0
<u>General Administration</u>			
<u>Board of Education</u>			
Purchased Services	\$ 98,756	\$ 97,539	\$ 75,109
Supplies and Materials	2,000	1,069	540
Other Expenses	9,075	8,932	9,264
	<u>\$ 109,831</u>	<u>\$ 107,540</u>	<u>\$ 84,913</u>
<u>Executive Administration</u>			
Salaries	\$ 213,352	\$ 209,054	\$ 207,002
Employee Benefits	108,855	102,997	95,095
Purchased Services	28,440	27,272	30,837
Supplies and Materials	4,000	3,413	4,594
Capital Outlay	599	1,363	599
Other Expenses	2,650	2,328	1,632
	<u>\$ 357,896</u>	<u>\$ 346,427</u>	<u>\$ 339,759</u>
<u>School Administration</u>			
<u>Office of the Principal</u>			
Salaries	\$ 1,117,863	\$ 1,132,709	\$ 1,116,889
Employee Benefits	597,429	586,317	535,255
Purchased Services	45,050	47,134	43,120
Supplies and Materials	13,031	12,522	14,933
Other Expense	4,125	4,128	3,837
	<u>\$ 1,777,498</u>	<u>\$ 1,782,810</u>	<u>\$ 1,714,034</u>
<u>Business</u>			
<u>Fiscal Services</u>			
Salaries	\$ 250,775	\$ 246,311	\$ 244,540
Employee Benefits	140,598	136,446	131,189
Purchased Services	10,695	8,941	12,383
Supplies and Materials	5,000	3,873	5,255

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
Capital Outlay	1,070	1,070	0
Other Expenses	1,414	1,254	1,325
	<u>\$ 409,552</u>	<u>\$ 397,895</u>	<u>\$ 394,692</u>
<u>Other Business Services</u>			
Purchased Services	\$ 134,390	\$ 127,204	\$ 123,915
Supplies and Materials	245	245	0
Capital Outlay	5,295	5,295	0
Other Expenses	6,247	1,278	2,497
	<u>\$ 146,177</u>	<u>\$ 134,022</u>	<u>\$ 126,412</u>
<u>Operation and Maintenance of Plant</u>			
Salaries	\$ 925,475	\$ 912,958	\$ 949,073
Employee Benefits	660,616	634,126	597,359
Purchased Services	698,193	679,496	733,329
Supplies and Materials	873,873	864,391	960,435
Capital Outlay	38,300	37,847	81,315
Other Expense	400	340	360
	<u>\$ 3,196,857</u>	<u>\$ 3,129,158</u>	<u>\$ 3,321,871</u>
<u>Pupil Transportation Services</u>			
Salaries	\$ 585,943	\$ 565,795	\$ 597,830
Employee Benefits	410,248	398,301	359,997
Purchased Services	62,949	58,488	49,069
Supplies and Materials	286,830	289,646	283,757
Capital Outlay	88,677	81,677	134,056
Other Expenses	2,300	2,391	1,729
	<u>\$ 1,436,947</u>	<u>\$ 1,396,298</u>	<u>\$ 1,426,438</u>
<u>Information Services</u>			
Purchased Services	\$ 0	\$ 0	\$ 81
<u>COMMUNITY SERVICES</u>			
<u>Civic Activities</u>			
Salaries	\$ 5,106	\$ 3,836	\$ 0
Employee Benefits	1,294	974	0
Purchased Services	2,654	1,753	0
Supplies and Materials	870	300	0
Other Expenses	5,895	5,648	0
	<u>\$ 15,819</u>	<u>\$ 12,511</u>	<u>\$ 0</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

GENERAL FUND  
ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>		<u>2006</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
<u>Custody and Care of Children</u>			
Salaries	\$ 39,909	\$ 25,340	\$ 34,825
Employee Benefits	9,657	6,389	5,691
Purchased Services	750	927	1,482
	<u>\$ 50,316</u>	<u>\$ 32,656</u>	<u>\$ 41,998</u>
<u>Other Community Services</u>			
Salaries	\$ 0	\$ 0	\$ 13,784
Employee Benefits	0	0	3,275
Purchased Services	0	0	2,980
Supplies and Materials	0	0	5,205
Other Expenses	0	0	4,837
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,081</u>
<u>OTHER TRANSACTIONS</u>			
Transfers to Other School Districts	\$ 7,000	\$ 7,000	\$ 6,805
	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 6,805</u>
Total Expenditures	<u>\$ 26,350,942</u>	<u>\$ 26,084,623</u>	<u>\$ 25,822,962</u>
<u>OTHER FINANCING USES</u>			
Transfers Out			
School Service Funds			
Athletic Activities	\$ 313,400	\$ 313,400	\$ 349,000
Camp Torenta	28,000	28,000	30,000
Cadillac Community School Recreation	40,000	40,000	0
	<u>\$ 381,400</u>	<u>\$ 381,400</u>	<u>\$ 379,000</u>
<u>TOTAL EXPENDITURES AND OTHER USES</u>	<u>\$ 26,732,342</u>	<u>\$ 26,466,023</u>	<u>\$ 26,201,962</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SPECIAL REVENUE (SCHOOL SERVICE) FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2007

WITH COMPARATIVE TOTALS FOR JUNE 30, 2006

	<u>FOOD SERVICE FUND</u>	<u>ATHLETIC ACTIVITIES FUND</u>
<u>ASSETS</u>		
Cash	\$ 186,273	\$ 68,409
Accounts Receivable	3,155	0
Due from Other Governmental Units	11,585	0
Due from Other Funds	0	0
Prepaid Expenditures	3,787	0
Inventory	39,587	0
	\$ 244,387	\$ 68,409
TOTAL ASSETS	\$ 244,387	\$ 68,409
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 16,627	\$ 0
Accrued Expenses	0	0
Salaries Payable	0	0
Due to Other Funds	60,244	16,696
	\$ 76,871	\$ 16,696
Total Liabilities	\$ 76,871	\$ 16,696
<u>FUND BALANCE</u>		
Reserved for		
Inventory	\$ 39,587	\$ 0
Prepaid Expenditures	3,787	0
Unreserved		
Designated for:		
Food Service	124,142	0
Athletic Activities	0	51,713
Undesignated	0	0
	\$ 167,516	\$ 51,713
Total Fund Balance	\$ 167,516	\$ 51,713
TOTAL LIABILITIES AND FUND BALANCE	\$ 244,387	\$ 68,409

CADILLAC COMMUNITY SCHOOL RECREATION FUND		CAMP TORENTA FUND	TOTALS	
			2007	2006
\$ 79,490	\$ 4,800	\$ 338,972	\$ 224,802	
7,471	0	10,626	65,935	
888	0	12,473	18,275	
0	5,000	5,000	0	
0	0	3,787	0	
0	0	39,587	26,004	
<u>\$ 87,849</u>	<u>\$ 9,800</u>	<u>\$ 410,445</u>	<u>\$ 335,016</u>	
\$ 2,165	\$ 5,000	\$ 23,792	\$ 23,598	
2,334	0	2,334	4,087	
7,024	0	7,024	3,866	
0	0	76,940	49,903	
<u>\$ 11,523</u>	<u>\$ 5,000</u>	<u>\$ 110,090</u>	<u>\$ 81,454</u>	
\$ 0	\$ 0	\$ 39,587	\$ 26,004	
0	0	3,787	0	
0	0	124,142	86,446	
0	0	51,713	99,322	
76,326	4,800	81,126	41,790	
<u>\$ 76,326</u>	<u>\$ 4,800</u>	<u>\$ 300,355</u>	<u>\$ 253,562</u>	
<u>\$ 87,849</u>	<u>\$ 9,800</u>	<u>\$ 410,445</u>	<u>\$ 335,016</u>	

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SPECIAL REVENUE (SCHOOL SERVICE) FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2007  
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2006

	<u>FOOD SERVICE FUND</u>	<u>ATHLETIC ACTIVITIES FUND</u>
<u>REVENUES</u>		
Local Sources	\$ 530,502	\$ 205,810
Intermediate Sources	0	0
State Sources	54,522	0
Federal Sources	597,110	0
Other Transactions	95	0
	<u>\$ 1,182,229</u>	<u>\$ 205,810</u>
 <u>EXPENDITURES</u>		
Salaries	\$ 287,195	\$ 275,721
Employee Benefits	170,721	69,886
Purchased Services	179,138	130,470
Supplies and Materials	466,308	63,403
Capital Outlay	6,393	15,308
Other Expense	17,408	12,031
	<u>\$ 1,127,163</u>	<u>\$ 566,819</u>
Excess of Revenues Over (Under) Expenditures	\$ 55,066	\$ (361,009)
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)	0	313,400
	<u>\$ 55,066</u>	<u>\$ (47,609)</u>
Net Change in Fund Balance		
<u>FUND BALANCE</u> - Beginning of Year	112,450	99,322
<u>FUND BALANCE</u> - End of Year	<u>\$ 167,516</u>	<u>\$ 51,713</u>

CADILLAC COMMUNITY SCHOOL RECREATION FUND		CAMP TORENTA FUND	TOTALS	
			2007	2006
\$ 289,341	\$ 17,860	\$ 1,043,513	\$ 938,065	
68,700	0	68,700	70,033	
0	0	54,522	54,944	
7,967	0	605,077	539,060	
0	0	95	0	
<u>\$ 366,008</u>	<u>\$ 17,860</u>	<u>\$ 1,771,907</u>	<u>\$ 1,602,102</u>	
\$ 213,503	\$ 2,755	\$ 779,174	\$ 783,335	
42,959	216	283,782	278,964	
41,891	5,960	357,459	331,097	
61,500	23,662	614,873	591,269	
0	16,250	37,951	1,198	
3,600	236	33,275	19,909	
<u>\$ 363,453</u>	<u>\$ 49,079</u>	<u>\$ 2,106,514</u>	<u>\$ 2,005,772</u>	
\$ 2,555	\$ (31,219)	\$ (334,607)	\$ (403,670)	
<u>40,000</u>	<u>28,000</u>	<u>381,400</u>	<u>493,811</u>	
\$ 42,555	\$ (3,219)	\$ 46,793	\$ 90,141	
<u>33,771</u>	<u>8,019</u>	<u>253,562</u>	<u>146,821</u>	
<u>\$ 76,326</u>	<u>\$ 4,800</u>	<u>\$ 300,355</u>	<u>\$ 236,962</u>	

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

FOOD SERVICE FUND

COMPARATIVE BALANCE SHEET  
JUNE 30,

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash	\$ 186,273	\$ 81,004
Accounts Receivable	3,155	57,226
Due from Other Governmental Units	11,585	16,002
Prepaid Expenditures	3,787	0
Inventory	39,587	26,004
	<hr/>	<hr/>
TOTAL ASSETS	\$ 244,387	\$ 180,236
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 16,627	\$ 23,472
Due to Other Funds	60,244	44,314
	<hr/>	<hr/>
Total Liabilities	\$ 76,871	\$ 67,786
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for		
Inventory	\$ 39,587	\$ 26,004
Prepaid Expenditures	3,787	0
Unreserved		
Designated for Food Service	124,142	86,446
	<hr/>	<hr/>
Total Fund Balance	\$ 167,516	\$ 112,450
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 244,387	\$ 180,236
	<hr/>	<hr/>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

FOOD SERVICE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2007	2006
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 1,068	\$ 648
Food Sales to Pupils	480,478	497,936
Food Sales to Adults	22,417	24,570
Food Reimbursements and Banquets	18,964	16,348
Food Sales - Vending	7,575	6,111
State Sources		
State Aid - Regular	54,522	53,049
Federal Sources		
Federal Aid - Regular	522,187	484,651
Federal Aid - Summer	10,004	0
Federal Aid - U.S.D.A. Commodities	64,919	74,388
Other Transactions		
Refunds and Rebates	95	0
Sale of Fixed Assets	0	375
	\$ 1,182,229	\$ 1,158,076
<u>EXPENDITURES</u>		
Salaries	\$ 287,195	\$ 278,154
Employee Benefits	170,721	167,007
Purchased Services	179,138	178,583
Supplies and Materials	466,308	482,753
Capital Outlay	6,393	0
Other Expenses	17,408	15,313
	\$ 1,127,163	\$ 1,121,810
Excess of Revenues Over Expenditures	\$ 55,066	\$ 36,266
<u>FUND BALANCE</u> - Beginning of Year	112,450	76,184
<u>FUND BALANCE</u> - End of Year	\$ 167,516	\$ 112,450

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

ATHLETIC ACTIVITIES FUND

COMPARATIVE BALANCE SHEET  
JUNE 30,

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash	<u>\$ 68,409</u>	<u>\$ 104,957</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 46
Due to Other Funds	16,696	5,589
Total Liabilities	<u>\$ 16,696</u>	<u>\$ 5,635</u>
<u>FUND BALANCE</u>		
Unreserved		
Designated for Athletic Activities	<u>\$ 51,713</u>	<u>\$ 99,322</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 68,409</u>	<u>\$ 104,957</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

ATHLETIC ACTIVITIES FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2007	2006
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 1,022	\$ 1,427
Admissions	64,826	73,685
Activity Tickets	18,525	16,784
Donations	39,160	35,182
Miscellaneous		
Student Participation Fees	14,327	0
Tournament Revenue	36,655	29,781
Sponsorships	22,750	19,264
Entry Fees	6,715	6,070
Other	1,830	1,371
Total Revenues	\$ 205,810	\$ 183,564
<u>EXPENDITURES</u>		
Salaries	\$ 275,721	\$ 271,665
Employee Benefits	69,886	70,981
Purchased Services	130,470	118,151
Supplies and Materials	63,403	61,864
Capital Outlay - Equipment	15,308	4,595
Other Expenses	12,031	12,155
Total Expenditures	\$ 566,819	\$ 539,411
Excess of Revenues Over (Under) Expenditures	\$ (361,009)	\$ (355,847)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	313,400	349,000
Net Change in Fund Balance	\$ (47,609)	\$ (6,847)
<u>FUND BALANCE</u> - Beginning of Year	99,322	106,169
<u>FUND BALANCE</u> - End of Year	\$ 51,713	\$ 99,322

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

CADILLAC COMMUNITY SCHOOL RECREATION FUND

COMPARATIVE BALANCE SHEET  
JUNE 30,

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash	\$ 79,490	\$ 30,822
Accounts Receivable	7,471	8,709
Due from Other Governmental Units	888	2,273
	<hr/>	<hr/>
TOTAL ASSETS	\$ 87,849	\$ 41,804
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,165	\$ 80
Accrued Expenses	2,334	4,087
Salaries Payable	7,024	3,866
	<hr/>	<hr/>
Total Liabilities	\$ 11,523	\$ 8,033
 <u>FUND BALANCE</u>		
Unreserved		
Undesignated	76,326	33,771
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 87,849	\$ 41,804
	<hr/> <hr/>	<hr/> <hr/>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

CADILLAC COMMUNITY SCHOOL RECREATION FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2007	2006
<u>REVENUES</u>		
Local Sources		
Tuition and Fees		
Enrichment	\$ 228,286	\$ 211,318
Recreation	53,945	50,863
Senior Citizens Center	2,268	2,319
Other Local Revenues		
Miscellaneous		
Ticket Sales	807	3,698
Other Revenue	60	40
Earnings on Investments and Deposits	3,975	990
Intermediate Sources		
Contribution from the City of Cadillac	62,700	62,700
Wexford County United Way	6,000	4,167
Federal Sources		
Meals Reimbursement	7,967	6,354
	\$ 366,008	\$ 342,449
<u>EXPENDITURES</u>		
Supporting Services		
Operation and Maintenance		
Salaries	\$ 7,387	\$ 11,272
Employee Benefits	999	1,777
Purchased Services	4,898	6,131
Supplies and Materials	4,076	4,203
	\$ 17,360	\$ 23,383
Community Services		
Direction		
Purchased Services	\$ 3,475	\$ 3,506

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

CADILLAC COMMUNITY SCHOOL RECREATION FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2007</u>	<u>2006</u>
Supplies and Materials	923	511
Other Expenses	95	95
	<u>\$ 4,493</u>	<u>\$ 4,112</u>
Recreation		
Salaries	\$ 52,945	\$ 55,034
Employee Benefits	10,089	8,652
Purchased Services	31,216	29,065
Supplies and Materials	37,200	23,246
	<u>\$ 131,450</u>	<u>\$ 115,997</u>
Enrichment		
Salaries	\$ 153,171	\$ 147,628
Employee Benefits	31,871	33,052
Community Services		
Purchased Services	2,302	2,316
Supplies and Materials	19,301	26,331
	<u>\$ 206,645</u>	<u>\$ 209,327</u>
Other Community Services		
Other Programs		
Other Expenses	\$ 3,505	\$ 5,880
	<u>\$ 363,453</u>	<u>\$ 358,699</u>
Total Expenditures		
Excess of Revenues Over (Under) Expenditures	\$ 2,555	\$ (16,250)
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	40,000	0
	<u>\$ 42,555</u>	<u>\$ (16,250)</u>
Net Change in Fund Balance		
<u>FUND BALANCE</u> - Beginning of Year	<u>33,771</u>	<u>50,021</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 76,326</u>	<u>\$ 33,771</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

CAMP TORENTA FUND

COMPARATIVE BALANCE SHEET  
JUNE 30,

	2007	2006
<u>ASSETS</u>		
Cash	\$ 4,800	\$ 8,019
Due from Other Funds	5,000	0
TOTAL ASSETS	\$ 9,800	\$ 8,019
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 5,000	\$ 0
<u>FUND BALANCE</u>		
Unreserved		
Undesignated	4,800	8,019
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,800	\$ 8,019

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

CAMP TORENTA FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2007	2006
<u>REVENUES</u>		
Local Sources		
Rental Fees	\$ 5,640	\$ 4,850
Contributions	12,000	0
Earnings on Investments	220	61
	\$ 17,860	\$ 4,911
 <u>EXPENDITURES</u>		
Community Services		
Salaries	\$ 2,755	\$ 2,286
Employee Benefits	216	515
Purchased Services	5,960	4,581
Supplies and Materials	23,662	23,890
Capital Outlay	16,250	0
Other	236	208
	\$ 49,079	\$ 31,480
Excess of Revenues Over (Under) Expenditures	\$ (31,219)	\$ (26,569)
 <u>OTHER FINANCING SOURCES</u>		
Transfers In		
General Fund	28,000	30,000
	\$ (3,219)	\$ 3,431
<u>FUND BALANCE</u> - Beginning of Year	8,019	4,588
<u>FUND BALANCE</u> - End of Year	\$ 4,800	\$ 8,019

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

DEBT RETIREMENT FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2007  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2006

<u>ASSETS</u>	<u>BOND ISSUE OF</u>			<u>TOTALS</u>	
	<u>1998</u>	<u>2005</u>	<u>DURANT</u>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	\$ 207,374	\$ 578,316	\$ 0	\$ 785,690	\$ 785,100
Taxes Receivable	4,417	15,094	0	19,511	23,233
Interest Receivable	664	1,827	0	2,491	1,844
Due from Other Funds	0	0	0	0	533,770
<b>TOTAL ASSETS</b>	<b>\$ 212,455</b>	<b>\$ 595,237</b>	<b>\$ 0</b>	<b>\$ 807,692</b>	<b>\$ 1,343,947</b>
 <u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Deferred Revenue	\$ 3,230	\$ 10,985	\$ 0	\$ 14,215	\$ 20,498
Due to Other Funds	0		0	0	533,770
<b>Total Liabilities</b>	<b>\$ 3,230</b>	<b>\$ 10,985</b>	<b>\$ 0</b>	<b>\$ 14,215</b>	<b>\$ 554,268</b>
 <u>FUND BALANCE</u>					
Reserved for Debt Retirement	209,225	584,252	0	793,477	789,679
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 212,455</b>	<b>\$ 595,237</b>	<b>\$ 0</b>	<b>\$ 807,692</b>	<b>\$ 1,343,947</b>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

DEBT RETIREMENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2006

	<u>BOND ISSUE OF</u>			<u>TOTALS</u>	
	<u>1998</u>	<u>2005</u>	<u>DURANT</u>	<u>2007</u>	<u>2006</u>
<u>REVENUES</u>					
Local Sources					
Property Tax Levy	\$ 449,984	\$ 1,506,469	\$ 0	\$ 1,956,453	\$ 2,375,860
Industrial Facilities Tax	7,950	26,751	0	34,701	47,860
Penalties and Interest on Delinquent Taxes	994	3,351	0	4,345	5,363
Earnings on Investments and Deposits	12,873	49,712	0	62,585	40,989
State Sources					
Durant Settlement - Debt Service	0	0	0	0	16,447
Other Transactions					
Refund of Prior Year Taxes Previously Written Off	0	0	0	0	4,081
Total Revenues	<u>\$ 471,801</u>	<u>\$ 1,586,283</u>	<u>\$ 0</u>	<u>\$ 2,058,084</u>	<u>\$ 2,490,600</u>
<u>EXPENDITURES</u>					
Redemption of Serial Bonds	\$ 35,000	\$ 1,015,000	\$ 0	\$ 1,050,000	\$ 920,000
Interest on Debt	436,256	541,813	0	978,069	1,130,977
Dues and Fees	1,000	941	0	1,941	1,231
Taxes Abated and Written Off	5,722	18,554	0	24,276	8,175
Total Expenditures	<u>\$ 477,978</u>	<u>\$ 1,576,308</u>	<u>\$ 0</u>	<u>\$ 2,054,286</u>	<u>\$ 2,060,383</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (6,177)</u>	<u>\$ 9,975</u>	<u>\$ 0</u>	<u>\$ 3,798</u>	<u>\$ 430,217</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,151,326
Transfers Out	0	0	0	0	(1,151,326)
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (6,177)	\$ 9,975	\$ 0	\$ 3,798	\$ 430,217
<u>FUND BALANCE</u> - Beginning of Year	<u>215,402</u>	<u>574,277</u>	<u>0</u>	<u>789,679</u>	<u>359,462</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 209,225</u>	<u>\$ 584,252</u>	<u>\$ 0</u>	<u>\$ 793,477</u>	<u>\$ 789,679</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 321,807	\$ 504,045
Accounts Receivable	270,598	0
Interest Receivable	220	50
Due from Other Governments	0	30,097
	<hr/>	<hr/>
TOTAL ASSETS	\$ 592,625	\$ 534,192
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 174,749	\$ 0
Due To Other Funds	5,000	0
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 179,749	\$ 0
<u>FUND BALANCE</u>		
Unreserved		
Undesignated	412,876	534,192
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 592,625	\$ 534,192
	<hr/> <hr/>	<hr/> <hr/>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2007</u>	<u>2006</u>
<u>REVENUES</u>		
Local Sources		
Contributions	\$ 177,571	\$ 30,097
Earnings on Investments and Deposits	15,425	15,958
State Sources		
DNR Grant	364,269	0
Other Transactions		
Transfers from Other Governmental Units		
Intermediate School District	0	52,673
Total Revenues	\$ 557,265	\$ 98,728
<u>EXPENDITURES</u>		
Capital Outlay		
Buildings and Site Improvements	678,581	91,670
Excess of Revenues Over (Under) Expenditures	\$ (121,316)	\$ 7,058
<u>FUND BALANCE</u> - Beginning of Year	534,192	527,134
<u>FUND BALANCE</u> - End of Year	\$ 412,876	\$ 534,192

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

FIDUCIARY FUND TYPES  
COMBINING BALANCE SHEET

JUNE 30, 2007  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2006

	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 267,809	\$ 164,433
Accrued Interest	1,203	0
Accounts Receivable	1,253	0
	<hr/>	<hr/>
TOTAL ASSETS	\$ 270,265	\$ 164,433
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Due to Groups and Organizations	\$ 1,253	\$ 164,433
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Reserved for:		
Scholarships and Memorials	\$ 237,707	\$ 0
Football Program Endowment	31,305	0
	<hr/>	<hr/>
Total Fund Balance	\$ 269,012	\$ 0
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 270,265	\$ 164,433
	<hr/> <hr/>	<hr/> <hr/>

TOTALS

<u>2007</u>	<u>2006</u>
\$ 432,242	\$ 445,241
1,203	0
<u>1,253</u>	<u>0</u>
<u>\$ 434,698</u>	<u>\$ 445,241</u>

<u>\$ 165,686</u>	<u>\$ 173,692</u>
-------------------	-------------------

\$ 237,707	\$ 239,770
<u>31,305</u>	<u>31,779</u>

<u>\$ 269,012</u>	<u>\$ 271,549</u>
-------------------	-------------------

<u>\$ 434,698</u>	<u>\$ 445,241</u>
-------------------	-------------------

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

PRIVATE PURPOSE TRUST FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2007  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2006

	<u>HEAZLIT</u> <u>TRUST</u>	<u>TERRILL</u> <u>MEMORIAL</u>	<u>MEMORIAL</u> <u>PLAQUE</u>	<u>VONBARGEN</u> <u>SCHOLARSHIP</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 32,997	\$ 2,556	\$ 858	\$ 5,968
Accrued Interest	109	12	0	26
Accounts Receivable	0	0	0	0
TOTAL ASSETS	<u>\$ 33,106</u>	<u>\$ 2,568</u>	<u>\$ 858</u>	<u>\$ 5,994</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>				
Reserved for:				
Student Scholarships and Memorials	\$ 1,801	\$ 2,568	\$ 858	\$ 5,994
Football Program Endowment	31,305	0	0	0
Total Fund Balance	<u>\$ 33,106</u>	<u>\$ 2,568</u>	<u>\$ 858</u>	<u>\$ 5,994</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 33,106</u>	<u>\$ 2,568</u>	<u>\$ 858</u>	<u>\$ 5,994</u>

KARCHER TRUST	KRIS EGGLE SCHOLARSHIP	BELL MEMORIAL	BRODEUR ESTATE	LINDBERG SCHOLARSHIP	TOTALS	
					2007	2006
\$ 0	\$ 3,713	\$ 27,832	\$ 193,885	\$ 0	\$ 267,809	\$ 271,549
0	16	132	908	0	1,203	0
1,253	0	0	0	0	1,253	0
<u>\$ 1,253</u>	<u>\$ 3,729</u>	<u>\$ 27,964</u>	<u>\$ 194,793</u>	<u>\$ 0</u>	<u>\$ 270,265</u>	<u>\$ 271,549</u>
<u>\$ 1,253</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,253</u>	<u>\$ 0</u>
\$ 0	\$ 3,729	\$ 27,964	\$ 194,793	\$ 0	\$ 237,707	\$ 239,770
0	0	0	0	0	31,305	31,779
<u>\$ 0</u>	<u>\$ 3,729</u>	<u>\$ 27,964</u>	<u>\$ 194,793</u>	<u>\$ 0</u>	<u>\$ 269,012</u>	<u>\$ 271,549</u>
<u>\$ 1,253</u>	<u>\$ 3,729</u>	<u>\$ 27,964</u>	<u>\$ 194,793</u>	<u>\$ 0</u>	<u>\$ 270,265</u>	<u>\$ 271,549</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

PRIVATE PURPOSE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2006

	<u>HEAZLIT TRUST</u>	<u>TERRILL MEMORIAL</u>	<u>MEMORIAL PLAQUE</u>	<u>VONBARGEN SCHOLARSHIP</u>
<u>REVENUES</u>				
Earnings on Investments and Deposits	\$ 1,347	\$ 80	\$ 5	\$ 256
Donations	0	0	0	0
 Total Revenues	 \$ 1,347	 \$ 80	 \$ 5	 \$ 256
<u>EXPENDITURES</u>				
Scholarship Awards	\$ 0	\$ 300	\$ 0	\$ 1,000
Banquet Expenses	0	0	0	0
Other	20	0	0	0
 Total Expenditures	 \$ 20	 \$ 300	 \$ 0	 \$ 1,000
 Excess of Revenues Over (Under) Expenditures	 \$ 1,327	 \$ (220)	 \$ 5	 \$ (744)
<u>FUND BALANCE</u> - Beginning of Year	31,779	2,788	853	6,738
<u>FUND BALANCE</u> - End of Year	\$ 33,106	\$ 2,568	\$ 858	\$ 5,994

KARCHER TRUST	KRIS EGGLE SCHOLARSHIP	BELL MEMORIAL	BRODEUR ESTATE	LINDBERG SCHOLARSHIP	TOTALS	
					2007	2006
\$ 0	\$ 125	\$ 1,501	\$ 9,949	\$ 0	\$ 13,263	\$ 9,476
3,253	2,070	0	0	1,000	6,323	4,750
\$ 3,253	\$ 2,195	\$ 1,501	\$ 9,949	\$ 1,000	\$ 19,586	\$ 14,226
\$ 0	\$ 1,000	\$ 3,550	\$ 9,000	\$ 1,000	\$ 15,850	\$ 15,950
3,253	0	0	0	0	3,253	2,000
0	0	3,000	0	0	3,020	20
\$ 3,253	\$ 1,000	\$ 6,550	\$ 9,000	\$ 1,000	\$ 22,123	\$ 17,970
\$ 0	\$ 1,195	\$ (5,049)	\$ 949	\$ 0	\$ (2,537)	\$ (3,744)
0	2,534	33,013	193,844	0	271,549	275,293
\$ 0	\$ 3,729	\$ 27,964	\$ 194,793	\$ 0	\$ 269,012	\$ 271,549

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

AGENCY FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2007  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2006

	<u>ELEMENTARY SCHOOLS ACCOUNT</u>	<u>MIDDLE SCHOOLS ACCOUNT</u>	<u>JUNIOR HIGH SCHOOL</u>	<u>HIGH SCHOOL ACCOUNT</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 76,883	\$ 19,337	\$ 13,712	\$ 51,767
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Due to Groups and Organizations	\$ 76,883	\$ 19,337	\$ 13,712	\$ 51,767
<u>FUND BALANCE</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 76,883</u>	 <u>\$ 19,337</u>	 <u>\$ 13,712</u>	 <u>\$ 51,767</u>

COMMUNITY SCHOOL ACCOUNT	TOTALS	
	2007	2006
\$ 2,734	\$ 164,433	\$ 156,982
\$ 2,734	\$ 164,433	\$ 156,982
0	0	0
\$ 2,734	\$ 164,433	\$ 156,982

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

AGENCY FUND - ELEMENTARY SCHOOLS ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE  
YEAR ENDED JUNE 30, 2007

	<u>BALANCE</u> 07/01/06	<u>RECEIPTS</u> (Including Transfers)	<u>DISBURSEMENTS</u>	<u>BALANCE</u> 6/30/07
Forest View	\$ 14,228	\$ 38,076	\$ 37,773	\$ 14,531
Franklin	24,633	31,343	36,358	19,618
Kenwood	32,645	21,788	28,825	25,608
Lincoln	10,227	22,774	24,164	8,837
McKinley	8,482	20,635	20,828	8,289
	<u>\$ 90,215</u>	<u>\$ 134,616</u>	<u>\$ 147,948</u>	<u>\$ 76,883</u>
Represented by				
Assets				
Cash	<u>\$ 90,215</u>			<u>\$ 76,883</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 90,215</u>			<u>\$ 76,883</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

AGENCY FUND - JUNIOR HIGH SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE  
YEAR ENDED JUNE 30, 2007

	BALANCE 07/01/06	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/07
Band	\$ 0	\$ 12,437	\$ 12,202	\$ 235
Home Economics	253	475	363	365
Library	81	0	0	81
Special Education	346	0	0	346
Student Council	394	1,821	1,585	630
Yearbook	(880)	9,617	7,529	1,208
Ski Club	592	424	690	326
9th Grade Student Council Office	1,148 8,089	2,365 7,478	2,546 6,013	967 9,554
	<u>\$ 10,023</u>	<u>\$ 34,617</u>	<u>\$ 30,928</u>	<u>\$ 13,712</u>
Represented by				
Assets				
Cash	<u>\$ 10,023</u>			<u>\$ 13,712</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 10,023</u>			<u>\$ 13,712</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

AGENCY FUND - MACKINAW TRAIL MIDDLE SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE  
YEAR ENDED JUNE 30, 2007

	BALANCE 07/01/06	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/07
MTMS Clothing	\$ 232	\$ 0	\$ 25	\$ 207
Yearbook	434	2,961	3,124	271
Student Council	335	762	603	494
Art	477	0	0	477
Ski Club	0	3,764	3,327	437
Discovery Team	1,237	799	816	1,220
School Store	157	272	218	211
Quasar	4	0	4	0
Supernova	1,535	2,623	3,499	659
Protostars	253	332	349	236
Social Committee	1	0	1	0
Information Center	423	5,298	5,195	526
Zenith	1,726	1,341	880	2,187
Natural Helpers	300	0	240	60
Starquest	1,261	1,628	1,956	933
Cosmic	220	3,305	2,077	1,448
Health	366	1,297	900	763
Nebula	1,916	1,557	1,116	2,357
Clubs Choice	(82)	41,111	40,965	64
Strings Acct	24	1,379	1,321	82
Alpha	3,532	2,465	2,685	3,312
Office Account	1,593	6,363	6,398	1,558
Vocal Music	10	826	836	0
Volleyball	1	601	601	1
Voyagers	1,031	1,392	589	1,834
	<u>\$ 16,986</u>	<u>\$ 80,076</u>	<u>\$ 77,725</u>	<u>\$ 19,337</u>

Represented By

Assets

Cash

\$ 16,986

\$ 19,337

Liabilities

Due to Groups and Organizations

\$ 16,986

\$ 19,337

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

AGENCY FUND - HIGH SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE  
YEAR ENDED JUNE 30, 2007

	BALANCE 07/01/06	RECEIPTS (Including Transfers)	DISBURSEMENTS	BALANCE 6/30/07
Art Class	\$ 8,337	\$ 2,455	\$ 1,772	\$ 9,020
Band	34	1,216	1,216	34
Book Club	647	611	524	734
Business Department	634	51	0	685
C.H.S. Entertainers	(2,298)	14,914	11,988	628
Class of 2006	10	0	10	0
Class of 2007	6,256	85	5,056	1,285
Class of 2008	4,195	8,788	7,602	5,381
Class of 2009	0	4,687	497	4,190
Debate	111	0	0	111
Drama	4,228	2,939	5,019	2,148
Faculty	118	1,110	1,036	192
Forensics	272	0	99	173
French Club	606	2,144	2,587	163
General	886	13,755	12,675	1,966
German Club	197	0	0	197
Graphic Arts	3,874	4,085	2,331	5,628
Graphic Calculator	888	400	480	808
Interact	67	0	0	67
Musical	48	4,851	4,813	86
National Honor Society	1,124	1,525	1,470	1,179
Program Fund	6,005	2,840	2,082	6,763
Science Fair	775	0	163	612
Social Committee	29	0	29	0
Spanish Club	90	0	0	90
Special Education Fund	449	1,570	1,286	733
Student Book Deposits	7,443	287	4,500	3,230
Student Council	5,812	1,859	3,892	3,779
Student Recognition Fund	2,049	0	849	1,200
Percussion Club	204	350	37	517
Yearbook	0	20,720	20,552	168
	<u>\$ 53,090</u>	<u>\$ 91,242</u>	<u>\$ 92,565</u>	<u>\$ 51,767</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

AGENCY FUND - HIGH SCHOOL ACCOUNT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE  
YEAR ENDED JUNE 30, 2007

	<u>BALANCE</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE</u>
	<u>07/01/06</u>	<u>(Including Transfers)</u>		<u>6/30/07</u>
Represented by				
Assets				
Cash	\$ 33,090			\$ 31,767
Investments	20,000			20,000
	<u>\$ 53,090</u>			<u>\$ 51,767</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 53,090</u>			<u>\$ 51,767</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

AGENCY FUND - CADILLAC COMMUNITY SCHOOL RECREATION FUND

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE  
YEAR ENDED JUNE 30, 2007

	<u>BALANCE</u> 07/01/06	<u>RECEIPTS</u> (Including Transfers)	<u>DISBURSEMENTS</u>	<u>BALANCE</u> 6/30/07
Prom	\$ 281	\$ 3	\$ 0	\$ 284
Student Council	577	466	301	742
Prom Scholarship	3	0	3	0
Coke	1,840	4,631	5,140	1,331
Red Cards	0	1,218	1,218	0
Athletics	25	0	0	25
Yearbook	652	77	377	352
	<u>\$ 3,378</u>	<u>\$ 6,395</u>	<u>\$ 7,039</u>	<u>\$ 2,734</u>
Represented By				
Assets				
Cash	<u>\$ 3,378</u>			<u>\$ 2,734</u>
Liabilities				
Due to Groups and Organizations	<u>\$ 3,378</u>			<u>\$ 2,734</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN  
SCHEDULE OF 2006 TAX ROLLS  
YEAR ENDED JUNE 30, 2007

	TAXABLE VALUATION	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
<u>GENERAL FUND (17.5505 MILLS)</u>				
<u>WEXFORD COUNTY</u>				
City of Cadillac	\$ 137,157,175	\$ 2,407,177	\$ 2,274,626	\$ 132,551
Boon Township	5,099,320	89,496	81,273	8,223
Cherry Grove Township	29,153,870	511,665	451,212	60,453
Clam Lake Township	28,871,816	506,715	408,231	98,484
Haring Township	77,457,916	1,359,425	1,231,480	127,945
Henderson Township	2,561,401	44,954	33,261	11,693
Selma Township	23,189,615	406,989	377,409	29,580
Slagle Township	3,006,699	52,769	49,855	2,914
South Branch Township	11,447,589	200,911	187,308	13,603
<u>OSCEOLA COUNTY</u>				
Sherman Township	165,750	2,909	2,142	767
<u>LAKE COUNTY</u>				
Newkirk Township	545,261	9,570	8,516	1,054
	<u>\$ 318,656,412</u>	<u>\$ 5,592,580</u>	<u>\$ 5,105,313</u>	<u>\$ 487,267</u>
<u>DEBT RETIREMENT FUNDS (3.00 MILLS)</u>				
<u>WEXFORD COUNTY</u>				
City of Cadillac	\$ 236,170,178	\$ 709,086	\$ 670,302	\$ 38,784
Antioch Township	48,527	146	146	0
Boon Township	14,599,107	43,797	39,775	4,022
Cherry Grove Township	94,030,693	282,092	260,261	21,831
Clam Lake Township	80,342,720	241,028	212,664	28,364
Colfax Township	138,853	417	417	0
Haring Township	135,460,627	406,382	371,148	35,234
Henderson Township	5,575,493	16,726	14,112	2,614
Selma Township	61,310,340	183,931	170,847	13,084
Slagle Township	4,027,007	12,081	11,510	571
South Branch Township	18,167,313	54,502	50,606	3,896
<u>OSCEOLA COUNTY</u>				
Sherman Township	1,247,080	3,741	3,594	147
<u>LAKE COUNTY</u>				
Newkirk Township	841,363	2,524	2,190	334
	<u>\$ 651,959,301</u>	<u>\$ 1,956,453</u>	<u>\$ 1,807,572</u>	<u>\$ 148,881</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF 2006 INDUSTRIAL FACILITIES TAX ROLLS  
YEAR ENDED JUNE 30, 2007

<u>DEBT RETIREMENT FUND</u>	<u>TAXES ASSESSED</u>	<u>TAXES COLLECTED</u>	<u>TAXES RETURNED DELINQUENT</u>
<u>WEXFORD COUNTY</u>			
City of Cadillac	\$ 33,933	\$ 33,355	\$ 578
Haring Township	432	432	0
Selma Township	200	200	0
	<u>\$ 34,565</u>	<u>\$ 33,987</u>	<u>\$ 578</u>

ALLOCATION OF DEBT RETIREMENT FUND TAX

1998 Debt	\$ 7,950	\$ 7,817	\$ 133
2005 Debt	26,615	26,748	445
Total	<u>\$ 34,565</u>	<u>\$ 34,565</u>	<u>\$ 578</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2007

1998 REFUNDING BOND ISSUE

<u>TITLE OF ISSUE</u>	1998 Refunding Bonds	
<u>PURPOSE</u>	To advance refund a portion of a prior bond issue of the School District and the costs of issuing the bonds.	
<u>DATE OF ISSUE</u>	December 15, 1998	
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year	
<u>AMOUNT OF ISSUE</u>		\$ 9,745,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Year	\$ 195,000	
During Current Year	35,000	(230,000)
<u>BALANCE OUTSTANDING - June 30, 2007</u>		\$ 9,515,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2007		\$ 217,428	\$ 217,428	
May 1, 2008	4.050 %	257,428	217,428	\$ 40,000
November 1, 2008		216,618	216,618	
May 1, 2009	4.150 %	256,618	216,618	40,000
November 1, 2009		215,788	215,788	
May 1, 2010	4.200 %	260,788	215,788	45,000
November 1, 2010		214,843	214,843	
May 1, 2011	4.250 %	849,843	214,843	635,000
November 1, 2011		201,349	201,349	
May 1, 2012	4.250 %	861,349	201,349	660,000
November 1, 2012		187,324	187,324	
May 1, 2013	4.350 %	877,324	187,324	690,000
November 1, 2013		172,317	172,317	
May 1, 2014	4.450 %	892,317	172,317	720,000
November 1, 2014		156,297	156,297	

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2007

1998 REFUNDING BOND ISSUE

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2015	4.500 %	906,297	156,297	750,000
November 1, 2015		139,422	139,422	
May 1, 2016	4.625 %	924,422	139,422	785,000
November 1, 2016		121,269	121,269	
May 1, 2017	4.625 %	941,269	121,269	820,000
November 1, 2017		102,306	102,306	
May 1, 2018	4.625 %	952,306	102,306	850,000
November 1, 2018		82,650	82,650	
May 1, 2019	4.750 %	952,650	82,650	870,000
November 1, 2019		61,988	61,988	
May 1, 2020	4.750 %	931,988	61,988	870,000
November 1, 2020		41,325	41,325	
May 1, 2021	4.750 %	911,325	41,325	870,000
November 1, 2021		20,663	20,663	
May 1, 2022	4.750 %	890,663	20,663	870,000
		\$ 13,818,174	\$ 4,303,174	\$ 9,515,000

DENOMINATIONS

\$5,000 each, or any integral multiple thereof.

REDEMPTION PRIOR TO MATURITY

The Bonds or portions of Bonds in multiples of \$5,000, maturing on or after May 1, 2009 are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine, by lot within any maturity, on any interest payment date occurring on or after May 1, 2008, at par and accrued interest to the date fixed for redemption.

TAX LEVY FOR RETIREMENT OF BONDS

The bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon, and will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2007

1998 SCHOOL IMPROVEMENT BOND ISSUE

<u>TITLE OF ISSUE</u>	1998 School Improvement Bond (Durant Settlement)		
<u>PURPOSE</u>	This Bond was issued for purposes permitted in Section 1351(a) of Act 451, Public Acts of Michigan		
<u>DATE OF ISSUE</u>	November 24, 1998		
<u>INTEREST PAYABLE</u>	May 15th, of each year		
<u>AMOUNT OF ISSUE</u>		\$	234,216
<u>AMOUNT REDEEMED</u>			
Prior to Current Year	\$	84,583	
During Current Year		<u>0</u>	<u>84,583</u>
<u>BALANCE OUTSTANDING - June 30, 2007</u>		<u>\$</u>	<u>149,633</u>

<u>DUE DATES</u>	<u>REQUIREMENTS</u>		
	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 15, 2008	\$ 0	\$ 0	\$ 0
May 15, 2009	16,448	3,414	13,034
May 15, 2010	110,507	18,898	91,609
May 15, 2011	16,447	2,142	14,305
May 15, 2012	16,447	1,461	14,986
May 15, 2013	16,446	747	15,699
	<u>\$ 176,295</u>	<u>\$ 26,662</u>	<u>\$ 149,633</u>

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2007

1998 SCHOOL IMPROVEMENT BOND ISSUE

REDEMPTION PRIOR TO MATURITY

This bond is not subject to redemption prior to maturity by the School District and the School District may not issue any other bonds or obligations for the purpose of refunding this bond.

TAX LEVY/STATE AID

The revenues to retire the Durant Settlement Bonds are to come from yearly transfers of state aid from the State of Michigan, thus, no property taxes are levied for these payments.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2007

2005 REFUNDING BOND ISSUE

<u>TITLE OF ISSUE</u>	2005 Refunding Bonds	
<u>PURPOSE</u>	To advance refund a portion of a prior bond issue of the School District and the costs of issuing the	
<u>DATE OF ISSUE</u>	March 14, 2005	
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year	
<u>AMOUNT OF ISSUE</u>		\$ 12,755,000
<u>AMOUNT REDEEMED</u>		
Prior to Current Year	\$ 0	
During Current Year	<u>1,015,000</u>	<u>(1,015,000)</u>
<u>BALANCE OUTSTANDING</u> - June 30, 2007		<u>\$ 11,740,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2007		\$ 255,682	\$ 255,682	
May 1, 2008	3.000 %	1,300,682	255,682	\$ 1,045,000
November 1, 2008		240,006	240,006	
May 1, 2009	5.000 %	1,315,006	240,006	1,075,000
November 1, 2009		213,131	213,131	
May 1, 2010	5.000 %	1,343,131	213,131	1,130,000
November 1, 2010		184,882	184,882	
May 1, 2011	3.500 %	774,882	184,882	590,000
November 1, 2011		174,556	174,556	
May 1, 2012	3.500 %	784,556	174,556	610,000
November 1, 2012		163,881	163,881	
May 1, 2013	4.000 %	798,881	163,881	635,000
November 1, 2013		151,181	151,181	
May 1, 2014	4.000 %	811,181	151,181	660,000

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2007

2005 REFUNDING BOND ISSUE

<u>DUE DATES</u>	<u>INTEREST</u>	<u>REQUIREMENTS</u>		
	<u>RATES</u>	<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2014		137,981	137,981	
May 1, 2015	4.000 %	817,981	137,981	680,000
November 1, 2015		124,381	124,381	
May 1, 2016	5.000 %	834,381	124,381	710,000
November 1, 2016		106,631	106,631	
May 1, 2017	3.875 %	851,632	106,632	745,000
November 1, 2017		92,197	92,197	
May 1, 2018	3.875 %	857,197	92,197	765,000
November 1, 2018		77,375	77,375	
May 1, 2019	5.000 %	862,375	77,375	785,000
November 1, 2019		57,750	57,750	
May 1, 2020	5.000 %	837,750	57,750	780,000
November 1, 2020		38,250	38,250	
May 1, 2021	5.000 %	808,250	38,250	770,000
November 1, 2021		19,000	19,000	
May 1, 2022	5.000 %	779,000	19,000	760,000
		<u>\$ 15,813,769</u>	<u>\$ 4,073,769</u>	<u>\$ 11,740,000</u>

DENOMINATIONS

\$5,000 each, or any integral multiple thereof.

REDEMPTION PRIOR TO MATURITY

The Bonds or portions of Bonds in multiples of \$5,000, maturing on or after May 1, 2016 are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine, by lot within any maturity, on any interest payment date occurring on or after May 1, 2015, at par and accrued interest to the date fixed for redemption.

TAX LEVY FOR RETIREMENT OF BONDS

The bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon, and will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount.

**CADILLAC AREA PUBLIC SCHOOLS**

**CADILLAC, MICHIGAN**

**SINGLE AUDIT**

**JUNE 30, 2007**

*Baird, Cotter and Bishop, P.C.*

**CERTIFIED PUBLIC ACCOUNTANTS**

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

PHONE: 231-775-9789 FAX: 231-775-9749

[www.bcbcpa.com](http://www.bcbcpa.com)

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SINGLE AUDIT  
YEAR ENDED JUNE 30, 2007

TABLE OF CONTENTS

	<u>PAGES</u>
Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133	1-2
Schedule of Expenditures of Federal Awards	3-4
Notes to Schedule of Expenditures of Federal Awards	5-6
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	7-8
Summary Schedule of Prior Audit Findings	9
Schedule of Findings and Questioned Costs	10

# *Baird, Cotter and Bishop, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

PHONE: 231-775-9789 FAX: 231-775-9749

www.bcbcpa.com

July 25, 2007

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

To the Board of Education  
Cadillac Area Public Schools  
Cadillac, Michigan

### COMPLIANCE

We have audited the compliance of Cadillac Area Public Schools with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Cadillac Area Public Schools major federal program is 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 Cadillac Area Public Schools' management. Our responsibility is to express an opinion on Cadillac Area Public Schools' compliance based on our audit.

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

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

## INTERNAL CONTROL OVER COMPLIANCE

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

A *control deficiency* in a district'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 or 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 district'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 district'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 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 the 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 Cadillac Area Public Schools as of and for the year ended June 30, 2007, and have issued our report thereon dated July 25, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Cadillac Area Public Schools' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the 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.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE/ GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	INVENTORY/ ACCRUED (DEFERRED) REVENUE JULY 1, 2006	(MEMO ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	INVENTORY/ ACCRUED (DEFERRED) REVENUE JUNE 30, 2007	ADJUSTMENTS
<b>U.S. Department of Education</b>								
Passed Through Michigan Department of Education (M.D.E.)								
Title I Grants to Local Education Agencies								
Project No. 071530-0607	84.010	\$ 589,510	\$ 0	\$ 0	\$ 589,510	\$ 368,706	\$ 220,804	\$ 0
Title I Part D Neglected and Delinquent Children								
Project No. 0161700-0607	84.013	\$ 3,240	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Title V - LEA Allocation								
Project No. 070250-0607	84.298	\$ 2,759	\$ 0	\$ 0	\$ 2,759	\$ 2,759	\$ 0	\$ 0
Technology Literacy Challenge Grant								
Project No. 074290-0607	84.318	\$ 6,051	\$ 0	\$ 0	\$ 6,051	\$ 4,400	\$ 1,651	\$ 0
Title II A - Improving Teacher Quality								
Project No. 070520-0607	84.367	\$ 220,220	\$ 0	\$ 0	\$ 219,978	\$ 120,904	\$ 99,074	\$ 0
Project No. 060520-0607	84.367	9,887	0	0	9,887	9,887	0	0
Project No. 060520-0506	84.367	214,632	13,805	212,699	1,933	15,738	0	0
		<u>\$ 444,739</u>	<u>\$ 13,805</u>	<u>\$ 212,699</u>	<u>\$ 231,798</u>	<u>\$ 146,529</u>	<u>\$ 99,074</u>	<u>\$ 0</u>
Drug Free Schools and Communities								
Project No. 72860-0607	84.186	\$ 16,550	\$ 0	\$ 0	\$ 16,550	\$ 14,065	\$ 2,485	\$ 0
Total Passed Through M.D.E.		<u>\$ 1,062,849</u>	<u>\$ 13,805</u>	<u>\$ 212,699</u>	<u>\$ 846,668</u>	<u>\$ 536,459</u>	<u>\$ 324,014</u>	<u>\$ 0</u>
<b>Total U.S. Department of Education</b>		<u>\$ 1,062,849</u>	<u>\$ 13,805</u>	<u>\$ 212,699</u>	<u>\$ 846,668</u>	<u>\$ 536,459</u>	<u>\$ 324,014</u>	<u>\$ 0</u>
<b>U.S. Department of Health and Human Services</b>								
Passed Through Family Independence Agency								
FIA School Success Program								
Project No. SFSC06-83001-2	93.556	\$ 18,000	\$ 3,500	\$ 18,000	\$ 14,508	\$ 13,074	\$ 4,934	\$ 0
Passed Through Wexford-Missaukee Intermediate School District (I.S.D.)								
Medicaid Outreach								
Project No. None	93.778	\$ 20,496	\$ 0	\$ 0	\$ 20,496	\$ 20,496	\$ 0	\$ 0
<b>Total U.S. Department of Health and Human Services</b>		<u>\$ 38,496</u>	<u>\$ 3,500</u>	<u>\$ 18,000</u>	<u>\$ 35,004</u>	<u>\$ 33,570</u>	<u>\$ 4,934</u>	<u>\$ 0</u>

See accompanying notes

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE/ GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	INVENTORY/ ACCRUED (DEFERRED) REVENUE JULY 1, 2006	(MEMO ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	INVENTORY/ ACCRUED (DEFERRED) REVENUE JUNE 30, 2007	ADJUSTMENTS
<b>U.S Department of Agriculture</b>								
Passed Through Michigan Department of Education (M.D.E.)								
Child Nutrition Cluster								
National School Lunch Program								
Section 4 - Total Servings - 071950 and 061950	10.555	\$ 68,188	\$ 414	\$ 62,359	\$ 68,188	\$ 68,602	\$ 0	\$ 0
Section 11 - Total Servings - 071960 and 061960	10.555	366,931	2,371	339,644	366,931	369,302	0	0
Total	10.555	\$ 435,119	\$ 2,785	\$ 402,003	\$ 435,119	\$ 437,904	\$ 0	\$ 0
National School Lunch Breakfast Program								
Breakfast - 071970 and 061970	10.553	\$ 87,068	\$ 1,083	\$ 77,938	\$ 87,068	\$ 88,151	\$ 0	\$ 0
Summer Food Service Program								
Project No. None	10.559	\$ 10,004	\$ 0	\$ 0	\$ 10,004	\$ 5,932	\$ 4,072	\$ 0
Total Child Nutrition Cluster		\$ 532,191	\$ 3,868	\$ 479,941	\$ 532,191	\$ 531,987	\$ 4,072	\$ 0
Child Care Food Program								
CEFP - Meals Reimbursed - 071920 and 061920	10.558	\$ 8,363	\$ 396	\$ 6,354	\$ 7,967	\$ 7,887	\$ 476	\$ 0
Food Distribution								
Entitlement Commodities	10.550	\$ 64,468	\$ 0	\$ 0	\$ 64,468	\$ 64,468	\$ 0	\$ 0
Bonus Commodities	10.550	451	0	0	451	451	0	0
Total	10.550	\$ 64,919	\$ 0	\$ 0	\$ 64,919	\$ 64,919	\$ 0	\$ 0
Total Passed Through M.D.E.		\$ 605,473	\$ 4,264	\$ 486,295	\$ 605,077	\$ 604,793	\$ 4,548	\$ 0
<b>Total U.S. Department of Agriculture</b>		\$ 605,473	\$ 4,264	\$ 565,393	\$ 605,077	\$ 604,793	\$ 4,548	\$ 0
<b>U.S Department of Interior - Other Federal Assistance</b>								
Passed Through Lake County								
Payment in Lieu of Taxes								
Schools and Roads Grant	10.665	\$ 2,283	\$ 0	\$ 0	\$ 2,283	\$ 2,283	\$ 0	\$ 0
Passed Through Wexford County								
Payment in Lieu of Taxes								
Schools and Roads Grant	10.665	47,447	0	0	47,447	47,447	0	0
Total Passed Through County		\$ 49,730	\$ 0	\$ 0	\$ 49,730	\$ 49,730	\$ 0	\$ 0
<b>Total U.S. Department of Interior - Other Federal Assistance</b>		\$ 49,730	\$ 0	\$ 0	\$ 49,730	\$ 49,730	\$ 0	\$ 0
<b>Total Federal Financial Assistance</b>		\$ 1,756,548	\$ 21,569	\$ 796,092	\$ 1,536,479	\$ 1,224,552	\$ 333,496	\$ 0

(B) (C)

See accompanying notes

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(A) Significant Accounting Policies Used in Preparing Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting and presents transactions in the same manner as reflected in the basic financial statements of the school district. The significant accounting policies used are described in footnote (1) to the June 30, 2007, basic financial statements.

(B) Reconciliation of Revenues with Expenditures for Federal Financial Assistance Programs

Revenues from Federal Sources - Statement of Revenues,	
Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$1,536,479</u>
Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$1,536,479</u>

(C) Reconciliation of Cash Management System (CMS) Auditor Report with Schedule of Expenditures of Federal Awards

Management has utilized the CMS Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.

Current Cash Payments per CMS Report Dated July 10, 2007	\$ 1,758,930
--	--------------

Add Items Not on CMS Report:

Amounts Received Through State		
Child Nutrition Cluster	\$ 531,987	
Title II A 060520-0506	15,738	
Child Care Food Program	7,887	
Amounts Received Through Intermediate School District		
Medicaid Outreach	20,496	
Amounts Received Through County		
Schools and Roads Grant	49,730	
Amounts Received Through Family Independence Agency		
FIA School Success Program	13,074	
Amounts Received as Payments in Kind		
Food Distribution Program		
Entitlement Commodities	64,468	
Bonus Commodities	<u>451</u>	703,831

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Less Timing Differences

Payments Received in July 2007 but included on CMS Report

Title II A	\$ (87,047)	
Title I	(220,804)	
Drug Free Schools and Communities	(2,485)	
Technology Literacy Challenge Grant	<u>(1,651)</u>	\$ (311,987)

Less Amounts Reported on CMS Report

In Error From Prior Year:

Title II D	\$ (12,173)	
Title I A	(652,511)	
Drug Free Schools and Commodities	(36,396)	
Title II A	(214,632)	
Title V A	<u>(10,510)</u>	<u>\$ (926,222)</u>

Current Year Receipts (Cash Basis) per

Schedule of Expenditures of Federal Awards

\$ 1,224,552

# *Baird, Cotter and Bishop, P.C.*

## CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601

PHONE: 231-775-9789 FAX: 231-775-9749

www.bcbcpa.com

July 25, 2007

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

To the Board of Education  
Cadillac Area Public Schools  
Cadillac, Michigan

We have audited the basic financial statements of Cadillac Area Public Schools as of and for the year ended June 30, 2007, and have issued our report thereon dated July 25, 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 Cadillac Area Public Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cadillac Area Public Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 district'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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District'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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## COMPLIANCE AND OTHER MATTERS

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

This report is intended solely for the information and use of 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.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

There were no prior year findings and questioned costs.

CADILLAC AREA PUBLIC SCHOOLS  
CADILLAC, MICHIGAN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**Section I - Summary of Auditors - Results**

---

***Financial Statements***

Type of auditors' report issued: Unqualified

Material weakness(es) identified: \_\_\_\_\_ Yes  X  No

Significant deficiencies 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 deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ 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 with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes  X  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I – Improving Basic Programs

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

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

**Section II - Financial Statement Findings**

---

None

**Section III - Federal Award Findings and Questioned Costs**

---

None

*Baird, Cotter and Bishop, P.C.*

**CERTIFIED PUBLIC ACCOUNTANTS**

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601  
PHONE: 231-775-9789 FAX: 231-775-9749  
www.bcbcpa.com

July 25, 2007

To the Board of Education  
Cadillac Area Public Schools  
421 S. Mitchell  
Cadillac, Michigan 49601

As a result of our audit of the financial statements of the Cadillac Area Public Schools for the year ended June 30, 2007, we would like to take this opportunity to comment on the following items relative to the management and accounting records and procedures of the School District.

Headlee Override

In November 2006, the District received approval from the voters for an extra 1.00 mill for seven years to insure the full 18 mills could be levied. This will result in over \$140,000 in additional tax revenue for the 2007-2008 fiscal year.

New Budget Requirement

The State School Aid Act now requires local districts to post their annual operating budget and subsequent amendments on their website.

Condition of Accounting Records

The accounting records were found to be in excellent condition. We would like to congratulate the accounting personnel for doing a good job and thank them for their efforts in accumulating the information needed for the audit

We wish to take this opportunity to thank the Board for again awarding this firm the audit assignment of the District, and the administration and staff for their cooperative spirit and assistance in helping us fulfill this audit assignment. If you have any questions relative to the above comments and recommendations or other areas of your annual audit, please feel free to contact us.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*