

Waterford School District
Waterford, Michigan
Annual Financial Statements
and
Auditors' Report
June 30, 2008

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Waterford School District
Members of the Waterford School District and Administration
June 30, 2008

Members of the Board of Education

Brian J. Whiston	President
Scott Hudson	Vice President
John Himmelspach	Treasurer
Robert Petrusha, Jr.	Secretary
Dave Smith	Trustee
Virginia Poehlman	Trustee
James Larkin	Trustee

Administration

Robert R. Neu	Superintendent
Thomas W. Wiseman	Assistant Superintendent of Business Services
William D. Holbrook	Associate Director of Business Services, Finance and Budget



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Independent Auditors' Report

To the Board of Education
Waterford School District
Waterford, Michigan

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2008 on our consideration of Waterford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the 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 Waterford School District's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Yeo & Yeo, P.C.

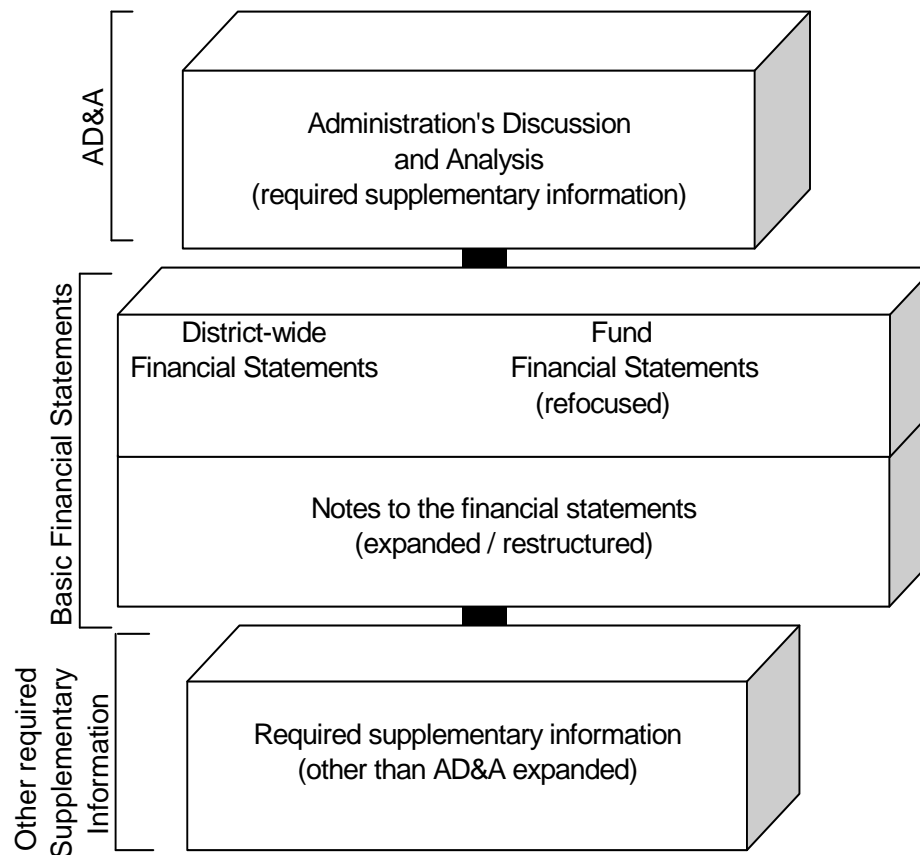
Saginaw, Michigan
October 3, 2008

ADMINISTRATION'S DISCUSSION AND ANALYSIS

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008**

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

The following is an illustration on how this financial report is presented.



Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008

As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: District Wide Financial Statements and Fund Financial Statements.

District Wide Financial Statements

The District wide statements provide a perspective of the District as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two District wide statements: the Statement of Net Assets and the Statement of Activities.

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

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

Fund Financial Statements

The fund statements are similar to financial presentations of years past, with the focus on the District's major funds rather than fund types. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and currently available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures and Bond proceeds are recorded as revenue.

Fund types utilized by the District include the General Fund, School Service Fund, Debt Retirement Fund, Capital Projects Fund, and Fiduciary Fund. The General Fund is used primarily to account for the general education requirements of the District. Its revenues are derived from property taxes, state and federal distributions and grants and other intergovernmental revenues. The School Service Fund is comprised of Special Education Center Programs, Child Care, Senior Citizens, Athletic Activities, Pool & Fitness Centers, Performing Arts Centers, and Food Service. Food Service, Child Care and Senior Citizens are self-supporting programs. The Debt Fund is used to record the funding and payment of principal and interest on bonded debt. The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities. The Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for various student groups and related activities.

Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008

Financial Analysis of the District as a Whole

Assets

	<u>2007-2008</u>	<u>2006-2007</u>	<u>Change</u>
Current assets	\$ 28,172,361	\$ 24,250,291	\$ 3,922,070
Capital assets	222,244,673	212,200,348	10,044,325
Less: accumulated depreciation	<u>(70,768,684)</u>	<u>(65,383,190)</u>	<u>(5,385,494)</u>
Capital assets, net book value	<u>151,475,989</u>	<u>146,817,158</u>	<u>4,658,831</u>
Total assets	<u>179,648,350</u>	<u>171,067,449</u>	<u>8,580,901</u>

Liabilities

Current liabilities	26,944,215	25,467,661	1,476,554
Long-term liabilities	<u>115,977,797</u>	<u>109,525,526</u>	<u>6,452,271</u>
Total liabilities	<u>142,922,012</u>	<u>134,993,187</u>	<u>7,928,825</u>

Net assets

Invested in capital assets, net of related debt	26,655,058	28,060,282	(1,405,224)
Restricted	2,979,824	1,690,377	1,289,447
Unrestricted	<u>7,091,456</u>	<u>6,323,603</u>	<u>767,853</u>
Total net assets	<u>\$ 36,726,338</u>	<u>\$ 36,074,262</u>	<u>\$ 652,076</u>

Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008

As indicated by the statement above, total fiscal year 2007-2008 and 2006-2007 net assets are \$36,726,338 and \$36,074,262, respectively. Net assets can be separated into three categories: capital assets net of related debt, restricted assets, and unrestricted assets.

Net capital assets are a combination of funds available for capital assets, plus capital assets at original cost less accumulated depreciation and related debt. The original cost of capital assets for fiscal year 2007-2008 and 2006-2007 are \$222,244,673 and \$212,200,348, respectively, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense year after year. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation for fiscal year 2007-2008 and 2006-2007 is \$70,768,684 and \$65,383,190, respectively. Most capital asset acquisitions are financed through long-term debt. Primarily, long-term debt is repaid as the debt service comes due through property taxes approved by the voters. Total long-term debt for fiscal year 2007-2008 and 2006-2007 was \$125,476,744 and \$120,820,761, respectively.

Restricted net assets for fiscal year 2007-2008 consist of debt retirement, food service, and capital projects totaling \$2,979,824, \$1,450,262, 74,483 and \$1,455,079 respectively. Restricted assets for fiscal year 2006-2007 consist of debt retirement, food service, childcare, and capital projects totaling \$917,343, \$127,666, \$87,236 and \$645,368 respectively. The remaining net assets of \$7,091,456 and \$6,323,603 for fiscal year 2007-2008 and 2006-2007, respectively, are unrestricted. The unrestricted fund balance is an accumulation of prior years' operating results. This balance is directly affected each year by the District's operating results.

Change in the Summary of Net Assets is a result of the following factors:

- Current assets increased \$3,922,070 as compared to prior year. This is mainly the result of \$1,000,000 more in short-term borrowing of \$6,500,000 as compared prior year, \$1,083,897 in cash remaining from the Energy Conservation Improvement Bonds, and \$1,631,929 in additional accounts receivable from unrestricted state aid (prior year was lower due to a onetime only adjustment to the pension plan that the state withheld from State Aid).
- Capital assets increased \$4,658,831 as a net result of Energy Conservation Improvements, additions, depreciation, and disposals including the dismantling of the former Senior Citizens building (Lotus Lake property). The net increase in capital assets was \$10,044,325 less net depreciation of \$5,385,494.
- Current liabilities increased by \$1,476,554 as compared to prior year due to the \$1,000,000 increase in short-term borrowing plus increased accrued interest from increased outstanding debt.
- Long-term liabilities increased \$6,452,271 as compared to prior year due the issuance of the Energy Conservation Improvement Bonds of \$11,950,000 less repayments required for the bonds of \$5,885,945.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008**

	<u>2007-2008</u>	<u>2006-2007</u>	<u>Change</u>
Program revenue:			
Charges for services - local and intermediate	\$ 11,511,460	\$ 12,113,900	\$ (602,440)
Operating grants - federal and state	<u>24,275,426</u>	<u>24,543,847</u>	<u>(268,421)</u>
Total revenue	<u>35,786,886</u>	<u>36,657,747</u>	<u>(870,861)</u>
General revenue:			
Property taxes, levied for general purposes	14,711,522	13,691,132	1,020,390
State of Michigan aid, unrestricted	<u>68,837,394</u>	<u>68,505,886</u>	<u>331,508</u>
Total foundation allowance	<u>83,548,916</u>	<u>82,197,018</u>	<u>1,351,898</u>
Property taxes, levied for debt service	10,886,511	10,456,308	430,203
Other	<u>1,046,552</u>	<u>1,100,429</u>	<u>(53,877)</u>
Total revenues	<u>131,268,865</u>	<u>130,411,502</u>	<u>857,363</u>
Expenses:			
Instruction	67,719,298	65,239,341	2,479,957
Support services	41,091,160	38,732,695	2,358,465
Food service	4,171,804	4,261,302	(89,498)
Athletic activities	1,374,725	1,322,025	52,700
Community services	33,505	302,136	(268,631)
Pool and fitness centers	993,862	971,527	22,335
Performing arts center	271,922	-	271,922
Childcare	1,931,096	2,404,620	(473,524)
Senior citizens	738,796	802,626	(63,830)
Special education center programs	6,028,009	8,467,423	(2,439,414)
Unallocated depreciation expense	986,875	875,694	111,181
Interest on long-term debt	<u>5,275,737</u>	<u>5,386,202</u>	<u>(110,465)</u>
Total expenses	<u>130,616,789</u>	<u>128,765,591</u>	<u>1,851,198</u>
Change in net assets	<u>\$ 652,076</u>	<u>\$ 1,645,911</u>	<u>\$ (993,835)</u>

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008**

As indicated above fiscal year 2007-2008 and 2006-2007 net assets increased \$652,076 and increased \$1,645,911, respectively.

The 2007-2008 increase in net assets as compared to fiscal year 2006-2007 is due to the following factors:

Revenues:

- Program revenues decreased \$870,861 from prior year as a result of prior year one time only Childcare contribution of \$350,000, decrease in Medicaid funding of \$327,659, and other decreases for investment earnings, staff development, vending, and miscellaneous revenues.
- Property tax revenues increased \$1,020,390 as a result of increased values of non-homestead property.
- Unrestricted resources of revenue increased \$331,508 as a result of an \$89 foundation allowance increase offset by a student population decline of 90 students.
- Property taxes levied for debt increased based upon the increases in the homestead and non-homestead valuations.

Expenses:

- Instructional expenses increased \$2,479,957 as a result of increases in instructional salaries and fringe benefits plus a shift in the student population from Special Education Center Programs (School Service Fund) into the General Fund special education programs.
- Support Services increased \$2,358,465 as a result of increases in instructional salaries and fringe benefits plus (as mentioned above) a shift in the student population from Special Education Center Programs into the General Fund special education programs.
- Special Education Center Programs decreased \$2,439,414 (as mentioned above) due to the student population shift from Center programming to General Fund special education programming. Instruction and Instructional Support expenditures followed the students to the General Fund.
- Childcare decreased \$473,524 as a result of prior year expenditures including a onetime only contribution to the General Fund of \$350,000.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2008, the District had \$151,475,989 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008**

	2008	2007
Capital assets		
Land	\$ 1,177,339	\$ 1,177,339
Buildings and additions	211,093,212	199,800,514
Buses and other vehicles	5,616,472	5,816,476
Furniture and equipment	4,284,248	4,206,250
Construction in progress	73,402	1,199,769
Subtotal	222,244,673	212,200,348
Less: accumulated depreciation	70,768,684	65,383,190
Net capital assets	\$ 151,475,989	\$ 146,817,158

This is an increase in net capital assets of \$4,658,831 from last year. This includes \$1,126,367 of prior year construction in progress placed in service in the current year and added to buildings and additions, plus Energy Conservation Improvement Bond building renovations, and equipment, offset by the dismantling of the former Senior Center building (Lotus Lake property) and sale of 5 busses. Depreciation expense for the year is \$6,237,926. The District has \$1,455,079 reserved for future capital projects plus an additional \$55 million available in voter approved future issuances.

Debt

At the end of this fiscal year, the District had \$122,105,000 in General Obligation Bonds outstanding and \$386,027 in capital equipment financing. This is an increase of \$6,064,055 compared to last year, based on principal payments for all debt of \$5,885,945, and the issuance of \$11,950,000 in Energy Conservation Improvement Bonds. The District's General Obligation bond rating continues to be "AA+" from Standard & Poor's Corporation and Moody's Investor Services.

Governmental Fund Revenues

Sources of Revenues:

Local sources of revenues total \$33,859,051. This is a decrease of \$27,505 as compared to prior year. Included in local revenues are General Fund, Debt Fund, Special Education Center Programs Fund, Childcare Fund, Senior Citizen Fund, Athletic Fund, Pool &

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Administration's Discussion and Analysis
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Fitness Fund, Performing Arts Centers Fund, Food Service Fund, and Capital Project Fund revenues. The General Fund revenues of \$17,084,743 decreased \$567,274 from prior year due to prior year one time only Childcare contribution of \$350,000, decrease in Medicaid funding of \$327,659, and other decreases for investment earnings, staff development, vending, misc revenues, all offset by an increase in property tax revenues of \$966,117. The Debt Fund of \$11,176,728 increased \$411,450 over prior year which was a result of an increase in local property values and interest income. Special Education Center Programs of \$142,789 decreased \$73,049. The Childcare Fund of \$1,900,924 increased \$7,770 from prior year. The Senior Citizen Fund of \$521,733 decreased \$25,135 from prior year. The Athletic Activities Fund of \$120,688 increased \$8,452 over prior year. The Pool & Fitness Center Fund of \$468,715 increased \$155,636 as a result of increased memberships. The Performing Arts Centers Fund is new and had revenue of \$275. The Food Service Fund of \$2,075,599 increased \$249,590 from prior year as a result of more Free and Reduced meals being served. Finally, the Capital Projects Fund of \$366,857 increased \$303,960 over prior year as a result of increased interest income from the Energy Conservation Improvement Bonds investments.

State sources of revenue total \$78,448,722. This is an increase of \$1,068,032 due to an increase of \$89 per student in foundation allowance offset by a decrease of 90 students and increased local property taxes (local property taxes are an offset to state aid). Included in State Sources of Funding are General Fund, Special Education Center Programs Fund, Debt Fund, and Food Service Fund revenues. General Fund revenues of \$76,684,455 increased \$1,850,412 over prior year as explained above and a shift in student population from Special Education Center Program Fund to the General Fund Special Education programs. The Special Education Center Programs Fund of \$1,467,796 decreased \$769,491 from prior year as explained in the General Fund revenues. The Debt Fund did not receive funds from the State of Michigan this fiscal year for Durant bonds, the next series of Durant debt payments begin in fiscal year 2008-2009. The Food Service Fund of \$296,471 decreased \$12,889 from prior year. Included in the state sources of revenue is the membership foundation allowance of \$71,353,630 in the General Fund, a decrease of \$271,069 from prior year that relates to an increase in foundation allowance of \$89 per student offset by a decrease of 90 students and increased local property tax revenues. The Special Education Center Programs state sources of revenue for membership are \$929,476, a decrease of \$624,120 from prior year due to a shift in student population to the General Fund. State sources of revenue make up 71.6% of General Fund revenues. This ties the District directly to the State's overall economy.

Federal sources of revenue total \$9,217,936, an increase of \$1,286,883 from prior year due to \$313,560 and \$354,200 in prior year revenue not being recognized until 2007-2008 within the IDEA and Headstart grants respectively, \$169,593 in increased school breakfast and student lunches, and an increase of \$134,107 in the Emergency Response & Crisis Management grant. Federal Sources of revenue include revenue in the General Fund of \$7,295,322, an increase of \$1,124,678 from prior year as explained above. Senior Citizens Fund of \$176,063, a decrease of \$7,388 from prior year, and Food Service Fund of \$1,746,551, an increase of \$169,593 over prior year as a result of increases in student breakfast and lunch.

Interdistrict sources of revenue total \$10,381,007, a decrease of \$99,498 from prior year as a result of a decrease in Children's Village funding. Interdistrict sources of revenue include revenues to the General Fund of \$5,995,532, an increase of \$1,729,515 over prior year as a result of Special Education Center Programs funding following the shift in student population to the General Fund, and \$4,344,475 for the Special Education Center Program Fund, a decrease of \$1,596,874 from prior year as explained above. The

Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008

Interdistrict funding is primarily for special education. Intermediate sources of revenues of \$41,000, \$3,143 lower than prior year, are funds obtained from the United Way for the Senior Citizens Fund.

Property Taxes

A significant portion of local revenue is provided from property taxes for the General Fund and Debt Retirement Fund. Property tax revenue totaled \$25,531,217, an increase of \$1,396,320 over prior year. This increase is due to an increase in property values. This amount is obtained through a voter approved 18-mill levy on the taxable value of non-homestead properties for the District's operations and a voter approved 3.67-mill levy on the taxable value of all properties, homestead and non-homestead, for debt interest and principal payments. Over the last 5 years taxable values have increased each year on average 6.9% and 3.0% for homestead and non-homestead properties, respectively.

Unrestricted State Aid Foundation Allowance

A significant portion of state funding to the District is through the foundation allowance. The foundation allowance is funding from the state for each student set annually. The District's foundation allowance is \$7,542 per student for the 2007-2008 fiscal year. This is an \$89 increase over the District's 2006-2007 foundation allowance of \$7,453 per student. The number of students to be funded is calculated by student enrollment blended at 75% of current year September count and 25% of prior year February count. Total blended student enrollment for this fiscal year is 11,433, a decrease of 90 students from prior year. The overall funding is then reduced by the District's non-homestead tax levy based on 18-mills.

Governmental Fund Expenditures

Expenditures include Instruction, Support Services, Community Services, School Service Funds, Federal Programs, Debt, and Capital Projects. Instruction expenses of \$55,386,707 increased \$2,347,736 as a result of increases in instructional salaries and fringe benefits plus (as mentioned in the revenue section) this increase is a result of Special Education Center Programs student population shift into the General Fund special education programs. Support Services expenses of \$41,098,075 increased \$2,621,798 mainly in the area of Pupil Support Services as it relates to special education and Business Services with increased fuel costs for bussing and interest on debt for the Energy Conservation Improvement Bonds. Community Services expenses of \$33,505 decreased \$268,631 from prior year as a result of the Performing Arts Centers becoming a School Service Fund. School Service Fund expenses of \$15,437,265 decreased \$2,691,145 mostly as a result of Special Education Center Programs Fund as mentioned above offset by increase in the Performing Arts Centers becoming a School Service Fund. Debt Service of \$10,643,809 decreased \$96,175. Capital Projects of \$11,268,146 increased \$8,671,277 as a result of Energy Conservation Improvement Bond projects.

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008**

Economic Factors and Next Year's Budgets and Rates

The Board of Education and administration consider many factors when setting the School District's 2009 fiscal year budget. Three major factors affecting the budget this year are the student count, State funding of the unrestricted foundation allowance, and contract negotiations with all bargaining units.

As of the date of this report the state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil (note: State of Michigan has not finalized its budget). The blended count for the 2008 fiscal year is 25 percent and 75 percent of the February 2008 and September 2008 student counts respectively. The 2009 budget was adopted in June 2008, based on an estimate of students that will be enrolled in September 2008. As a result, district funding is heavily dependent on the state's ability to fund local school operations. Once the final student count and related per pupil funding is validated, state law requires the District to amend the budget if actual district resources are not sufficient to fund original appropriations. Since the District's revenue is heavily dependent upon state funding, actual funding depends on the state's ability to collect revenues to fund its appropriations to school districts.

The District is currently in negotiations on a new contract with all bargaining groups.

Original vs. Revised Budget

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 July 1, the start of the fiscal year.

As a matter of practice, the District amends its budget once during the school year. For fiscal year 2007-2008, the budget was amended in January 2008. The General Fund budget revenues for the final budget increased by 2.5% as compared to the original budget.

General Fund Revenues:

General Fund Revenues

Total revenues final budget	\$ 106,479,682
Total revenues original budget	<u>103,854,633</u>
Increase in budget revenues	<u>\$ 2,625,049</u>

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008**

Increase in Revenue Budget:

Some of the significant revised budget adjustments for the year include:

- The foundation allowance increase was \$89 vs. an original budgeted proration of \$34 (decrease in foundation allowance).
- Actual fall student enrollments were 90 more than projected in the original budget.
- Federal awards increased \$243,642 and Medicaid fee for service increased \$500,000.

Actual General Fund Revenues vs. Final Budget:

The District's actual general fund revenues were more than the final budget by \$580,370, a variance of .5%. This is a result of the following factors:

- Local revenues decreased from the final budget by \$693,190 as a result of lower than anticipated property taxes, Print Service, and Staff Development revenues.
- State sourced revenues increased by \$1,967,682 due to higher membership revenues, At Risk funds, and Special Education non-membership funds.
- Interdistrict funds were lower by \$396,305 due to budgeted Special Education Center Program Funds allocation between General Fund and Center programming.
- Federal Funds were lower by \$297,817 as compared to budget.

General Fund Expenditures:

The District's budget for expenditures increased by 2.5% for the year ended June 30, 2008:

General Fund Expenditures

Total expenditures final budget	\$ 106,301,331
Total expenditures original budget	<u>103,735,767</u>
Increase in budget expenditures	<u>\$ 2,565,564</u>

**Waterford School District
Administration's Discussion and Analysis
For the Year Ended June 30, 2008**

Increase in Expenditure Budget:

Some of the revised budget adjustments for the year include:

- The change in teaching staff for 2007-2008 can be summarized:

2007-2008 General Fund	FTE Final Budget	FTE Original Budget	FTE Increase
Regular education teachers	464.05	456.75	7.30
Special education teachers	<u>128.55</u>	<u>128.70</u>	<u>(0.15)</u>
	<u>592.60</u>	<u>585.45</u>	<u>7.15</u>

- Increase of 7.15 teachers.
- As mentioned in the revenue section, Special Education Center Program Fund student population shift to the General Fund is the main increase in General Fund expenditures .

Actual General Fund Expenditures vs. Final Budget:

The District's actual general fund expenditures were less than the revised budget by .37%. This slight increase is a result of increases in fuel for busses, interest expense, offset by decrease in Federal program expenditures.

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 School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Business Services, Finance and Budget at the Waterford School District, 1150 Scott Lake Road, Waterford, Michigan, 48328 or (248) 674-7800.

BASIC FINANCIAL STATEMENTS

Waterford School District
Statement of Net Assets
June 30, 2008

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 10,350,802
Accounts receivable	2,100,828
Due from other governmental units	15,632,682
Inventory	39,375
Prepaid items	48,674
Capital assets not being depreciated	1,250,741
Capital assets - net of accumulated depreciation	<u>150,225,248</u>
Total assets	<u>179,648,350</u>
Liabilities	
Accounts payable	1,746,752
State aid anticipation note payable	6,500,000
Due to other governmental units	133,439
Payroll deductions and withholdings	2,401,374
Accrued expenditures	1,866,369
Accrued salaries payable	5,066,083
Deferred revenue	59,251
Noncurrent liabilities	
Due within one year	9,170,947
Due in more than one year	<u>115,977,797</u>
Total liabilities	<u>142,922,012</u>
Net assets	
Invested in capital assets, net of related debt	26,655,058
Restricted for:	
Food service	74,483
Debt service	1,450,262
Capital projects	1,455,079
Unrestricted	<u>7,091,456</u>
Total net assets	<u>\$ 36,726,338</u>

See Accompanying Notes to Financial Statements

Waterford School District
Statement of Activities
For the Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Functions/Programs					
Governmental activities					
Instruction	\$ 67,719,298	\$ 1,895,262	\$ 15,473,434	\$ -	\$(50,350,602)
Supporting services	41,091,160	4,487,264	-	-	(36,603,896)
Food services	4,171,804	2,075,599	2,043,022	-	(53,183)
Athletic activities	1,374,725	120,688	-	-	(1,254,037)
Community services	33,505	-	-	-	(33,505)
Pool and fitness centers	993,862	468,715	-	-	(525,147)
Performing Arts Centers	271,922	275	-	-	(271,647)
Child care	1,931,096	1,900,924	-	-	(30,172)
Senior citizens	738,796	562,733	176,063	-	-
Special education center program	6,028,009	-	6,582,907	-	554,898
Unallocated depreciation expense	986,875	-	-	-	(986,875)
Interest on long-term debt	5,275,737	-	-	-	(5,275,737)
Total governmental activities	\$ 130,616,789	\$ 11,511,460	\$ 24,275,426	\$ -	(94,829,903)
General revenues					
Property taxes, levied for general purposes					14,711,522
Property taxes, levied for debt service					10,886,511
State aid - unrestricted					68,837,394
Interest and investment earnings					873,308
Other					173,244
Total general revenues					<u>95,481,979</u>
Change in net assets					652,076
Net assets - beginning					<u>36,074,262</u>
Net assets - ending					<u>\$ 36,726,338</u>

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Balance Sheet
June 30, 2008

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 7,195,297	\$ 3,155,505	\$ 10,350,802
Accounts receivable	2,034,814	66,014	2,100,828
Due from other funds	335,780	114,200	449,980
Due from other governmental units	15,632,682	-	15,632,682
Inventory	-	39,375	39,375
Prepaid items	48,674	-	48,674
Total assets	<u>\$ 25,247,247</u>	<u>\$ 3,375,094</u>	<u>\$ 28,622,341</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ 1,733,326	\$ 13,426	\$ 1,746,752
State aid anticipation note payable	6,500,000	-	6,500,000
Due to other funds	114,200	335,780	449,980
Due to other governmental units	133,439	-	133,439
Payroll deductions and withholdings	2,401,374	-	2,401,374
Accrued expenditures	75,151	-	75,151
Accrued salaries payable	5,066,083	-	5,066,083
Deferred revenue	126,103	46,064	172,167
Total liabilities	<u>16,149,676</u>	<u>395,270</u>	<u>16,544,946</u>

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Balance Sheet
June 30, 2008

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance			
Reserved for inventory	\$ -	\$ 39,375	\$ 39,375
Reserved for prepaid items	48,674	-	48,674
Reserved for debt service	-	1,450,262	1,450,262
Reserved for capital projects	-	1,455,079	1,455,079
Designated for food service	-	35,108	35,108
Designated Foundation	571,650	-	571,650
Designated for encumbrances	699,780	-	699,780
Designated for compensated absences	327,813	-	327,813
Designated for workers compensation	328,000	-	328,000
Designated for Energy Bonds	500,000	-	500,000
Undesignated	<u>6,621,654</u>	<u>-</u>	<u>6,621,654</u>
 Total fund balance	 <u>9,097,571</u>	 <u>2,979,824</u>	 <u>12,077,395</u>
 Total liabilities and fund balance	 <u><u>\$ 25,247,247</u></u>	 <u><u>\$ 3,375,094</u></u>	 <u><u>\$ 28,622,341</u></u>

See Accompanying Notes to Financial Statements

Waterford School District
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2008

Total fund balances for governmental funds	\$ 12,077,395
Total net assets for governmental activities in the statement of net assets is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Operating grants	112,916
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,250,741
Capital assets - net of accumulated depreciation	150,225,248
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(1,463,218)
Incurred but not reported benefit claims	(328,000)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Compensated absences	(327,813)
Bonds payable	(124,434,904)
Other loans payable and liabilities	<u>(386,027)</u>
Net assets of governmental activities	<u>\$ 36,726,338</u>

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2008

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Local sources	\$ 17,084,743	\$ 16,774,308	\$ 33,859,051
State sources	76,684,455	1,764,267	78,448,722
Federal sources	7,295,322	1,922,614	9,217,936
Interdistrict sources	<u>5,995,532</u>	<u>4,385,475</u>	<u>10,381,007</u>
Total revenues	<u>107,060,052</u>	<u>24,846,664</u>	<u>131,906,716</u>
Expenditures			
Current			
Education			
Instruction	55,386,707	-	55,386,707
Supporting services	41,098,075	-	41,098,075
Federal programs	6,999,912	-	6,999,912
Food services	-	4,171,804	4,171,804
Athletic activities	-	1,374,725	1,374,725
Community services	33,505	-	33,505
Pool and fitness centers	-	993,862	993,862
Performing Arts Centers	-	271,922	271,922
Child care	-	1,931,096	1,931,096
Senior citizens	-	738,796	738,796
Special education center program	-	5,955,060	5,955,060
Capital outlay	-	11,268,146	11,268,146
Debt service			
Principal	-	5,795,000	5,795,000
Interest and other expenditures	<u>-</u>	<u>4,848,809</u>	<u>4,848,809</u>
Total expenditures	<u>103,518,199</u>	<u>37,349,220</u>	<u>140,867,419</u>

See Accompanying Notes to Financial Statements

Waterford School District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2008

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (deficiency) of revenues over expenditures	\$ 3,541,853	\$ (12,502,556)	\$ (8,960,703)
Other financing sources (uses)			
Proceeds from issuance of bonds	-	11,711,000	11,711,000
Transfers in	-	2,050,831	2,050,831
Transfers out	<u>(2,050,831)</u>	<u>-</u>	<u>(2,050,831)</u>
Total other financing sources (uses)	<u>(2,050,831)</u>	<u>13,761,831</u>	<u>11,711,000</u>
Net change in fund balance	1,491,022	1,259,275	2,750,297
Fund balance - beginning	<u>7,606,549</u>	<u>1,720,549</u>	<u>9,327,098</u>
Fund balance - ending	<u>\$ 9,097,571</u>	<u>\$ 2,979,824</u>	<u>\$ 12,077,395</u>

See Accompanying Notes to Financial Statements

Waterford School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2008

Net change in fund balances - Total governmental funds	\$ 2,750,297
Total change in net assets reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	(637,851)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(6,237,926)
Capital outlay	11,315,252
Sale of capital assets (net book value)	(418,495)
Expenses are recorded when incurred in the statement of activities.	
Interest	(187,928)
Benefit claims	124,000
Compensated absences	8,782
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. 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.	
Debt issued	(11,711,000)
Repayments of long-term debt	<u>5,646,945</u>
Change in net assets of governmental activities	<u>\$ 652,076</u>

See Accompanying Notes to Financial Statements

Waterford School District
Fiduciary Funds
Statement of Assets and Liabilities
June 30, 2008

	<u>Agency Funds</u>
Assets	
Cash	<u>\$2,487,517</u>
Liabilities	
Due to student activities	<u>\$2,487,517</u>

See Accompanying Notes to Financial Statements

Waterford School District
Notes to Financial Statements
June 30, 2008

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

District-wide Financial Statements

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

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

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

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

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

Fund Financial Statements

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

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

Waterford School District
Notes to Financial Statements
June 30, 2008

and judgments, are recorded only when payment is due. Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

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

The School District reports the following major governmental funds:

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

Additionally, the School District reports the following fund types:

Special Revenue Funds/School Service Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District’s Special Revenue Funds include Food Service, Athletic, Special Education Center Programs, Child Care, Pool and Fitness Centers, Performing Arts Centers, and Senior Citizen’s Funds. Operating deficits generated by these activities are generally transferred from the General Fund.

Debt Service Funds – Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Funds – Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, building, equipment, and for remodeling and repairs. The funds are kept open until the purpose for which the funds were created has been accomplished.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Agency Fund is custodial in nature (assets equal liabilities)

and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for school and school-related purposes.

Assets, Liabilities and Equity

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

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2008, the rates are as follows per \$1,000 of assessed value.

General Fund	
Homestead	0.00000
Nonhomestead	18.00000
Debt Service Funds	
Homestead	3.67000
Nonhomestead	3.67000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District’s boundaries. Approximately 88% of the School District’s tax roll lies within Waterford Township.

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

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather

Waterford School District
Notes to Financial Statements
June 30, 2008

than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

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

Buildings and additions	7-50 years
Equipment and furniture	5-8 years
Buses and other vehicles	5-20 years

Compensated Absences – Secretaries, maintenance, operation, and warehouse workers employed by the District throughout the year (12 months) receive 15 vacation days annually. Vacation time for these groups is earned during the preceding fiscal year and available for use in the following fiscal year.

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

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

Comparative Data

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

Eliminations and Reclassifications

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

Upcoming Accounting and Reporting Change

The Government Accounting Standards Board has issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement addresses how to account for pollution remediation activities of the effects of existing pollution; it does not include prevention or control activities or remediation required upon the retirement of an asset. In general, the new rules will cause district-wide financial statements to recognize a liability on the current value of expected costs as estimated using the expected cash flows method. This statement is effective for the year ending June 30, 2009.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby cancel all encumbrances. These appropriations are reestablished at the beginning of the year.

The appropriation level adopted by the Board is the level of control authorized under the Act. The Act requires expenditures to be budgeted on a functional basis. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the Act if reasonable procedures are in use by the School

Waterford School District
Notes to Financial Statements
June 30, 2008

District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations which were amended.

Excess of Expenditures over Appropriations

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Basic programs	\$ 31,560,041	\$ 31,819,701	\$ 259,660
Adult and continuing education	103,124	116,173	13,049
General administration	1,217,979	1,245,586	27,607
Business	13,794,607	14,891,649	1,097,042
Central	1,981,704	2,252,579	270,875
Community services	32,549	33,505	956
Food service Fund	4,106,055	4,171,804	65,749
Special Education Center	5,400,007	5,955,060	555,053

Compliance Bond Proceeds

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. The following is a summary of the revenue and expenditures in the Building Maintenance, 2007 Energy and 2003 Series II Capital Project Funds from the inception of

the funds through the current fiscal year:

	Building Maintenance	2007 Energy
Revenues	\$ 114,200	\$ 252,657
Expenditures	146,323	11,121,823
Proceeds from the sale of bonds	-	11,711,000

Note 3 - Deposits and Investments

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

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash and cash equivalents	\$ 10,350,802	\$ 2,487,517	\$ 12,838,319

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 12,826,633
Petty cash and cash on hand	11,686
Total	\$ 12,838,319

Interest rate risk – In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one month.

Credit risk – State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances,

Waterford School District
Notes to Financial Statements
June 30, 2008

commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Concentration of credit risk – The District’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the District’s total investments.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year end, \$13,235,823 of the District’s bank balance of \$ 13,737,979 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,177,339		\$ -	\$ 1,177,339
Construction in progress	<u>1,199,769</u>	-	<u>1,126,367</u>	<u>73,402</u>
Total capital assets not being depreciated	<u>2,377,108</u>	-	<u>1,126,367</u>	<u>1,250,741</u>
Capital assets being depreciated				
Buildings and additions	199,800,514	12,363,621	1,070,923	211,093,212
Equipment and furniture	4,206,250	77,998	-	4,284,248
Buses and other vehicles	<u>5,816,476</u>	-	<u>200,004</u>	<u>5,616,472</u>
Total capital assets being depreciated	<u>209,823,240</u>	<u>12,441,619</u>	<u>1,270,927</u>	<u>220,993,932</u>
Less accumulated depreciation for				
Buildings and additions	59,143,015	5,518,019	662,428	63,998,606
Equipment and furniture	2,287,696	320,969	-	2,608,665
Buses and other vehicles	<u>3,952,479</u>	<u>398,938</u>	<u>190,004</u>	<u>4,161,413</u>
Total accumulated depreciation	<u>65,383,190</u>	<u>6,237,926</u>	<u>852,432</u>	<u>70,768,684</u>
Net capital assets being depreciated	<u>144,440,050</u>	<u>6,203,693</u>	<u>418,495</u>	<u>150,225,248</u>
Net capital assets	<u>\$ 146,817,158</u>	<u>\$ 6,203,693</u>	<u>\$ 1,544,862</u>	<u>\$ 151,475,989</u>

Depreciation expense was charged to activities of the School District as follows:

Governmental activities	
Instruction	\$ 5,040,959
Support services	137,143
Special education center program	72,949
Unallocated	<u>986,875</u>
Total governmental activities	<u>\$ 6,237,926</u>

Waterford School District
Notes to Financial Statements
June 30, 2008

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

<u>Due From Fund</u>	<u>Due to Fund</u>	<u>Amount</u>
General	Food Service	\$ 335,780
Building Maintenance	General	<u>114,200</u>
		<u>\$ 449,980</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

	<u>Transfers Out</u>
	<u>General Fund</u>
Transfers in	
Other governmental funds	<u>\$ 2,050,831</u>

These transfers were made to cover the costs of School District programs that were in excess of revenues generated from those activities.

Note 6 - Deferred Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>
Funds not received in time to be recognized as revenue on the modified accrual basis of accounting	\$ 112,916	\$ -
Prepayment of student meals	-	46,064
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>-</u>	<u>13,187</u>
Total	<u>\$ 112,916</u>	<u>\$ 59,251</u>

Note 7 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30th.

Short-term debt activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Proceeds</u>	<u>Repayments</u>	<u>Ending Balance</u>
State aid anticipation note	<u>\$ 5,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 6,500,000</u>

Waterford School District
Notes to Financial Statements
June 30, 2008

Note 8 - Long-Term Debt

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

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Government obligation bonds	\$ 115,950,000	\$ 11,950,000	\$ 5,795,000	\$ 122,105,000	\$ 7,460,000
Durant bonds	2,329,904	-	-	2,329,904	1,341,906
Installment purchase contracts	476,972	-	90,945	386,027	369,041
Compensated absences	336,595	-	8,782	327,813	-
Self insurance	452,000	206,701	330,701	328,000	-
Total	<u>\$ 119,545,471</u>	<u>\$ 12,156,701</u>	<u>\$ 6,225,428</u>	<u>\$ 125,476,744</u>	<u>\$ 9,170,947</u>

General obligation bonds payable at year end, consists of the following:

\$30,030,000 serial bond due in annual installments ranging from \$3,020,000 to \$3,630,000 through 2023, interest ranging from 3.50% to 5.00%	\$ 19,810,000
\$15,000,000 serial bond (callable beginning 2010) due in annual installments ranging from \$300,000 to \$3,000,000 through 2013, interest ranging from 4.38% to 4.70%	7,770,000
\$20,000,000 serial bond (callable beginning 2012) due in annual installments ranging from \$300,000 to \$4,300,000 through 2017, interest ranging from 4.25% to 5.0%	17,900,000
\$10,000,000 serial bond (callable beginning 2012) due in annual installments ranging from \$500,000 to \$1,000,000 through 2017, interest ranging from 3.88% to 4.65%	7,900,000
\$15,000,000 serial bond (callable beginning 2014) due in annual installments ranging from \$300,000 to \$2,000,000 through 2020, interest ranging from 2.00% to 4.30%	13,300,000
\$20,000,000 serial bond (callable beginning 2015) due in annual installments ranging from \$200,000 to \$2,600,000 through 2022, interest ranging from 2.00% to 4.13%	19,100,000
\$25,000,000 serial bond (callable beginning 2014) due in annual installments ranging from \$200,000 to \$3,575,000 through 2020, interest ranging from 3.75% to 4.40%	24,375,000
\$11,950,000 serial bond (callable beginning 2016) due in annual installments ranging from \$525,000 to \$995,000 through 2022, interest of 4.40%	<u>11,950,000</u>
Total general obligation bonded debt	<u>\$ 122,105,000</u>

Waterford School District
Notes to Financial Statements
June 30, 2008

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

Year Ending June 30,	Principal	Interest	Total
2009	\$ 7,460,000	\$ 5,144,934	\$ 12,604,934
2010	8,090,000	4,880,728	12,970,728
2011	9,005,000	4,574,190	13,579,190
2012	9,845,000	4,219,165	14,064,165
2013	9,920,000	3,808,460	13,728,460
2014-2018	46,005,000	12,448,790	58,453,790
2019-2023	31,780,000	3,695,840	35,475,840
Total	<u>\$ 122,105,000</u>	<u>\$ 38,772,107</u>	<u>\$ 160,877,107</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$ 1,450,262 to pay this debt. Future debt and interest will be payable from future tax levies.

Other bonds consist of the following:

\$3,945,891 Durant Refunding serial bonds due in annual installments through 5/15/2013; interest 4.76% due annually	<u>\$ 2,329,904</u>
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These bond obligations issued by PA 142 are payable solely from and are secured solely by an assignment by each School District of certain categorical State School Aid payments. The State Legislature has no obligation to make such appropriations. In the event the Legislature fails to appropriate funds, the School District is under no obligation for repayment of the debt obligation issued by PA 142.

Future principal and interest requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 1,341,906	\$ 519,850	\$ 1,861,756
2010	230,047	47,042	277,089
2011	241,004	36,089	277,093
2012	252,465	24,614	277,079
2013	264,482	12,593	277,075
Total	<u>\$ 2,329,904</u>	<u>\$ 640,188</u>	<u>\$ 2,970,092</u>

The School District has installment purchase contracts for the purchase of vehicles.

Future principal and interest requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 369,041	\$ 20,206	\$ 389,247
2010	11,572	734	12,306
2011	5,414	89	5,503
Total	<u>\$ 386,027</u>	<u>\$ 21,029</u>	<u>\$ 407,056</u>

Interest expenditures for the fiscal year were and \$4,848,809.

Compensated Absences

Accrued compensated absences at year end, consists of \$327,813 of vacation hours earned and vested. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by vacation time earned for the year.

Defeased Debt

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and its agencies. The

Waterford School District
Notes to Financial Statements
June 30, 2008

investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

The final payment dates fall in fiscal years 2013 and 2014. As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

1994 Series Bond Issue refunded	\$ 41,290,000
1999 General Obligation Bond Issue refunded	29,870,000
1999 Bond Series Issue refunded	<u>980,000</u>
 Total	 <u>\$ 72,140,000</u>

Note 9 - Risk Management

The School District participates in a Municipal Risk Retention Pool Program through the Middle Cities Risk Management Trust. This program provides substantially all the insurance needs of the School District, including property, general liability, automobile and umbrella. The contributions made by the School District fund the program at rates predicated on expected losses, excess insurance premium contribution and administration costs, including appropriate state assessment. The possibility of additional claims exists but the amount of liability to the School District would be immaterial by the time the aggregate stop-loss coverage is triggered. There also is a possibility of a refund due the School District. Therefore, neither contingent liabilities nor assets have been recognized on the School District's financial statements.

The School District has a self-insured vision and dental plan and has not recognized a reserve for future claims the past three fiscal years, due to the insignificance of the estimated liability.

The School District is self-insured under the Michigan Worker's Disability Compensation Act. Workers' compensation excess insurance has been retained for the aggregate claims exceeding \$300,000 for each annual policy period, to a maximum of \$1,000,000. This excess insurance also applies to individual occurrences exceeding \$300,000, with a statutory maximum for those individual occurrences. The expenditures for the year were \$330,701.

	<u>2008</u>	<u>2007</u>
Estimated liability at the beginning of the year	\$ 452,000	\$ 325,000
Estimated claims incurred including changes in estimates	206,701	361,413
Claim payments	<u>(330,701)</u>	<u>(234,413)</u>
Estimated liability end of year	<u>\$ 328,000</u>	<u>\$ 452,000</u>

The School District is subject to Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District had no unemployment compensation expense for the year. No provision has been made for possible future claims.

Note 10 - Defined Benefit Pension Plan

Plan Description

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

The pension plan provides retirement, survivor and disability benefits to plan members and their beneficiaries.

Waterford School District
Notes to Financial Statements
June 30, 2008

MPSERS operates within the Michigan Department of Management and Budget, Office of Retirement Systems who has the authority to establish and amend benefit provisions. The Michigan Department of Management and Budget issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by writing Office of Retirement Services, P.O. Box 30171, Lansing, Michigan 48909-7671 or calling 800-381-5111.

Funding Policy

The School is required by State statute to contribute to MPSERS an actuarially determined percentage of payroll for all participating employees. Additionally, employees participating in the Member Investment Plan contributed 3% to 4.3% of their covered wages through payroll deduction. In addition to retirement benefits, a portion of the total MPSERS contribution is allocated to cover health, dental and vision benefits. The following table discloses pertinent information relative to MPSERS funding for the three-year period beginning July 1, 2005 through June 30, 2008.

	2008	2007	2006
Funding percentage range	17.74-16.72%	16.34-17.74%	14.87-16.34%
Total payroll	\$68,050,865	\$68,378,487	\$68,478,570
Total covered payroll	67,519,877	68,055,143	68,193,630
School contributions	11,434,333	11,815,547	10,964,500
Employee MIP contributions	2,093,483	2,056,823	2,043,955
Tax deferred payment program	716,444	773,099	796,561
Portion of school contribution covering health, dental and vision benefits	37%	37%	40%

Trend Information

Ten-year historical trend information is presented in the September 30, 2007, PERS Comprehensive Annual Financial Report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. The

total benefit obligations and net assets available for benefits as of September 30, 2006, the latest date for which information is available, approximates \$ 49.1 billion and \$ 43 billion, respectively. The School's share of the total current actuarially determined employer contribution requirement under MPSERS was less than 1% for the year ended September 30, 2007.

Post Employment Benefits

In addition to the pension benefits described above, the School District provides post-retirement health care, dental, and vision benefits for retirees and beneficiaries through Michigan Public School Employees Retirement System (MPSERS).

Expenditures for these benefits are recognized on a cash disbursement basis. During the year ended September 30, 2007, statewide expenditures of \$ 654 million were recognized for post-retirement health care, dental and vision. This represented approximately 18% of the total expenditures of the Michigan Public School Employees Retirement System.

Note 11 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year ended June 30, 2008.

Waterford School District
Notes to Financial Statements
June 30, 2008

Note 12 - Subsequent Event

Subsequent to year end, the School District repaid the state aid anticipation note of \$6,500,000 that was outstanding at the end of the year. In addition, the District borrowed \$6,500,000 in state aid anticipation notes that is due September 2009.

REQUIRED SUPPLEMENTAL INFORMATION

Waterford School District
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Over (Under) Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local sources	\$ 17,181,589	\$ 17,777,933	\$ 17,084,743	\$ (693,190)
State sources	72,942,449	74,716,773	76,684,455	1,967,682
Federal sources	6,381,098	7,593,139	7,295,322	(297,817)
Interdistrict sources	7,349,497	6,391,837	5,995,532	(396,305)
Total revenues	<u>103,854,633</u>	<u>106,479,682</u>	<u>107,060,052</u>	<u>580,370</u>
Expenditures				
Instruction				
Basic programs	30,096,095	31,560,041	31,819,701	259,660
Added needs	10,461,876	10,860,194	10,697,022	(163,172)
Adult and continuing education	112,866	103,124	116,173	13,049
Employee benefits	13,799,850	13,128,600	12,753,811	(374,789)
Supporting services				
Pupil	5,901,290	6,289,476	6,145,469	(144,007)
Instructional staff	3,145,751	3,153,616	3,117,620	(35,996)
General administration	1,265,317	1,217,979	1,245,586	27,607
School administration	4,899,160	5,087,814	5,023,299	(64,515)
Business	13,888,219	13,794,607	14,891,649	1,097,042
Central	2,090,688	1,981,704	2,252,579	270,875
Employee benefits	9,199,900	8,752,400	8,421,873	(330,527)
Community services	32,549	32,549	33,505	956
Federal programs	7,660,178	7,937,704	6,999,912	(937,792)
Retirement savings	(350,000)	-	-	-
Total expenditures	<u>102,203,739</u>	<u>103,899,808</u>	<u>103,518,199</u>	<u>(381,609)</u>

Waterford School District
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	<u>\$ 1,650,894</u>	<u>\$ 2,579,874</u>	<u>\$ 3,541,853</u>	<u>\$ 961,979</u>
Other financing sources (uses)				
Transfers out	<u>(1,532,028)</u>	<u>(2,401,523)</u>	<u>(2,050,831)</u>	<u>350,692</u>
Net change in fund balance	118,866	178,351	1,491,022	1,312,671
Fund balance - beginning	<u>5,504,668</u>	<u>7,606,549</u>	<u>7,606,549</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 5,623,534</u></u>	<u><u>\$ 7,784,900</u></u>	<u><u>\$ 9,097,571</u></u>	<u><u>\$ 1,312,671</u></u>

OTHER SUPPLEMENTAL INFORMATION

Waterford School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

Special Revenue Funds/School Service Funds

	Special Education Center Programs	Child Care	Senior Citizens	Athletic Activities	Pool and Fitness Centers	Performing Arts Centers	Food Service
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,364
Accounts receivable	-	-	-	-	-	-	2,903
Grants receivable	-	-	-	-	-	-	63,111
Due from other funds	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	39,375
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466,753
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,426
Deferred revenue	-	-	-	-	-	-	46,064
Due to other funds	-	-	-	-	-	-	335,780
Total liabilities	-	-	-	-	-	-	392,270
Fund balance							
Reserved for inventory	-	-	-	-	-	-	39,375
Reserved for debt retirement	-	-	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-	-	-
Fund balance designated for food service	-	-	-	-	-	-	35,108
Fund balance, designated for capital projects	-	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-	74,483
Total liabilities and fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466,753

Waterford School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

Debt Service Funds

	1997 Refunding	1999	1999 Series II	1999 Series III	1999 Series IV	2003 Series I	2003 Series II
Assets							
Cash and cash equivalents	\$ 598,817	\$ 119,736	\$ 157,585	\$ 117,051	\$ 139,403	\$ 144,162	\$ 173,508
Accounts receivable	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total assets	<u>\$ 598,817</u>	<u>\$ 119,736</u>	<u>\$ 157,585</u>	<u>\$ 117,051</u>	<u>\$ 139,403</u>	<u>\$ 144,162</u>	<u>\$ 173,508</u>
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance							
Reserved for inventory	-	-	-	-	-	-	-
Reserved for debt retirement	598,817	119,736	157,585	117,051	139,403	144,162	173,508
Reserved for capital projects	-	-	-	-	-	-	-
Fund balance designated for food service	-	-	-	-	-	-	-
Fund balance, designated for capital projects	-	-	-	-	-	-	-
Total fund balance	<u>598,817</u>	<u>119,736</u>	<u>157,585</u>	<u>117,051</u>	<u>139,403</u>	<u>144,162</u>	<u>173,508</u>
Total liabilities and fund balance	<u>\$ 598,817</u>	<u>\$ 119,736</u>	<u>\$ 157,585</u>	<u>\$ 117,051</u>	<u>\$ 139,403</u>	<u>\$ 144,162</u>	<u>\$ 173,508</u>

Waterford School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

	Capital Projects		
	Building Maintenance	Energy Bonds	Total Non Major Funds
Assets			
Cash and cash equivalents	\$ 259,982	\$ 1,083,897	\$ 3,155,505
Accounts receivable	-	-	2,903
Grants receivable	-	-	63,111
Due from other funds	114,200	-	114,200
Inventory	-	-	39,375
Total assets	\$ 374,182	\$ 1,083,897	\$ 3,375,094
Liabilities and fund balance			
Liabilities			
Accounts payable	\$ -	\$ 3,000	\$ 13,426
Deferred revenue	-	-	46,064
Due to other funds	-	-	335,780
Total liabilities	-	3,000	395,270
Fund balance			
Reserved for inventory	-	-	39,375
Reserved for debt retirement	-	-	1,450,262
Reserved for capital projects	-	1,080,897	1,080,897
Fund balance designated for food service	-	-	35,108
Fund balance, designated for capital projects	374,182	-	374,182
Total fund balance	374,182	1,080,897	2,979,824
Total liabilities and fund balance	\$ 374,182	\$ 1,083,897	\$ 3,375,094

Waterford School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2008

Special Revenue Funds/School Service Funds

	Special Education Center Programs	Child Care	Senior Citizens	Athletic Activities	Pool and Fitness Centers	Performing Arts Centers	Food Service
Revenues							
Local	\$ 142,789	\$ 1,900,924	\$ 521,733	\$ 120,688	\$ 468,715	\$ 275	\$ 2,075,599
Intermediate	-	-	41,000	-	-	-	-
State	1,467,796	-	-	-	-	-	296,471
Interdistrict	4,344,475	-	-	-	-	-	-
Federal	-	-	176,063	-	-	-	1,746,551
Total revenues	<u>5,955,060</u>	<u>1,900,924</u>	<u>738,796</u>	<u>120,688</u>	<u>468,715</u>	<u>275</u>	<u>4,118,621</u>
Expenditures							
Instruction	3,047,081	1,931,096	562,733	-	-	-	-
Supporting services	2,907,979	-	-	1,374,725	993,862	271,922	2,425,253
Debt service	-	-	-	-	-	-	-
Building and site	-	-	-	-	-	-	-
Federal	-	-	176,063	-	-	-	1,746,551
Total expenditures	<u>5,955,060</u>	<u>1,931,096</u>	<u>738,796</u>	<u>1,374,725</u>	<u>993,862</u>	<u>271,922</u>	<u>4,171,804</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(30,172)</u>	<u>-</u>	<u>(1,254,037)</u>	<u>(525,147)</u>	<u>(271,647)</u>	<u>(53,183)</u>
Other sources (uses)							
Transfers in	-	-	-	1,254,037	525,147	271,647	-
Proceeds from the sale of bonds	-	-	-	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,254,037</u>	<u>525,147</u>	<u>271,647</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(30,172)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,183)</u>
Fund balance, beginning	<u>-</u>	<u>30,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,666</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,483</u>

Waterford School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2008

Debt Service Funds

	1997 Refunding	1999	1999 Series II	1999 Series III	1999 Series IV	2003 Series I	2003 Series II
Revenues							
Local	\$ 4,611,548	\$ 922,463	\$ 1,215,269	\$ 901,543	\$ 1,073,728	\$ 1,115,791	\$ 1,336,386
Intermediate	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Interdistrict	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-
Total revenues	<u>4,611,548</u>	<u>922,463</u>	<u>1,215,269</u>	<u>901,543</u>	<u>1,073,728</u>	<u>1,115,791</u>	<u>1,336,386</u>
Expenditures							
Instruction	-	-	-	-	-	-	-
Supporting services	-	-	-	-	-	-	-
Debt service	4,390,346	880,030	1,159,190	860,990	1,024,840	1,053,590	1,274,823
Building and site	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-
Total expenditures	<u>4,390,346</u>	<u>880,030</u>	<u>1,159,190</u>	<u>860,990</u>	<u>1,024,840</u>	<u>1,053,590</u>	<u>1,274,823</u>
Excess (deficiency) of revenues over expenditures	<u>221,202</u>	<u>42,433</u>	<u>56,079</u>	<u>40,553</u>	<u>48,888</u>	<u>62,201</u>	<u>61,563</u>
Other sources (uses)							
Transfers in	-	-	-	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-	-	-	-
Total other sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	221,202	42,433	56,079	40,553	48,888	62,201	61,563
Fund balance, beginning	<u>377,615</u>	<u>77,303</u>	<u>101,506</u>	<u>76,498</u>	<u>90,515</u>	<u>81,961</u>	<u>111,945</u>
Fund balance, ending	<u>\$ 598,817</u>	<u>\$ 119,736</u>	<u>\$ 157,585</u>	<u>\$ 117,051</u>	<u>\$ 139,403</u>	<u>\$ 144,162</u>	<u>\$ 173,508</u>

Waterford School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2008

	<u>Capital Projects</u>		<u>Total Non Major Funds</u>
	<u>Building Maintenance</u>	<u>Energy Bonds</u>	
Revenues			
Local	\$ 114,200	\$ 252,657	\$ 16,774,308
Intermediate	-	-	41,000
State	-	-	1,764,267
Interdistrict	-	-	4,344,475
Federal	-	-	1,922,614
Total revenues	<u>114,200</u>	<u>252,657</u>	<u>24,846,664</u>
Expenditures			
Instruction	-	-	5,540,910
Supporting services	-	-	7,973,741
Debt service	-	-	10,643,809
Building and site	146,323	11,121,823	11,268,146
Federal	-	-	1,922,614
Total expenditures	<u>146,323</u>	<u>11,121,823</u>	<u>37,349,220</u>
Excess (deficiency) of revenues over expenditures	<u>(32,123)</u>	<u>(10,869,166)</u>	<u>(12,502,556)</u>
Other sources (uses)			
Transfers in	-	-	2,050,831
Proceeds from the sale of bonds	-	11,711,000	11,711,000
Total other sources (uses)	-	11,711,000	13,761,831
Net change in fund balances	(32,123)	841,834	1,259,275
Fund balance, beginning	<u>406,305</u>	<u>239,063</u>	<u>1,720,549</u>
Fund balance, ending	<u>\$ 374,182</u>	<u>\$ 1,080,897</u>	<u>\$ 2,979,824</u>

Waterford School District
Other Supplemental Information
General Fund
Comparative Balance Sheet
June 30, 2008

	2008	2007
Assets		
Cash and cash equivalents	\$ 7,195,297	\$ 6,273,917
Accounts receivable	2,034,814	1,471,901
Due from other funds	335,780	764,464
Due from other governmental units	15,632,682	14,288,737
Prepaid items	48,674	48,674
Total assets	\$25,247,247	\$22,847,693
Liabilities and fund balance		
Liabilities		
Accounts payable	\$ 1,733,326	\$ 759,932
State aid anticipation note payable	6,500,000	5,500,000
Due to other funds	114,200	382,470
Due to other governmental units	133,439	8,377
Payroll deductions and withholdings	2,401,374	2,707,295
Accrued expenditures	75,151	104,979
Accrued salaries payable	5,066,083	4,932,924
Deferred revenue	126,103	845,167
Total liabilities	16,149,676	15,241,144

**Waterford School District
Other Supplemental Information
General Fund
Comparative Balance Sheet
June 30, 2008**

	2008	2007
Fund balance		
Reserved for prepaid items	48,674	48,674
Designated for encumbrances	699,780	752,907
Designated Foundation	571,650	391,793
Designated for compensated absences	327,813	336,595
Designated for workers compensation	328,000	452,000
Designated for Energy Bonds	500,000	-
Other undesignated	6,621,654	5,624,580
 Total fund balance	 9,097,571	 7,606,549
 Total liabilities and fund balance	 \$25,247,247	 \$22,847,693

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2008

	Final Budget	Actual	Actual Over (Under) Budget
Local sources			
Property tax levy	\$ 14,756,209	\$ 14,644,706	\$ (111,503)
Other taxes and penalties	80,000	66,816	(13,184)
Families and schools together - Donelson Hills	3,500	1,939	(1,561)
Families and schools together - Leggett	3,700	-	(3,700)
Families for the future - United Way	13,400	13,333	(67)
Adult education tuition and rentals	65,000	63,215	(1,785)
Adult education non credit	50,000	51,468	1,468
Preschool	341,000	391,631	50,631
Earnings on investments	300,000	265,621	(34,379)
Outdoor education	105,000	108,847	3,847
Summer school academy	49,000	64,040	15,040
Printing Services	318,006	167,846	(150,160)
Mail Services	68,700	9,878	(58,822)
Childcare, vocational education	26,000	36,009	10,009
Waterford Foundation	60,000	70,577	10,577
Kindergarten enrichment, Houghton	39,500	36,633	(2,867)
Kindergarten enrichment, Haviland	46,500	39,612	(6,888)
Kindergarten enrichment, Adams	38,000	42,404	4,404
A.I. Summer School	-	3,025	3,025
Apex II - Oakland Family Services	40,800	42,240	1,440
Special Education Continuous Improvement	-	500	500
Summer school scholarships	1,200	-	(1,200)
Summer SLAM	6,000	4,870	(1,130)

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2008

	Final Budget	Actual	Actual Over (Under) Budget
Local sources (continued)			
Metro North - grants	\$ -	\$ 2,632	\$ 2,632
Staff Development	100,000	52	(99,948)
eRate	-	5,150	5,150
Facility use	87,500	89,279	1,779
Sale of fixed assets	25,908	8,160	(17,748)
Rental	69,000	61,633	(7,367)
University - stipends	5,000	2,695	(2,305)
Finger printing	7,500	16,402	8,902
Video services	8,650	9,286	636
School and Community services	41,525	14,255	(27,270)
Transportation	84,511	-	(84,511)
Food service contribution	148,238	138,679	(9,559)
Child care contribution	237,586	-	(237,586)
High school parking passes	36,000	12,571	(23,429)
Medicaid	500,000	554,236	54,236
Miscellaneous	15,000	44,503	29,503
Total local sources	<u>17,777,933</u>	<u>17,084,743</u>	<u>(693,190)</u>

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2008

	Final Budget	Actual	Actual Over (Under) Budget
State sources			
Membership	\$ 67,145,331	\$ 67,911,533	\$ 766,202
Membership, special education	3,328,134	3,327,213	(921)
Membership, adult education-part.	105,000	114,884	9,884
Declining enrollment	-	41,979	41,979
At-risk	1,278,000	1,533,363	255,363
Special education, non-membership	931,849	1,787,898	856,049
Vocational education	250,000	229,687	(20,313)
Preschool Enrichment	336,600	370,600	34,000
Court placed	868,859	883,882	15,023
CAHC Grant	-	10,000	10,000
Durant foundation	473,000	473,416	416
	<u>74,716,773</u>	<u>76,684,455</u>	<u>1,967,682</u>
Interdistrict transfers and other transfers			
Oakland Schools	5,781,341	5,283,164	(498,177)
Oakland Schools - Children's Village	-	8,846	8,846
Oakland Schools positive behavior	-	3,954	3,954
Oakland Schools equity	250,000	396,367	146,367
Oakland Schools - Vocational Millage	-	54,372	54,372
CVS, Oakland County	360,496	248,829	(111,667)
	<u>6,391,837</u>	<u>5,995,532</u>	<u>(396,305)</u>

Waterford School District
General Fund
Statement of Revenues Compared to Budget
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
Total revenue before federal program revenue	98,886,543	99,764,730	878,187
Federal programs	<u>7,593,139</u>	<u>7,295,322</u>	<u>(297,817)</u>
Total revenues	<u>\$ 106,479,682</u>	<u>\$ 107,060,052</u>	<u>\$ 580,370</u>

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2008

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Basic program - elementary					
General education	\$ 11,013,798	\$ 367,952	\$ 11,381,750	\$ 11,524,993	\$ (143,243)
Science	-	15,122	15,122	37,305	(22,183)
Physical education	663,822	6,929	670,751	664,081	6,670
Fine arts - music	768,874	19,824	788,698	809,457	(20,759)
Fine arts - art	423,048	14,108	437,156	430,691	6,465
31A	646,925	271,719	918,644	779,463	139,181
FAST, Donelson Hills	553	135	688	3,500	(2,812)
FAST, Burt	684	427	1,111	3,700	(2,589)
Total elementary	<u>13,517,704</u>	<u>696,216</u>	<u>14,213,920</u>	<u>14,253,190</u>	<u>(39,270)</u>
Basic program - middle school					
General education	5,742,695	135,660	5,878,355	5,945,399	(67,044)
Fine arts - music	546,028	22,727	568,755	613,233	(44,478)
Fine Arts - art	171,582	8,412	179,994	176,357	3,637
Physical education	382,129	5,467	387,596	379,425	8,171
31A	266,226	149,484	415,710	418,893	(3,183)
Outdoor education	10,589	98,913	109,502	105,333	4,169
Total middle school	<u>7,119,249</u>	<u>420,663</u>	<u>7,539,912</u>	<u>7,638,640</u>	<u>(98,728)</u>
Basic program - high school					
General education	5,862,843	634,667	6,497,510	6,308,019	189,491
Alternative senior high - Manley	727,463	337,583	1,065,046	1,113,675	(48,629)
Fine Arts - music	516,649	12,982	529,631	452,903	76,728
Fine Arts - art	292,280	14,807	307,087	309,663	(2,576)
Physical education	419,739	3,571	423,310	450,863	(27,553)
31A	-	116,613	116,613	-	116,613
International Academy	39,662	103,908	143,570	135,379	8,191
MTS - high school	105,075	79	105,154	99,782	5,372
Total senior high	<u>7,963,711</u>	<u>1,224,210</u>	<u>9,187,921</u>	<u>8,870,284</u>	<u>317,637</u>
Basic program - summer school					
Summer Academy	<u>56,003</u>	<u>11,597</u>	<u>67,600</u>	<u>48,975</u>	<u>18,625</u>
Basic program - Pre-K programs					
Preschool	248,621	94,671	343,292	341,053	2,239
Preschool enrichment	198,591	98,359	296,950	230,452	66,498
K. enrichment - Houghton	26,688	24,087	50,775	39,450	11,325
Apex I	27,224	9,536	36,760	40,800	(4,040)
First families - United Way	9,024	4,227	13,251	13,333	(82)
K. enrichment - Adams	25,246	11,477	36,723	37,630	(907)
K. enrichment - Haviland	19,814	12,783	32,597	46,234	(13,637)

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2008

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Total Pre-K programs	\$ 555,208	\$ 255,140	\$ 810,348	\$ 748,952	\$ 61,396
Added needs - special education					
Emotionally impaired	44,616	17,351	61,967	63,059	(1,092)
Educable mentally impaired	122,063	74,123	196,186	149,080	47,106
General Special Education	12,412	11,820	24,232	19,133	5,099
CI -Local	207,345	80,122	287,467	331,967	(44,500)
CI (TMI)	186,701	111,394	298,095	305,262	(7,167)
AI	248,475	101,197	349,672	376,711	(27,039)
AI - Summer	4,967	954	5,921	53,044	(47,123)
AI- Crary	83,833	39,601	123,434	121,614	1,820
AI - H.S.	73,776	34,946	108,722	111,984	(3,262)
AI - Post Secondary	87,606	7,260	94,866	203,477	(108,611)
Early Intervention - POHI	83,626	43,071	126,697	123,008	3,689
Children's Village					
Regular	561,999	283,314	845,313	838,912	6,401
Emotionally impaired	724,522	395,676	1,120,198	1,121,054	(856)
Summer school	39,981	12,821	52,802	59,255	(6,453)
Resource teacher	81,422	43,327	124,749	121,218	3,531
Sec. resident teacher	1,992,777	914,187	2,906,964	2,951,451	(44,487)
Elementary resident teacher	882,554	405,651	1,288,205	1,336,470	(48,265)
Resource/speech	5,771	4,418	10,189	20,255	(10,066)
IDEA - local	375,634	187,585	563,219	489,536	73,683
EIEP grant	2,000	500	2,500	6,000	(3,500)
Oakland Schools grant	400	100	500	-	500
Visually Impaired	64,352	36,238	100,590	99,072	1,518
Total special education programs	5,886,832	2,805,656	8,692,488	8,901,562	(209,074)
Added needs - compensatory education					
Extended school year - secondary	-	-	-	25,526	(25,526)
Positive behavior - Oakland Schools	-	5,352	5,352	-	5,352
English/second language	147,658	52,289	199,947	156,666	43,281
Total compensatory education	147,658	57,641	205,299	182,192	23,107
Added needs - vocational education					
General vocational education	1,584,101	183,371	1,767,472	1,747,105	20,367
Cosmetology, regular	-	31,763	31,763	29,335	2,428
Total vocational education	1,584,101	215,134	1,799,235	1,776,440	22,795

Adult education

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2008

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Adult credit	\$ 62,835	\$ 27,008	\$ 89,843	\$ 83,299	\$ 6,544
Adult non-credit	1,573	24,757	26,330	19,825	6,505
Total adult education	64,408	51,765	116,173	103,124	13,049
Total Instruction	36,894,874	5,738,022	42,632,896	42,523,359	109,537
Pupils					
Attendance	123,139	6,000	129,139	119,884	9,255
Guidance, middle school	643,979	-	643,979	660,970	(16,991)
Guidance, senior high	742,889	-	742,889	731,112	11,777
Alt. senior high - Manley	67,769	32,848	100,617	97,632	2,985
Adult credit	35,216	8,797	44,013	52,390	(8,377)
Other pupil services	408,284	16,769	425,053	409,887	15,166
General special education	106,366	111,720	218,086	223,637	(5,551)
LD - Teacher Consultant	234,535	101,503	336,038	324,719	11,319
CI - Local O.T.	6,717	2,865	9,582	9,464	118
CI - Local Psych	6,534	3,248	9,782	9,547	235
CI - Local Speech	6,815	3,736	10,551	9,882	669
CI - Local Social Worker	5,372	2,946	8,318	7,718	600
CI - Local Adaptive P.E.	5,950	1,560	7,510	-	7,510
CI (TMI) - O.T.	6,717	3,011	9,728	9,464	264
CI (TMI) - Psych	6,534	3,248	9,782	9,547	235
CI (TMI) - Local Speech	12,246	5,814	18,060	9,035	9,025
CI (TMI) - Social Worker	13,431	7,292	20,723	19,295	1,428
CI (TMI) - Adaptive P.E.	5,950	1,539	7,489	-	7,489
AI - O.T.	32,163	23,758	55,921	56,269	(348)
AI - Psych	28,304	10,204	38,508	42,414	(3,906)
AI - Speech	26,137	13,137	39,274	38,189	1,085
AI - Social Worker	39,206	19,713	58,919	57,284	1,635
AI - Summer O.T.	9,916	4,663	14,579	5,010	9,569
AI M.S. - O.T.	7,032	3,176	10,208	10,923	(715)
AI M.S. - Psych	29,251	10,204	39,455	42,414	(2,959)
AI M.S. - Speech	22,375	11,585	33,960	38,189	(4,229)
AI M.S. - Social Worker	10,645	2,945	13,590	15,435	(1,845)
AI H.S. - O.T.	15,793	6,645	22,438	21,846	592
AI H.S. - Speech	6,510	1,641	8,151	15,425	(7,274)
AI H.S. - Social Worker	9,650	3,240	12,890	13,993	(1,103)
AI Post Secondary - O.T.	15,216	424	15,640	21,846	(6,206)
AI Post Secondary - Speech	6,510	-	6,510	15,425	(8,915)
AI Post Secondary - Social Worker	19,831	592	20,423	28,611	(8,188)
Early Intervention - O.T. & P.T.	58,107	20,572	78,679	84,080	(5,401)
Early Intervention - Psych	17,656	7,772	25,428	25,601	(173)

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2008

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Children's Village School - EI Psychologist	\$ 31,853	\$ 13,467	\$ 45,320	\$ 47,040	\$ (1,720)
Children's Village School - EI, Social Worker	26,613	6,972	33,585	39,929	(6,344)
Resource/speech	97,213	43,353	140,566	141,781	(1,215)
Preschool enrichment	18,084	-	18,084	21,030	(2,946)
Substance abuse prevention	177,319	86,021	263,340	296,902	(33,562)
Speech services	653,161	292,260	945,421	1,039,434	(94,013)
Social services	548,532	258,307	806,839	822,527	(15,688)
Psychological services	339,697	171,713	511,410	503,601	7,809
Visually Impaired - PT/OT	12,739	6,314	19,053	37,860	(18,807)
Visually Impaired - Speech	7,605	1,983	9,588	11,027	(1,439)
Visually Impaired - Social Worker	7,963	3,728	11,691	11,208	483
31A	-	82,400	82,400	80,000	2,400
Mental Health Grant	7,249	4,934	12,183	-	12,183
Health Center Planning grant	-	77	77	-	77
	<u>4,720,773</u>	<u>1,424,696</u>	<u>6,145,469</u>	<u>6,289,476</u>	<u>(144,007)</u>
Total pupils					
Instructional staff					
Staff development	41,999	41,536	83,535	114,265	(30,730)
Math categorical	91,141	-	91,141	133,551	(42,410)
Secondary Ed Curriculum	54,453	-	54,453	54,440	13
Vocational	111,530	6,815	118,345	116,526	1,819
Science administration	8,762	1,829	10,591	8,408	2,183
Music - Fine arts administration	166,095	22,230	188,325	186,464	1,861
Art - Fine arts administration	3,000	2,640	5,640	7,011	(1,371)
Substance abuse prevention	-	2,942	2,942	3,300	(358)
Preschool enrichment	49,950	21,761	71,711	85,118	(13,407)
Adult education	52,987	57,514	110,501	124,469	(13,968)
Adult non-credit	1,101	1,310	2,411	11,635	(9,224)
Physical education	-	1,430	1,430	7,950	(6,520)
Special education administration	379,095	274,467	653,562	623,246	30,316
CI (TMI)	-	5,921	5,921	13,934	(8,013)
Library					
Elementary	309,902	4,259	314,161	326,614	(12,453)
Middle school	242,261	21,950	264,211	269,375	(5,164)
High school	180,002	14,497	194,499	199,505	(5,006)
Library services	17,906	130,711	148,617	120,313	28,304
Waterford Foundation grant	-	71,870	71,870	60,000	11,870
Talent development program	8,673	5,589	14,262	42,966	(28,704)
North central association	-	39,027	39,027	50,000	(10,973)
Durant foundation	26,671	546,072	572,743	473,417	99,326
Metro North - grants	-	2,545	2,545	-	2,545
Instructional service valued volunteers	19,460	12,609	32,069	55,871	(23,802)
Vocational mileage	34,015	13,955	47,970	46,704	1,266

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2008

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
EIEP grant	\$ 4,741	\$ 1,223	\$ 5,964	\$ 2,500	\$ 3,464
Summer Success Lit & Math	7,485	1,689	9,174	16,034	(6,860)
Total instructional staff	1,811,229	1,306,391	3,117,620	3,153,616	(35,996)
General administration					
Board of Education	73,070	309,774	382,844	347,047	35,797
Executive administration	251,165	18,554	269,719	280,296	(10,577)
Elementary school director	189,003	185,425	374,428	370,408	4,020
Middle school and high school director	183,637	34,958	218,595	220,228	(1,633)
Total general administration	696,875	548,711	1,245,586	1,217,979	27,607
School administration					
Elementary principals	1,927,226	128,828	2,056,054	2,088,389	(32,335)
Middle school principals	909,430	109,190	1,018,620	1,032,168	(13,548)
Senior high principals	1,188,001	41,518	1,229,519	1,214,676	14,843
Pre-school principal	46,760	1,664	48,424	68,513	(20,089)
CVS principal	228,539	135,526	364,065	359,507	4,558
Alternative H.S. - Manley	202,073	88,035	290,108	297,314	(7,206)
Summer Academy	9,662	6,847	16,509	27,247	(10,738)
Total school administration	4,511,691	511,608	5,023,299	5,087,814	(64,515)
Business					
Fiscal services	583,639	112,431	696,070	668,792	27,278
Utilities	-	3,684,502	3,684,502	3,341,000	343,502
Plant operation	3,096,507	954,993	4,051,500	4,046,483	5,017
Plant maintenance	869,756	442,173	1,311,929	1,313,087	(1,158)
Transportation	2,313,873	336,607	2,650,480	2,487,490	162,990
Purchasing	35,811	6,425	42,236	44,074	(1,838)
Warehouse	129,460	1,260	130,720	128,090	2,630
Printing	73,248	150,885	224,133	318,006	(93,873)
Mail Room	-	70,839	70,839	68,700	2,139
Other services	6,181	1,497,261	1,503,442	910,500	592,942
Safety and security	31,836	197,308	229,144	229,560	(416)
Bond issue	-	112,481	112,481	125,500	(13,019)
Childcare billing	14,524	4,549	19,073	26,000	(6,927)
Facility use	96,061	69,039	165,100	87,325	77,775
Total business	7,250,896	7,640,753	14,891,649	13,794,607	1,097,042

Waterford School District
General Fund
Statement of Expenditures Compared to Budget
For the Year Ended June 30, 2008

	Actual			Final Budget	Actual Over (Under) Budget
	Salaries	Supplies and Expenses	Total		
Central					
Computer services	\$ 386,827	\$ 87,453	\$ 474,280	\$ 420,430	\$ 53,850
Planning, research and evaluation	139,831	168,904	308,735	219,910	88,825
School and Community Services	303,287	98,742	402,029	379,664	22,365
Human resources	305,499	194,270	499,769	332,753	167,016
Management information systems	276,009	291,757	567,766	628,947	(61,181)
Employee benefits	<u>150,285</u>	<u>21,025,399</u>	<u>21,175,684</u>	<u>21,881,000</u>	<u>(705,316)</u>
Total central	<u>1,561,738</u>	<u>21,866,525</u>	<u>23,428,263</u>	<u>23,862,704</u>	<u>(434,441)</u>
Total supporting services	<u>20,553,202</u>	<u>33,298,684</u>	<u>53,851,886</u>	<u>53,406,196</u>	<u>445,690</u>
Community and civic services					
Youth assistance	-	16,923	16,923	15,967	956
Coalition for youth	<u>-</u>	<u>16,582</u>	<u>16,582</u>	<u>16,582</u>	<u>-</u>
Total community and civic services	<u>-</u>	<u>33,505</u>	<u>33,505</u>	<u>32,549</u>	<u>956</u>
Total local share of expenditures	<u>57,448,076</u>	<u>39,070,211</u>	<u>96,518,287</u>	<u>95,962,104</u>	<u>556,183</u>
Federal programs	3,604,797	3,036,953	6,641,750	7,593,139	(951,389)
Local - federal					
Headstart	123,391	109,422	232,813	198,392	34,421
Waterford Success	-	-	-	5,134	(5,134)
Medicaid	<u>81,832</u>	<u>43,517</u>	<u>125,349</u>	<u>141,039</u>	<u>(15,690)</u>
Total federal share	<u>3,810,020</u>	<u>3,189,892</u>	<u>6,999,912</u>	<u>7,937,704</u>	<u>(937,792)</u>
Total expenditures	<u>\$ 61,258,096</u>	<u>\$ 42,260,103</u>	<u>\$ 103,518,199</u>	<u>\$ 103,899,808</u>	<u>\$ (381,609)</u>

Waterford School District
Other Supplemental Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2008

Year Ending June 30,	March 1, 2006 Issue	June 1, 1999 Series I	June 1, 1999 Series II	June 1, 1999 Series III	June 1, 1999 Series IV	June 1, 2003 Series I	March 24, 2005 Series II	Energy Bonds	Durant	Total
2009	\$ 3,385,000	\$ 500,000	\$ 300,000	\$ 700,000	\$ 800,000	\$ 500,000	\$ 300,000	\$ 975,000	\$ 1,341,906	\$ 8,801,906
2010	3,465,000	1,000,000	300,000	800,000	1,000,000	500,000	500,000	525,000	230,047	8,320,047
2011	3,630,000	1,750,000	300,000	800,000	1,000,000	500,000	500,000	525,000	241,004	9,246,004
2012	3,020,000	2,500,000	1,000,000	800,000	1,000,000	500,000	500,000	525,000	252,465	10,097,465
2013	3,060,000	2,020,000	1,500,000	800,000	1,000,000	500,000	500,000	540,000	264,482	10,184,482
2014	3,250,000	-	1,700,000	1,000,000	1,000,000	1,500,000	1,000,000	600,000	-	10,050,000
2015	-	-	4,200,000	1,000,000	1,000,000	1,500,000	1,000,000	875,000	-	9,575,000
2016	-	-	4,300,000	1,000,000	1,000,000	1,500,000	1,500,000	900,000	-	10,200,000
2017	-	-	4,300,000	1,000,000	1,000,000	1,500,000	1,500,000	925,000	-	10,225,000
2018	-	-	-	-	1,000,000	2,000,000	2,000,000	955,000	-	5,955,000
2019	-	-	-	-	1,500,000	2,000,000	2,500,000	975,000	-	6,975,000
2020	-	-	-	-	2,000,000	2,000,000	3,000,000	995,000	-	7,995,000
2021	-	-	-	-	-	2,000,000	3,000,000	995,000	-	5,995,000
2022	-	-	-	-	-	2,600,000	3,000,000	925,000	-	6,525,000
2023	-	-	-	-	-	-	3,575,000	715,000	-	4,290,000
Total	\$ 19,810,000	\$ 7,770,000	\$ 17,900,000	\$ 7,900,000	\$ 13,300,000	\$ 19,100,000	\$ 24,375,000	\$ 11,950,000	\$ 2,329,904	\$ 124,434,904
Principal payments due the first day of	May	May	May	May	May	May	May	August	May	
Interest payments due the first day of	May and November	May and November	May and November	May and November	May and November	May and November	May and November	August and February	May	
Interest rate	3.63% - 5.00%	4.38% - 4.70%	4.25% - 5.00%	3.90% - 4.65%	2.50% - 4.30%	2.25% - 4.13%	3.75% - 4.40%	4.40%	4.76%	
Original issue	<u>\$ 30,030,000</u>	<u>\$ 15,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 11,950,000</u>	<u>\$ 3,945,891</u>	