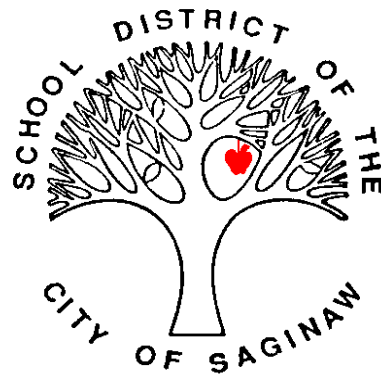


Budget and Salary/Compensation Transparency Reporting

Section 18 (2) of the Public Act 94 of 1979, The State School Aid Act, has been amended, which requires each school district and intermediate school district to post certain information on its Web site within 30 days after a board adopts its annual operating budget or any subsequent revision to that budget. The Annual Budget & Transparency Reporting is an opportunity to communicate to our community on how we utilize the resources that are provided to us. The following information is required to be posted on our Web site:

- The annual operating budget and subsequent budget revisions.
- Using data that has already been collected and submitted to the Michigan Department of Education (MDE), a summary of district or intermediate district expenditures for the most recent fiscal year for which they are available, expressed in the following two (2) pie charts which were provided for the general fund of the district or intermediate district by the Center for Educational Performance and Information (CEPI):
 - A chart of personnel expenditures broken down into the following subcategories:
 1. Salaries and Wages
 2. Employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long term care benefits
 3. Retirement benefits costs
 4. All other personnel costs
 - A chart of all district expenditures, broken into the following subcategories:
 1. Instruction
 2. Support Services
 3. Business and administration
 4. Operations and Maintenance
- Links to all of the following:
 1. The current collective bargaining agreement for each bargaining unit
 2. Each health care benefits plan, including, but not limited to, medical, dental, vision, disability, long-term care, or any other type of benefits that would constitute health care services, offered to any bargaining unit or employee in the district
 3. The audit report of the audit conducted for the most recent fiscal year for which it is available
- The total salary and a description and cost of each fringe benefit included in the compensation package for the superintendent of the district or intermediate district and for each employee of the district whose salary exceeds \$100,000
- The annual amount spent on dues paid to associations
- The annual amount spent on lobbying services

**School District of the City of Saginaw
Saginaw, Michigan**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**of the
School District of the City of Saginaw
Saginaw, Michigan
For the Fiscal Year Ended June 30, 2009**

Board of Education

Ronald S. Spess
President

Delena Spates-Allen
Vice-President

Mattie L. Thompson
Secretary

James W. Woolfolk
Treasurer

Norman C. Braddock
Trustee

Jean A. Burk
Trustee

Beverly J. Yanca
Trustee

Dr. Thomas Barris
Superintendent

***Prepared by
Financial Services Division***

Brian Jones
Executive Director of Financial Services

Tamara M. Johnson
Director of Financial Services

Karen Baumgartner
Manager of Fiscal Services

Mary LaPan
Accounting Specialist

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Table of Contents

	<u>Page Number</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i - vi
Organizational Chart	vii
ASBO Certificate of Excellence	viii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1 -1
Management Discussion and Analysis	2 -1
Basic Financial Statements	3 - 1
District-wide Financial Statements	
Statement of Net Assets	3 - 2
Statement of Activities	3 - 4
Fund Financial Statements	
Balance Sheet - Governmental Funds	3 - 5
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	3 - 6
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds	3 - 7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	3 - 8
Fiduciary Fund	
Statement of Fiduciary Net Assets	3 - 9
Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds	3 - 10
Notes to Financial Statements	3 - 11

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Table of Contents

(Continued)

Page Number

Required Supplemental Information	4 - 1
Budgetary Comparison Schedule - General Fund	4 - 2
Other Supplemental Information	5 - 1
Combining Balance Sheet - Nonmajor Governmental Funds	5 - 2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	5 - 3
Special Revenue Funds	6 - 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	6 - 2
Capital Project Funds	7 - 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	7 - 2
Debt Service Funds	8 - 1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	8 - 2
Fiduciary Funds	9 - 1
Combining Statement of Fiduciary Net Assets - Private Purpose Trust Funds	9 - 2
Combining Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds	9 - 3
Statement of Changes in Assets and Liabilities - Agency Funds	9 - 4
Schedule of Changes in Due To Student and Other Groups - Agency Funds	9 - 5

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Table of Contents

(Continued)

STATISTICAL SECTION (Unaudited)

Page Number

Financial Trends

Net Assets by Component - Last Five Fiscal Years	10-1
Expenses, Program Revenues, and Net (Expense)/ Revenue - Last Seven Fiscal Years	10-2
General Revenues and Total Change in Net Assets - Last Seven Fiscal Years	10-3
Fund Balances, Governmental Funds - Last Ten Fiscal Years	10-4
Governmental Funds Revenues - Last Ten Fiscal Years	10-5
Governmental Funds Expenditures and Debt Service Ratio - Last Ten Fiscal Years	10-6
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds - Last Ten Fiscal Years	10-7

Revenue Capacity

Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	10-8
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	11-1
Principal Property Tax Payers - Current Year and Nine Years Ago	11-2
Property Tax Levies and Collections - Last Ten Fiscal Years	11-3

Debt Capacity

Outstanding Debt by Type - Last Ten Fiscal Years	11-4
Direct and Overlapping Governmental Activities Debt	11-5
Legal Debt Margin Information - Last Ten Fiscal Years	12-1

Demographic and Economic Information

Demographic and Economic Statistics - Last Ten Calendar Years	12-2
Principal Employers - Current Year and Nine Years Ago	12-3
Full-time-Equivalent District Employees by Type - Last Two Fiscal Years	12-4

Operating Information

Operating Statistics - Last Ten Fiscal Years	13-1
School Building Information - Last Ten Fiscal Years	13-2

INTRODUCTORY SECTION



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Saginaw, Michigan 48607-1193
(989) 399-6500
Fax (989) 399-6529



Thomas N. Barris, Ph.D., Superintendent

November 20, 2009

To the Citizens and Employees of the School District of the City of Saginaw and the President and Members of the Board of Education:

INTRODUCTION

The Comprehensive Annual Financial Report of the School District of the City of Saginaw for the year ended June 30, 2009 is submitted herewith.

Guided by the Board of Education's commitment to public accountability, detailed financial information relating to the fiscal operation of the school district is presented in this report prepared by the school district's Finance Division. Responsibility for the completeness and fairness of the data presented and all accompanying disclosures rests with the Executive Director of Financial Services.

The report has been prepared following generally accepted accounting principles in the United States of America. We believe the data presented are accurate in all material respects and clearly reflect the financial position and the results of

operations of the school district. All disclosures necessary to enable the reader to gain an understanding of the school district's financial activities have been included. The school district has also issued, under a separate cover, a Single Audit Report. This report contains a schedule of Federal Financial Assistance received by the school district and is not a required part of the Basic Financial Statements.

The Comprehensive Annual Financial Report is presented in three sections:

- *Introductory section* – Introduces the reader to the report and includes this transmittal letter, the District's organizational chart and prior year recognition for excellence in financial reporting.
- *Financial section* – Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and supplemental information.
- *Statistical and other information section* - includes selected financial and demographic information, generally presented on a multi-year basis.

BOARD OF EDUCATION

Ronald S. Spess, President Delena Spates-Allen, Vice President Mattie L. Thompson, Secretary James W. Woolfolk, Treasurer
Beverly J. Yanca, Trustee Jean A. Burk, Trustee Norman C. Braddock, Trustee

MANAGEMENT’S DISCUSSION AND ANALYSIS

Generally Accepted Accounting Principles in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management’s discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. The reporting entity consists of the legal entity, the School District of the City of Saginaw. The school district serves the entire City of Saginaw, plus the City of Zilwaukee, and sections of Kochville Township.

The School District of the City of Saginaw Board of Education (Board) is the basic level of government that has oversight responsibility and control over all activities related to public school education in the City of Saginaw. Under provisions of GASB, the Board is considered the primary government, since it is a special purpose entity that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Board may, without the approval or consent of another governmental entity, modify its own budget, levy its own taxes or set rates or charges, issue bonded debt, and

designate management. The Board also has no component units, defined by GASB as other legally separate organizations for which the elected Board members are financially accountable. There are no other primary governments for which the Board has a significant relationship.

The School District provides a comprehensive educational program for students in pre-kindergarten through grade 12. Extensive additional educational programs are incorporated into the general education structure. Among those offered are birth through age five education and prekindergarten, special education, career and technical education, gifted and talented education, bilingual education, and compensatory education. A separate community education program also is offered by the school district through our community education offices.

ECONOMIC CONDITIONS AND OUTLOOK

The School District of the City of Saginaw is located 110 miles north of Detroit. Saginaw is an industrial community that has been heavily reliant on the auto industry over the years. The Economic Development Office of the City of Saginaw has been making efforts to attract industry to the area through a heavy reliance on tax abatements. The financial condition of the School District at the present time is stable. The district is substantially reliant on the future economic changes in the State of Michigan and the Saginaw community. The district is committed to maintaining priority programs in light of a changing state financial base.

Michigan has transformed its funding of public education from the old principle of property wealth determining the level of

support for education in a given district to a state-wide diversified tax base and a leveling of funds for all districts. Discrepancies that existed prior to the finance reform have narrowed under the new system. As a result, the financial health of school districts in Michigan is now reliant on the performance of the state's economy. Under the current system, the state collects a statewide property tax of six mills on residential property and 24 mills on all industrial and commercial property. Because of the change, many communities have resorted to granting tax abatements to attract commercial and industrial growth. The tax abatements have had a negative financial impact on the support services provided to the district and the impact on the future of the State's school aid fund has not been evaluated by anyone at the State level. The state also collects six cents sales tax in support of education along with a number of transfer and use taxes whose proceeds are dedicated to the school aid fund. The state in turn redistributes the funds to local school districts on a per student foundation grant basis. With the heavy reliance on State funding, the district has experienced a tightening of its cash flow and investment income has declined. Receivables from other governmental units has increased significantly since 1997-98 due to the State reducing the monthly payouts during the year and deferring receipt of those funds by the district to July and August, thus causing a reduced cash flow and opportunity to invest these funds.

The current foundation increases for a district are gauged to the annual rate of inflation and factored upward or downward based on a district's relationship to the set median funding range for the State of Michigan. This method of funding has slowed the growth in educational expenditures to a rate equal to the level of inflation in any given year. The process has

brought all districts in the State up in funding to a minimum base foundation of \$6,700 per student.

Under the existing funding formula the district's foundation allowance increased \$105 in 2008-09, to \$7,564 per pupil. Under the current funding system, over 70% of the district's General Fund revenues come from the State. This means that the district has less control over the revenues coming into the district. If the State continues to have financial problems, the district will continue to see a diminishing level of revenues and will have to adjust spending accordingly.

MAJOR INITIATIVES

Fiscal 2008-09 completed the fourteenth year under the revised funding formula of the State of Michigan. The district, as it changed from a heavy reliance on local property taxes as a major source of revenues, to the new State foundation method of funding has experienced slowed growth. The Board of Education has continued to work to meet the goals outlined in its Comprehensive Strategic Plan. The student outcomes have become the district's focus and the strategies and recommendations designed to restructure the district to better prepare today's students for the 21st century were advanced during the year. The school district has now completed its fourteenth year of this comprehensive plan and a number of new strategies and recommendations have been implemented which has resulted in the restructuring of Saginaw Schools to better prepare our students for the future. The mission statement of the strategic plan reads as follows:

The School District of the City of Saginaw believing that:

1. *Every person is unique, valuable, and capable of learning;*
2. *Every person needs to graduate from high school and understand that learning is lifelong;*
3. *Every high school graduate should be prepared for post-secondary education and employment;*
4. *Every high school graduate should be prepared for a fulfilling life in a multi-cultural, pluralistic world;*

is committed to and responsible for providing students at all levels of schooling with educational programs designed to meet students' needs and best insure achievement of the student outcomes. District success should be judged on the achievement of the student outcomes.

To this end, the district is committed to offering the best human and professional development programs for all employees. The District accepts responsibility for maintaining a service orientation, open communication among all segments of the community, and a high level of fiscal management.

At the heart of the strategic plan are the student outcomes that are designed to help see district graduates become: self-directed learners; complex thinkers; effective communicators; individual and group problem solvers; strong interpersonal relations; collaborative workers; creative quality producers; and community contributors. Work towards achieving student achievement continues as the district's primary goal. The district has also successfully complied with the challenging requirements of the federal No Child Left Behind legislation.

The district's students continue to show improvements on the Michigan Educational Assessment Program. Because of sound fiscal management practices, the district has been able to continue its strong emphasis on basic skills while promoting programs that prepare the students for a rapidly changing society.

The district has made a major commitment to upgrading instructional materials, equipping facilities, and introducing technology into the schools in order to provide the best possible learning environment for students. The district continues to work at reducing current and future operating costs through an aggressive energy conservation program. The district's aging buildings continue to undergo preventative maintenance to keep them compatible with the educational program. Window improvements, relighting, new boilers, insulated roof replacements, and energy management programs have helped the district minimize increased energy costs. Additionally, the district has closed ten buildings over the past six years. In the fall of 2004 citizens of the school district approved a \$70,000,000 bond proposal to upgrade the district's facilities. The bonds will be sold in three series. The first series, for \$22,300,000, was sold in 2004. Renovations were completed at three elementary schools, and construction of a new elementary school was completed. The second series, for \$28,160,000 was sold in June of 2006 and were used to construct a new middle school. The third series for \$19,540,000 was sold in June of 2008 and will be used to renovate an elementary and K-8 school, a grade 6-12 school for gifted and talented students and the district's career training facility.

The day-to-day operation of the district is led by an experienced administrative team with a commitment to quality

programs and services, improved student learning, and adherence to sound fiscal management practices.

INTERNAL ACCOUNTING CONTROLS

Management of the school district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the school district are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1. The cost of a control should not exceed the benefits likely to be derived; and 2. The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and county financial assistance, the school district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal accounting staff of the school district.

As a part of the school district's single audit, tests have been made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the school district's single audit for the fiscal year ended June 30, 2009 provided no instances of material

weaknesses in the internal control structure or significant violations of applicable laws and regulations.

BUDGETING CONTROLS

The school district uses a site-based budgeting process to effectively allocate resources and obtain the maximum benefit for each dollar spent. Under this process, each school receives an annual allocation based upon student counts and the number of free and reduced meal applications. Schools and departments must justify expenditures within their allocation. All expenditures must support and encourage increased student achievement, maintain the integrity of the school or department's Quality Plan, and focus on the goals and measures of the District's Strategic Plan. Individual buildings are allowed to make site-based decisions in planning the use of their resources in meeting their Quality Plan goals. This process has enabled the district to successfully address today's educational challenges while making the best use of each dollar available. This approach to financial management, coupled with strong community support, has enabled the Board to continue to offer educational opportunities that are considered among the best in the state while operating for fourteen continuous years without having to seek additional millage.

The district's budgetary controls and system of internal accounting was designed to adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions. We believe that these objectives have been achieved. The report has been audited by Yeo & Yeo - P.C., independent auditors whose opinion is included as part of this report. Their opinion is unqualified. Annual financial reporting to the State of Michigan follows accounting requirements as stated in the State Accounting Manual. These

requirements are consistent with generally accepted accounting principles in the United States of America.

CASH MANAGEMENT

District cash management guidelines are established by Board policy. It is the intent of the School District of the City of Saginaw to maximize its interest on available cash balances. Interest bearing checking accounts, cash management accounts, U.S. Treasury obligations, certificates of deposit in state or national banks and commercial paper were utilized in accordance with Board policy for investment of available funds.

RISK MANAGEMENT

The school district has participated in a voluntary risk management insurance program called Middle Cities Risk Management Trust (MCRMT) since 1987. MCRMT is an organization of school districts in the lower half of the lower peninsula in the State of Michigan, which have formed a Trust under the Michigan Inter-governmental contract between Municipalities Act to pool its risk management exposures, resources, and its costs. The Trust administers a mix of self-insurance and conventional excess insurance, property/casualty and boiler and machinery coverage; claims administration and litigation management, extensive safety/loss control consulting and training, and, a risk management information system and financial reporting services for its members.

AWARDS

The financial reporting program of the district has earned, in its first eighteen publishings, the Association of School Business

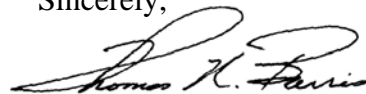
Officials "Certificate of Excellence in Financial Reporting" for the fiscal years ended June 30, 1987 through June 30, 2008. This is an achievement that is of great pride to the district's administrative team and a tribute to the support of the Board in adopting high standards of excellence in our financial reporting. Publication of this report completes the financial reporting process for the 2008-09 fiscal year.

ACKNOWLEDGMENTS

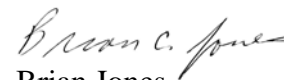
We want to thank the community for its continued support of the School District of the City of Saginaw. Over the years, the community has demonstrated its commitment to the school district and its students by providing the means necessary to offer quality educational programs and services.

We also thank the members of the Board of Education for continued guidance and support throughout this past year and commend the personnel from the Finance Division and the administrative staff for their continued efforts in managing the district's fiscal resources. Copies of this report are available for public distribution upon request to the Finance Office.

Sincerely,



Thomas N. Barris, Ph.D.
Superintendent of Schools



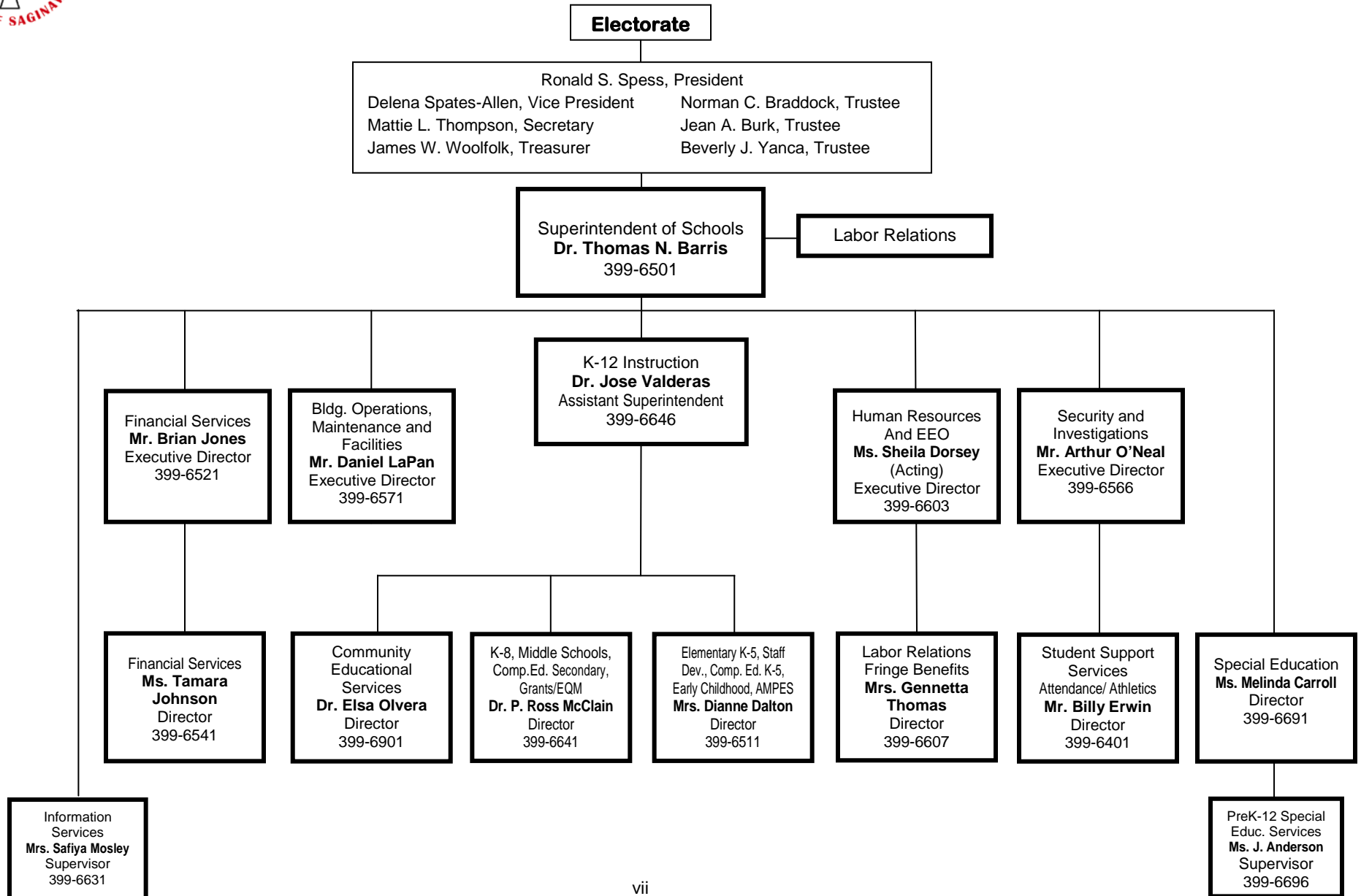
Brian Jones
Exec Dir Financial Services



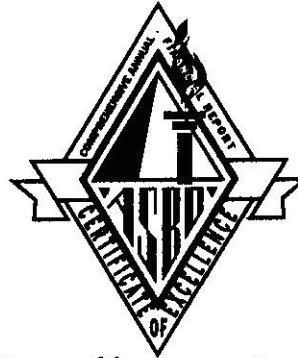
2009-2010 School District of the City of Saginaw

ADMINISTRATIVE ORGANIZATIONAL CHART -- OPERATION AND MANAGEMENT SYSTEM

550 Millard Street Saginaw, Michigan 48607 Phone: (989) 399-6500 www.spsd.net



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

is presented to

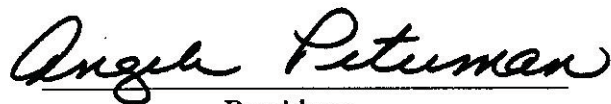
School District of the City of Saginaw



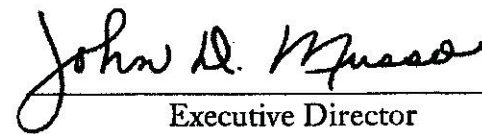
For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

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



President



Executive Director

FINANCIAL SECTION





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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of School District of the City of Saginaw as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of School District of the City of Saginaw'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 the School District of the City of Saginaw as of June 30, 2009, 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, November 5, 2009, on our consideration of the School District of the City of Saginaw'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 the School District of the City of Saginaw'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
November 5, 2009



MANAGEMENT DISCUSSION and ANALYSIS

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Management Discussion and Analysis
Year Ended June 30, 2009

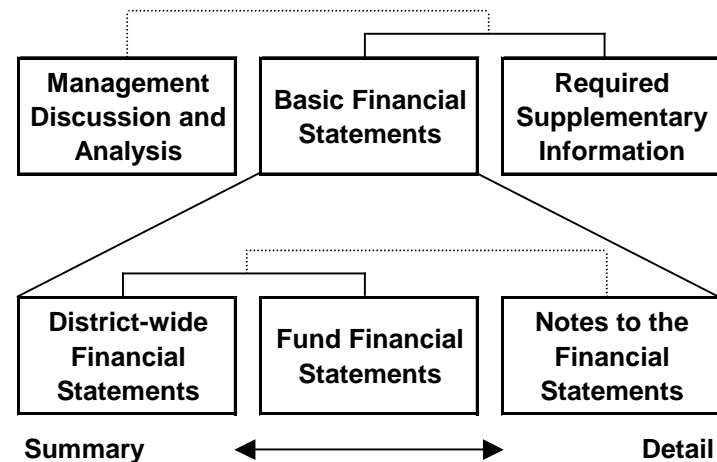
The discussion and analysis of the School District of the City of Saginaw’s financial performance provides an overall review of the School District’s financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to provide, in layman’s terms, a look at the district’s performance and past and current position. Readers should also review the notes to the financial statements, and financial statements to enhance their understanding of the district’s financial performance.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management Discussion and Analysis (MD&A) – for State and Local Governments issued in June of 2000.

Overview of the Financial Statements

This annual report consists of three parts: management discussion and analysis (this section), the basic financial statements, and required supplemental information. The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
School District of the City of Saginaw
Organization of Annual Financial Report



The basic financial statements include two kinds of statements that present different views of the district.

District-wide Financial Statements

The district-wide financial statements are full accrual basis statements and provide information about the district’s *overall* financial status. They are used to help determine whether or not the District is better off or worse off as the result of the year’s activities. The *Statement of Net Assets* reports all of the district’s assets and liabilities, both short-term and long-term, regardless if they are “currently available” or not. Capital assets and long-term obligations of the district are reported in

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Management Discussion and Analysis
Year Ended June 30, 2009

this statement. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

The two district-wide statements report the district's *net assets* and how they have changed. Net assets – the difference between the district's assets and liabilities – is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider additional non-financial factors such as changes in the district's property tax base, the quality of the education provided, and the condition of District's buildings.

In the district-wide statements, the district's activities are classified as governmental activities. This includes most of the District's basic services, such as regular and special education, food service, athletics, transportation, and administration. Property taxes and state aid finance most of these services.

Fund Financial Statements

The fund financial statements focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements. The fund level statements are reported on a *modified accrual basis*. Only those assets that are "*measurable*" and "*currently available*" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." In the State of Michigan, the district's major instructional and instructional support activities are reported in the *General Fund*. Additional activities are reported in their relevant funds including: *Special Revenue Funds* for *Food Service* and *Athletic* activities, *Debt Service Funds*, *Capital Project Funds*, and *Fiduciary Funds*.

In the fund financial statements, capital asset purchases are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

Financial Analysis of the District as a Whole

The net assets of the district at June 30, 2009 amounted to \$33.9 million. Figure A-2 shows a condensed breakdown of the net assets.

The largest portions of the District's net assets reflect investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt used to acquire those assets that is still outstanding, and the cash and investments relative to the 2004, 2006 and 2008 bond issues. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Management Discussion and Analysis
Year Ended June 30, 2009

debt used as a decrease to capital assets relates to the 2002A and 2002B Bond series that are financed through General Fund transfers, the 2004, 2006 and 2008 Bonds that are financed through an annual debt service levy, and the Durant bonds, which are paid directly by the State of Michigan. The remaining net assets represent resources that are subject to external restrictions on how they may be used.

\$.5 million of the cost was paid for by those who benefited from the programs, and \$96.9 million was paid for by other governments and organizations who subsidized certain programs with grants and contributions. The remaining "public benefit" portion was paid for with state pupil foundation aid, investment earnings, other miscellaneous revenues, and use of net assets.

Figure A-2
Condensed Statement of Net Assets

	Governmental Activities		
	June 30, 2009	June 30, 2008	Change
Current assets	\$ 60,729,775	\$ 70,106,608	\$ (9,376,833)
Non-current assets	79,590,848	78,897,455	693,393
Total assets	140,320,623	149,004,063	(8,683,440)
Current liabilities	38,389,369	42,817,011	(4,427,642)
Noncurrent liabilities	67,993,222	69,173,117	(1,179,895)
Total liabilities	106,382,591	111,990,128	(5,607,537)
Net assets			
Invested in capital assets, net of related debt	35,710,299	43,668,809	(7,958,510)
Restricted	747,818	752,452	(4,634)
Unrestricted	(2,520,085)	(7,407,326)	4,887,241
Total net assets	\$ 33,938,032	\$ 37,013,935	\$ (3,075,903)

The net assets of the District decreased by \$3,075,903 during the 2008-09 fiscal year. Figure A-3 shows the breakdown of this change. The Statement of Activities presented later in the district-wide financial statements, provides greater detail on the District's annual activity. The cost of the District's governmental activities for the year was \$108.7 million. However, the amount that the District's taxpayers ultimately financed for these activities was only \$11.3 million because

A substantial portion (64.9%) of the District's revenues are received from State sources which include State restricted grants and other State sources. This means that the financial stability of the District rests primarily with the economic health of the State of Michigan.

Figure A-3
Statement of Net Assets from Operating Results

	Governmental Activities		
	2008/09	2007/08	Difference
Revenues			
Program revenues			
Charges for services	\$ 461,764	\$ 486,618	\$ (24,854)
Operating grants/contri	31,963,486	27,835,222	4,128,264
General revenues			
Property taxes	11,352,219	12,607,597	(1,255,378)
State formula aid	61,020,701	64,127,478	(3,106,777)
Other	822,353	3,191,620	(2,369,267)
Total revenues	105,620,523	108,248,535	(2,628,012)
Expenses			
Instruction	59,533,239	60,486,582	(953,343)
Support services	40,123,256	41,834,003	(1,710,747)
Community services	655,016	684,844	(29,828)
Food services	4,407,443	4,417,989	(10,546)
Athletics	994,090	1,032,935	(38,845)
Interest on long-term debt	2,983,382	2,496,816	486,566
Total expenses	108,696,426	110,953,169	(2,256,743)
Increase (decrease) in net assets	\$ (3,075,903)	\$ (2,704,634)	\$ (371,269)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Management Discussion and Analysis
Year Ended June 30, 2009

94.4% of the District's resources are spent on instruction and pupil and instructional support services.

Financial Analysis of the District's Funds

The financial performance of the district as a whole is reflected in its governmental funds as well. The combined governmental funds equity decreased by \$3.7 million during the 2008-09 fiscal year. The primary reasons for the decreases in fund balance are:

Factors Increasing Fund Equity

- ◆ *Building Closing* – The School District closed one school building at the end of the 2008-09 school year, and have closed ten schools over the past six years.
- ◆ *Staff Tightening* – All staff positions were evaluated and adjustment to staffing levels continue to be made accordingly.
- ◆ *Employee Benefit Plans* – Benefit plans for some employees were restructured to provide premium decreases while the district continues to evaluate benefit programs on a continuous basis.

Factors Decreasing Fund Equity

- ◆ *State aid funding* - The State of Michigan continues to experience severe economic constraints. State funding for school districts has not kept pace with inflation.
- ◆ *Enrollment* – The district's pupil enrollment for state aid funding purposes decreased by 309 memberships, continuing a downward trend over the past ten years (See Figure A-4).
- ◆ *Building renovation* – In 2002-03 the district invested over \$6,000,000 to renovate the Eddy K-8 educational facility. Bonds were issued to cover the cost of the renovation. The bonds are being paid with General Fund monies. For 2008-09, \$691,810 was transferred to cover the bond repayment.
- ◆ *State aid loan* – In order to meet cash flow needs the district had to borrow \$19.0 million during the 2008-09 fiscal year.

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. As a matter of practice, the District amends its budget monthly during the school year. These revisions are made in order to deal with unexpected changes in revenues and expenditures. The following analysis describes the reasons for changes in the budget during the year. Amounts are expressed to the nearest million.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Management Discussion and Analysis
Year Ended June 30, 2009

Revenues – There was a \$5.0 million increase in the total General Fund revenue budget from the beginning to the end of the year. There were significant changes in funding sources as follows:

- ◆ The *local source* revenue budget was not changed significantly.
- ◆ The *intermediate source* revenue budget experienced a \$.7 million decrease due primarily to special education.
- ◆ The *state source* revenue budget increased by \$3.3 million. The increase is primarily the result of a net increase in the Special Education Headlee categorical and decrease in the foundation allowance.
- ◆ The *federal source* revenue budget increased by \$2.4 million from Title 1 and Title IIA grants.

Expenditures – There was a \$10.3 million increase in the total General Fund expenditures and other financing uses budget from the beginning to the end of the year. The significant changes by functional category are as follows:

- ◆ The *instruction* budget increased \$4.4 million as a result of planned expansion of instructional programs.
- ◆ The *supporting services* expenditure budget increased by \$5.8 million as the result of increased federal funding.
- ◆ The *community services* expenditure budget increased slightly.

Capital Asset and Debt Administration

Capital Assets – By the end of 2009, the district had invested \$139.0 million (before depreciation) in a broad range of capital assets, including land, buildings and improvements, buses and other vehicles, and furniture and equipment. This amount represents an increase of \$3.0 million, or 2.2 % from last year. More detailed information about capital assets can be found in the Notes to the financial statements. The District's capital projects funds are used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring major equipment necessary for providing educational programs for all students within the District.

The District had \$24.5 million of construction in progress relates to school building renovations and new construction. This construction is scheduled to be completed in the 2009-10 fiscal year.

The District's capital assets at year end are outlined in statement of net assets and described in the notes to basic financial statements

Debt Administration – In 2002-03 the district authorized \$7,000,000 in operating bonds to provide funding for the Eddy renovation project. The renovation was completed over a seven-month period and students and staff were able to move in at the beginning of the second semester. At June 30, 2009 the district had \$3.5 million outstanding debt on these bonds. The 2002A and 2002B bond funds were established to account for this debt.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Management Discussion and Analysis
Year Ended June 30, 2009

Additionally, the district has Durant bonds with a remaining balance of \$1.7 million. These are self-liquidating bonds issued by the State of Michigan to fund a special education lawsuit by Michigan school districts. Payment of principal and interest on the bonds is made directly by the State of Michigan. The District has pledged and assigned to bondholders all rights to state aid payments as security for the bond. The State refinanced these bonds, delaying the 2002-03 through 2004-05 payments until 2008-09.

On August 3, 2004 the taxpayers of the District approved a \$70,000,000 bond for improvement of the District's facilities. The bonds were issued in three series. The first series was issued in October of 2004 for \$22,130,000. These bonds mature annually through the year 2034. The second series was issued in June of 2006 for \$28,160,000. The bonds mature in June of 2036. In June of 2008, the third series were issued for \$19,540,000. The bonds mature in 2038. All three series are paid for through an annual debt service tax levy.

More detailed information about the district's long-term debt is presented in the notes to the financial statements.

The district currently holds a Moody's Financial Service "Aa3" rating and a Standard & Poor's "AA-" rating on its bonded debt.

Under State statute, the District is legally restricted from incurring long-term bonded debt in excess of 15% of the assessed value of taxable property within the school district. At June 30, 2009 the District's net bonded debt of \$65.4 million was well below the legal limit of approximately \$120 million.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director of Financial Services, School District of the City of Saginaw, 550 Millard Street, Saginaw, Michigan, 48607-1193, telephone number (989) 399-6521.



BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Statement of Net Assets
June 30, 2009

Assets	<u>Governmental Activities</u>
Current Assets	
Cash and cash equivalents	\$ 14,597,870
Investments	24,791,799
Accounts receivable	275,730
Taxes receivable	49,700
Due from other governmental units	20,487,130
Inventory	217,613
Prepaid expenditures	309,933
	<u>60,729,775</u>
Total Current Assets	
Non-current Assets	
Bond issuance costs	277,417
Capital Assets	
Land	5,607,492
Construction in progress	24,468,113
Buildings and additions	101,820,909
Equipment and furniture	3,512,167
Buses and other vehicles	3,617,053
Less: accumulated depreciation	<u>(59,712,303)</u>
Total Non-current Assets	<u>79,590,848</u>
Total Assets	<u>140,320,623</u>

See Accompanying Notes to Basic Financial Statements

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Statement of Net Assets
June 30, 2009

	Governmental Activities
Liabilities	
Current Liabilities	
Accounts payable	\$ 2,816,841
Due to other governmental units	1,953,856
State aid anticipation note	19,665,000
Contracts payable	186,460
Accrued payroll	5,759,422
Accrued liabilities	1,927,844
Unearned revenue	2,674,424
Bonds payable - current portion	1,843,022
Retirement incentives - current portion	1,067,500
Accrued interest on long-term debt	495,000
Total Current Liabilities	38,389,369
Non-Current Liabilities	
Compensated absences	1,469,014
Retirement incentives - net of current portion	1,067,500
Bond premium	230,214
Bonds payable - net of current portion	65,226,494
Total Non-Current Liabilities	67,993,222
Total Liabilities	106,382,591
Net Assets	
Invested in capital assets, net of related debt	35,710,299
Restricted for:	
Debt Service	747,818
Unrestricted:	
Other unrestricted (deficit)	(2,520,085)
Total Net Assets	\$ 33,938,032

See Accompanying Notes to Basic Financial Statements

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Statement of Activities
Year Ended June 30, 2009

Functions/Programs	Program Revenues			Governmental	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities Net (Expense) Revenue and Changes in Net Assets
Governmental Activities					
Instruction	\$ 59,533,239	\$ 11,547	\$ 16,219,797	\$ -	\$ (43,301,895)
Supporting services	40,123,256	-	11,541,417	-	(28,581,839)
Community services	655,016	-	177,807	-	(477,209)
Food services	4,407,443	363,165	4,024,465	-	(19,813)
Athletics	994,090	87,052	-	-	(907,038)
Interest on long term debt	2,983,382	-	-	-	(2,983,382)
Total Governmental activities	\$ 108,696,426	\$ 461,764	\$ 31,963,486	-	(76,271,176)
General Revenues					
Property taxes - levied for operations					7,698,530
Property taxes - levied for debt retirement					3,653,689
State Aid - Unrestricted					61,020,701
Investment earnings					364,774
Other					457,579
Total general revenues					73,195,273
Change in net assets					(3,075,903)
Net assets - July 1					37,013,935
Net assets - June 30					\$ 33,938,032

See Accompanying Notes to Basic Financial Statements

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Building Fund Series 2	Building Fund Series 3	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 9,640,379	\$ 3,280,188	\$ 670,121	\$ 1,007,182	\$ 14,597,870
Investments	4,276,897	-	20,514,902	-	24,791,799
Accounts receivable					
Taxes	9,000	-	-	40,700	49,700
Accounts	275,730	-	-	-	275,730
Due from other governmental units	19,977,749	-	-	509,381	20,487,130
Inventory	197,160	-	-	20,453	217,613
Prepaid expenditures	309,933	-	-	-	309,933
Total assets	<u>\$ 34,686,848</u>	<u>\$ 3,280,188</u>	<u>\$ 21,185,023</u>	<u>\$ 1,577,716</u>	<u>\$ 60,729,775</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 1,675,932	\$ -	\$ 582,153	\$ 80,428	\$ 2,338,513
Checks written from future deposits	-	-	-	478,329	478,329
State aid anticipation note	19,665,000	-	-	-	19,665,000
Due to other governmental units	1,953,856	-	-	-	1,953,856
Contracts payable	-	186,460	-	-	186,460
Accrued payroll	5,740,892	-	-	18,529	5,759,422
Accrued payroll liabilities	1,858,844	-	-	-	1,858,844
Deferred revenue	2,683,424	-	-	40,700	2,724,124
Total liabilities	<u>33,577,948</u>	<u>186,460</u>	<u>582,153</u>	<u>617,986</u>	<u>34,964,547</u>
Fund Balance					
Reserved for inventory	197,160	-	-	15,861	213,021
Reserved for prepaid expenditures	309,933	-	-	-	309,933
Reserved for capital projects	-	3,093,728	20,602,870	-	23,696,598
Reserved for debt service	-	-	-	747,818	747,818
Designated for capital projects	-	-	-	196,051	196,051
Undesignated	601,807	-	-	-	601,807
Total fund balance	<u>1,108,900</u>	<u>3,093,728</u>	<u>20,602,870</u>	<u>959,730</u>	<u>25,765,228</u>
Total liabilities and fund balance	<u>\$ 34,686,848</u>	<u>\$ 3,280,188</u>	<u>\$ 21,185,023</u>	<u>\$ 1,577,716</u>	<u>\$ 60,729,775</u>

See Accompanying Notes to Basic Financial Statements

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets
June 30, 2009

Total Fund Balances - Governmental Funds		\$ 25,765,228
Total net assets reported for governmental activities in the statement of net assets is different because:		
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Property taxes		49,700
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 5,607,492	
Construction in progress	24,468,113	
Buildings and improvements	101,820,909	
Furniture and other equipment	3,512,167	
Buses and other vehicles	3,617,053	
Less: accumulated depreciation	<u>(59,712,303)</u>	79,313,431
Bond issuance costs are reported as expenditures as incurred in the governmental funds. However, in the statement of activities they are amortized over the life of the bonds		
		277,417
Unemployment costs not due and payable in the current period are not reported as fund liabilities.		
		(69,000)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Bond premium is not accrued in the governmental funds, but amortized over the life of the bonds. All liabilities, both current and long-term, are reported in the statement of net assets. Balances as of June 30, 2006 are as follows:		
Bonds payable	(67,069,516)	
Bonds premium	(230,214)	
Compensated absences	(1,469,014)	
Retirement incentives	(2,135,000)	
Accrued interest	<u>(495,000)</u>	<u>(71,398,744)</u>
Total Net Assets - Governmental Activities		\$ <u>33,938,032</u>

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	General Fund	Building Fund Series 2	Building Fund Series 3	Other Governmental Funds	Total Governmental Funds
Revenues					
Local sources	\$ 8,629,214	\$ (252,973)	\$ 208,050	\$ 4,151,141	\$ 12,735,432
Intermediate sources	649,872	-	-	-	649,872
State sources	67,940,056	-	-	575,004	68,515,060
Federal sources	19,951,623	-	-	3,790,372	23,741,995
Total revenues	<u>97,170,765</u>	<u>(252,973)</u>	<u>208,050</u>	<u>8,516,517</u>	<u>105,642,359</u>
Expenditures					
Current:					
Instruction	56,986,507	-	-	-	56,986,507
Supporting services	38,701,710	-	-	-	38,701,710
Community services	599,649	-	-	-	599,649
Food services	-	-	-	4,371,769	4,371,769
Athletics	-	-	-	994,090	994,090
Capital outlay	-	1,516,330	1,312,052	137,776	2,966,158
Debt services					
Principal	-	-	-	1,765,172	1,765,172
Interest	-	-	-	2,971,382	2,971,382
Bank fees	-	-	-	1,725	1,725
Total expenditures	<u>96,287,866</u>	<u>1,516,330</u>	<u>1,312,052</u>	<u>10,241,914</u>	<u>109,358,162</u>
Excess (deficiency) of revenues over expenditures	<u>882,899</u>	<u>(1,769,303)</u>	<u>(1,104,002)</u>	<u>(1,725,397)</u>	<u>(3,715,803)</u>
Other financing sources (uses)					
Transfer from other funds	-	-	2,504,787	1,736,648	4,241,435
Transfer to other funds	(1,736,648)	-	-	(2,504,787)	(4,241,435)
Total other financing sources (uses)	<u>(1,736,648)</u>	<u>-</u>	<u>2,504,787</u>	<u>(768,139)</u>	<u>-</u>
Net change in fund balance	(853,749)	(1,769,303)	1,400,785	(2,493,536)	(3,715,803)
Fund balance - July 1	1,962,649	4,863,031	19,202,085	3,453,266	29,481,031
Fund balance - June 30	<u>\$ 1,108,900</u>	<u>\$ 3,093,728</u>	<u>\$ 20,602,870</u>	<u>\$ 959,730</u>	<u>\$ 25,765,228</u>

See Accompanying Notes to Basic Financial Statements

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
Year Ended June 30, 2009

Total net change in fund balances - total governmental funds	\$ (3,715,803)
Total change in net assets reported for governmental activities in the statement of activities differs because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of certain capital outlays are allocated over their estimated useful lives and reported as depreciation expense. The amount by which these capital outlays exceeded depreciation in the current period:	
Capitalized capital outlay	2,976,821
Depreciation	(2,272,555)
Revenues in the statement of activities that do not provide current financial resources:	
Property taxes	(31,038)
In the statement of activities, compensated absences (sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (amount paid during the year). In the current year, compensated absences paid exceeded the amount earned.	
	395,172
Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
	(12,000)
Unemployment costs not due and payable in the current period are not reported as a fund expenditure. However, the cost is reported as an expenditure in the statement of activities.	
	(45,000)
Governmental funds report bond premiums and issuance costs as other financing sources and uses. However, in the statement of activities these costs are amortized over the life of the bonds.	
Issuance of early retirement incentives	(2,135,000)
Amortization of bond premium	9,202
Amortization of bond issuance costs	(10,874)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
	1,765,172
Change in net assets of governmental activities	\$ (3,075,903)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Statement of Fiduciary Net Assets
June 30, 2009

	Private Purpose Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	\$ 246,763	\$ 628,460
Investments	1,817,175	-
Loans receivable	39,289	-
	2,103,227	\$ 628,460
Liabilities		
Accounts payable	-	\$ 538
Due to student and other groups	-	627,922
	-	\$ 628,460
Net assets		
Restricted for scholarships and loans	\$ 2,103,227	

See Accompanying Notes to Basic Financial Statements

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds
Year Ended June 30, 2009

	<u>Private Purpose Trust Funds</u>
Additions	
Local sources	<u>\$ 59,060</u>
Deductions	
Scholarships and awards	<u>35,133</u>
Change in net assets	23,927
Net assets - July 1	<u>2,079,300</u>
Net assets - June 30	<u><u>\$ 2,103,227</u></u>



NOTES TO FINANCIAL STATEMENTS

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the School District of the City of Saginaw (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 District 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

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 District.

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.

General fund expenditures are classified in accordance with the latest edition (Nov, 1988, as amended) of the Accounting Manual for Michigan School Districts, issued by the Michigan Department of Education, as follows;

Instruction includes the activities dealing directly with the teaching of pupils or the interaction between pupils and teachers. Teaching may be provided through some other approved medium, such as television, telephone, radio, and correspondence. Included here are the activities of aides, assistants of any type, and supplies and materials which assist directly in the instructional process.

Supporting services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction and, to a

lesser degree, community services. Supporting services exist as adjuncts for the fulfillment of the objectives of instruction, rather than as entities within themselves.

Community services consist of those activities that are not directly relatable to providing education for pupils in a school system. These include services provided by the school system for the community as a whole or some segment of the community, such as community recreation programs, programs of custody and care of children, civic activities, and community welfare activities.

Other transactions consist of conduit-type (outgoing transfers) payments to other school districts or administrative units in the state or in another state not identified in the above classifications. Interfund transfers consist of transfers from one fund to another fund within the School District.

Capital Project Funds are used to account for the acquisition of fixed assets of major capital projects not being financed by propriety or nonexpendable trust funds.

Building Fund – Series 2
Building Fund – Series 3

The district reports the following funds as non-major governmental funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. They are used to segregate the transaction of particular activities from regular revenue and expenditure accounts. The School District maintains full control of these Funds. The special revenue funds maintained by the School District, as man-dated by the State of Michigan, are the Food Service and Athletics Funds. The General Fund provides an annual transfer to the Food Service and Athletics Funds.

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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

The following debt service funds are open:

- 2002 A Bond Fund
- 2002 B Bond Fund
- 2004 Bond Fund
- 2006 Bond Fund
- 2008 Bond Fund
- Durant Bond Fund

Capital Project Funds are used to account for the acquisition of fixed assets of major capital projects not being financed by propriety or nonexpendable trust funds. The district maintains the following capital projects funds:

- Permanent Improvement Fund
- Building Fund - Series 1

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent. The fiduciary fund types used by the School District are the Private Purpose Trust Funds, and Agency Funds.

Private Purpose Trust Funds are used to account for funds entrusted to the School District and the funds may only be used for specific purposes. They are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The School District maintains four private purpose trust funds.

The Scholarship Fund is used to account for funds entrusted to the School District for scholarship loans and awards when the principal and interest of the trust may be spent, and for the receipt of investment earnings transferred from the Scholarship

Endowment Fund for payment of scholarship loans and awards.

The Scholarship Endowment Fund is used to account for funds entrusted to the School District for scholarship loans and awards. The principal amount of gifts is maintained and invested. The earnings on the investments are transferred to the Scholarship Fund.

The Agency Fund is used to account for assets held by the School District as an agent, are custodial in nature (assets equal liabilities), and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. The School District maintains one agency which is used to account for the transactions of student clubs and organizations, and other groups.

Assets, Liabilities and Equity

Deposits - consist of cash and cash equivalents such as savings and checking accounts, money markets, and certificates of deposits.

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

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

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2009, the rates are as follows per \$1,000 of assessed value.

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

General Fund	
Non principal residence exemption	18.0000
Commercial personal property	6.0000
Debt Service Fund	3.9000

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	20-50 years
Equipment and furniture	5-15 years
Buses and other vehicles	5-10 years

Compensated Absences – Sick days are earned by most employees at the rate of one day per month. Unlimited unused sick days may be accumulated by an employee. Retiring employees who meet certain age and years of service requirements are paid for accumulated sick days to a maximum number of days and at a rate determined by their job category. There is no contractual provision for payment of unused vacation.

The liability for compensated absences reported in the District-wide financial statements consists of unpaid, accumulated sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments, and other employees who are expected to become eligible in the future to receive such payments upon termination, are included. The amount reported is salary related and includes no fringe benefits, since the amount of said benefits would be immaterial.

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.

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. Approximately 66% of the School District's tax roll lies within the City of Saginaw.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due 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 Saginaw and remitted to the School District by May 15.

Due From/To Other Governmental Units – Consists of amounts due to and from federal, state and local governmental units.

Investments – Investments are stated at fair value based on a quoted market price. Certificates of deposit are stated at cost which approximates fair value.

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 than when purchased. General Fund inventory consists of various instructional and custodial supplies, furniture, and gasoline. The Food Service Fund inventory consists of food and cafeteria nonfood supplies. 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.

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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.

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

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

Reserved for prepaid expenditures - This reserve was created to indicate that the portion of fund balance represented by prepaid expenditures is not available for appropriation.

Reserved for capital projects - This reserve was created to restrict the use of all resources received by the Capital Projects Funds. This money is earmarked for major capital purchases.

Reserved for debt service - This reserve was created to restrict the use of all resources received for the payment on the district's long-term debt.

Net Asset Restrictions - Restrictions are placed on net assets when constraints placed on them are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other Districts, or (2) imposed by law through constitutional provisions or enabling legislation. The specific net asset restrictions of the district are as follows:

Restricted for debt service - This restriction was created to restrict the use of all resources received for the payment on the

district's long-term debt.

Restricted for scholarships and loans - This restriction was created to restrict the use of all the resources contributed to or earned by the Scholarship Fund and the Scholarship Endowment Fund. The restriction is mandated by donor agreements.

Other

Encumbrances - Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year end are reported as a reservation of fund balance and are re-encumbered against subsequent year appropriations.

Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual could differ from those estimates.

Economic Dependency - The school district received approximately 70% of their General Fund revenue from the Michigan Department of Education. Due to the significance of this revenue source, the school district is considered to be economically dependent of the Michigan Department of Education.

Economic Dependency - Approximately 66% of the School District's tax roll lies within the City of Saginaw.

Concentrations - Substantially all of the school district's employees work under collective bargaining agreements. Substantially all of the contracts agreements expired at June 30, 2009. Currently, the district is preparing to negotiate those contacts.

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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 District 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.

The District Accounting Standards Board has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. In general, the new rules will cause district-wide financial statements to include intangible assets as capital assets. This statement is effective for the year ending June 30, 2010

The District Accounting Standards Board has issues Statement of

Governmental Accounting Standards No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The new standard will change the reporting of fund balance in the balance sheets of Governmental type funds. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing Governmental fund type definitions. GASB 54 is effective for financial statements for periods beginning after June 15, 2010.

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 District to detect violations.

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.

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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	\$ 34,545,409	\$ 35,519,710	\$ 974,301
Added needs	20,979,993	21,466,797	486,804
Food Service Fund	3,876,186	4,371,769	495,583
Athletics Fund	989,200	994,090	4,890

The district adopted a deficit budget in the Food Service Fund of \$22,465.

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 Fund Series I, Building Fund Series II, and Building Fund Series III from the inception of the funds through the current fiscal year:

	Building Fund Series I	Building Fund Series II	Building Fund Series III
Revenues	\$ 2,504,787	\$ 30,347,321	\$ 22,044,787
Expenditures	2,504,787	27,253,593	1,649,967

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	\$ 14,597,970	\$ 875,223	\$ 15,473,193
Investment	24,791,799	1,817,175	26,608,974
	<u>\$ 39,389,769</u>	<u>\$ 2,692,398</u>	<u>\$ 42,082,167</u>

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

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$39,055,739
Investments in securities, mutual funds, and similar vehicles	3,004,067
Petty cash and cash on hand	<u>22,361</u>
Total	<u>\$42,082,167</u>

As of year end, the District had the following investments:

Investment	Fair Value	Maturities	Rating	Organization
Equity Mutual Funds	\$ 57,881	-	-	-
Fixed Income Mutual Funds	1,029,703	-	-	-
US Treasury Notes	1,883,506	-	-	-
MI Liquid Asset Fund (MiLAF)	32,977	12 mos	AAA	S&P
	<u>\$ 3,004,067</u>			

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

Interest rate risk – The District does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

Credit risk – State statutes 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. District repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk – The District has no policy that would limit the amount that may be invested with any one issuer.

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, \$ 4,191,895 of the District's bank balance of \$ 39,036,999 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Certain investments were donated to the School District to be used to generate income to award scholarships to worthy students. Individual scholarship provisions specify how the investments and related income may be used.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consists of the following:

	General Fund	Other Governmental Funds	Total
Federal grants	\$ 9,959,594	\$ 509,381	\$ 10,468,975
State Aid	9,519,005	-	9,519,005
State grants	86,702	-	86,702
Intermediate School District	316,582	-	316,582
Other	95,866	-	95,866
	<u>\$ 19,977,749</u>	<u>\$ 509,381</u>	<u>\$ 20,487,130</u>

All balances are deemed current and were received in the following year.

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

NOTE 5 - 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	\$ 5,548,607	\$ 58,885	\$ -	\$ 5,607,492
Construction in progress	<u>21,731,976</u>	<u>2,795,022</u>	<u>58,885</u>	<u>24,468,113</u>
Total capital assets not being depreciated	<u>27,280,583</u>	<u>2,853,907</u>	<u>58,885</u>	<u>30,075,605</u>
Capital assets being depreciated				
Buildings and additions	101,820,909	-	-	101,820,909
Equipment and furniture	3,501,996	10,171	-	3,512,167
Buses and other vehicles	<u>3,445,425</u>	<u>171,628</u>	<u>-</u>	<u>3,617,053</u>
Total capital assets being depreciated	<u>108,768,330</u>	<u>181,799</u>	<u>-</u>	<u>108,950,129</u>
Less accumulated depreciation for				
Buildings and additions	51,530,157	2,024,872	-	53,555,029
Equipment and furniture	2,680,812	164,189	-	2,845,001
Buses and other vehicles	<u>3,228,779</u>	<u>83,494</u>	<u>-</u>	<u>3,312,273</u>
Total accumulated depreciation	<u>57,439,748</u>	<u>2,272,555</u>	<u>-</u>	<u>59,712,303</u>
Net capital assets being depreciated	<u>51,328,582</u>	<u>(2,090,756)</u>	<u>-</u>	<u>49,237,826</u>
Net capital assets	<u>\$ 78,609,165</u>	<u>\$ 763,151</u>	<u>\$ 58,885</u>	<u>\$ 79,313,431</u>

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

Governmental activities	
Instruction	\$ 1,632,743
Support services	548,771
Community services	55,367
Food services	<u>35,674</u>
Total governmental activities	<u>\$ 2,272,555</u>

Construction Contracts

As of year end, the School District had the following construction contracts in progress:

	Total Contract	Remaining Construction Commitment at Year End	Contract Payable at Year End
Thompson Middle School	\$ 770,125	\$ 109,447	\$ 186,460

Contracts payable at year end represent actual contractor billings and retainage and are recorded as a Capital Projects Fund liability. All projects are expected to be complete by September 30, 2010.

NOTE 6 - INTERFUND RECEIVABLE AND PAYABLE AND TRANSFERS

There were no interfund receivables or payables balances at year end.

Interfund transfers consist of the following:

	Transfers Out		
	General Fund	Building Fund Series I	Total
Transfers in			
Athletic Fund	\$ 907,038	\$ -	\$ 907,038
2002A Debt Service	593,485	-	593,485
2002B Debt Service	98,325	-	98,325
Permanent Improvement Fund	137,800	-	137,800
Building Fund Series III	<u>-</u>	<u>2,504,787</u>	<u>2,504,787</u>
	<u>\$ 1,736,648</u>	<u>\$ 2,504,787</u>	<u>\$ 4,241,435</u>

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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

The transfer between Building Fund Series I and Building Fund Series III was made to close the activity in Building Fund Series I and finance additional activities Building Fund Series III.

NOTE 7 - 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:

	Unavailable	Unearned
Delinquent property taxes	\$ 49,700	\$ -
Grant and categorical aid payments received prior to meeting all eligibility requirements	-	2,674,424
Total	\$ 49,700	\$ 2,674,424

NOTE 8 - 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:

	Beginning Balance	Proceeds	Repayments	Ending Balance
State aid anticipation note	\$ 18,144,000	\$ 19,665,000	\$ 18,144,000	\$ 19,665,000

NOTE 9 - LONG-TERM DEBT

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences, 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
General					
obligation bonds	\$ 62,790,000	\$ -	\$ 950,000	\$ 61,840,000	\$ 995,000
Other bonds	4,055,000	-	545,000	3,510,000	565,000
Durant bonds	1,989,687	-	270,172	1,719,515	283,022
Bond issuance cost	(288,291)	-	(10,874)	(277,417)	-
Bond premium	239,416	-	9,202	230,214	-
Retirement incentives	-	2,135,000	-	2,135,000	1,067,500
Compensated absences	1,864,186	1,394,680	1,789,852	1,469,014	-
Total	\$ 70,649,998	\$ 3,529,680	\$ 3,553,352	\$ 70,626,326	\$ 2,910,522

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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

\$22,130,000 Series 2004 serial bond due in annual installments of \$300,000 to \$1,200,000 through May 1, 2034, interest at 3.00% to 5.00%	\$ 17,450,000
\$28,160,000 Series 2006 serial bond due in annual installments of \$500,000 to \$1,500,000 through May 1, 2036, interest at 4.00% to 5.00%	25,000,000
\$19,540,000 Series 2008 serial bond due in annual installments of \$150,000 to \$2,200,000 through May 1, 2038, interest at 4.00% to 5.00%	<u>19,390,000</u>
Total general obligation bonded debt	<u>\$ 61,840,000</u>

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 995,000	\$ 2,857,086	\$ 3,852,086
2011	1,050,000	2,820,999	3,870,999
2012	1,165,000	2,782,935	3,947,935
2013	1,290,000	2,740,438	4,030,438
2014	1,350,000	2,690,198	4,040,198
2015-2019	7,720,000	12,598,676	20,318,676
2020-2024	9,620,000	10,728,640	20,348,640
2025-2029	12,075,000	8,274,280	20,349,280
2030-2034	15,165,000	5,169,674	20,334,674
2035-2038	<u>11,410,000</u>	<u>1,294,250</u>	<u>12,704,250</u>
Total	<u>\$ 61,840,000</u>	<u>\$ 51,957,176</u>	<u>\$ 113,797,176</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, these funds had reserved fund balance of \$695,711 to pay this debt. Future debt and interest will be payable from future tax levies.

Other bonds consist of the following:

\$6,000,000 Series 2002A serial bond due in annual installments of \$445,000 to \$570,000 through June 1, 2015, interest at 3.00% to 4.40%	\$ 3,110,000
\$995,000 Series 2002B serial bond due in annual installments of \$50,000 to \$105,000 through June 1, 2014, interest at 4.25%	<u>400,000</u>
Total general obligation bonded debt	<u>\$ 3,510,000</u>

The other bonds will be paid by the General Fund.

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 565,000	\$ 139,740	\$ 704,740
2011	590,000	114,533	704,533
2012	610,000	96,403	706,403
2013	575,000	71,740	646,740
2014	600,000	47,553	647,553
2015	<u>570,000</u>	<u>23,940</u>	<u>593,940</u>
Total	<u>\$ 3,510,000</u>	<u>\$ 493,909</u>	<u>\$ 4,003,909</u>

Durant bonds consist of the following:

\$4,854,555 Durant Refunding serial bonds due in annual installments through 5/15/2013; interest 4.76% due annually	<u>\$ 1,719,515</u>
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School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 283,022	\$ 57,875	\$ 340,897
2011	296,503	44,399	340,902
2012	814,602	208,036	1,022,638
2013	<u>325,388</u>	<u>15,493</u>	<u>340,881</u>
Total	<u>\$ 1,719,515</u>	<u>\$ 325,803</u>	<u>\$ 2,045,318</u>

The total interest expenditures for the fiscal year end were \$2,223,816.

Compensated Absences

Accrued compensated absences at year end, consists of accrued sick time benefits. The entire vested and estimated unvested amount is considered long-term as the amount expended each year is expected to be offset by sick time earned for the year. Compensated absences will be paid for by the General Fund.

Retirement Incentives

The purpose of the Teacher Severance Incentive Plan (SIP) is to provide an incentive to eligible employees to retire sooner than they would have otherwise. Participating in the Plan is totally voluntary on the part of an eligible employee. If an eligible employee elects not to

resign under the Plan, the employee's election shall not have any impact on the employee's current or future employment with the district. The employee must be actively employed by the District as a current member of the bargaining unit. The retirement incentives will be paid for by the General Fund.

The future payments are as follows:

January 2010	\$ 1,067,500
July 2010	<u>1,067,500</u>
Total	<u>\$2,135,000</u>

NOTE 10 - RISK MANAGEMENT

Beginning with the 1987-88 fiscal year, the School District has participated 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. Premium payments made for the year ended June 30, 2009 were \$537,234. 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 exist but the amount of liability to the School District would be immaterial by the time the aggregate stop-loss coverages are triggered. There also is a possibility of a refund due the School District. Therefore, no contingent liabilities or assets have been recognized on the School District's financial statements for the year ended June 30, 2009.

The school district is subject to the Michigan Employment Security Act (MESCA) and has elected to pay unemployment claims on a direct self-insured basis. Under this method the school district must reimburse the MESCA for all benefits charged the school district for the year. The school district has \$373,281 of unemployment compensation expense for the year ended June 30, 2009. Of this

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

amount, \$69,000 has been accrued in the district-wide financial statements for known claims incurred from January to June, 2009, and is payable in fiscal year 2009-10.

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal District. 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 period ended June 30, 2009.

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School District.

NOTE 11 - 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 (MPSERS), 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.

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. The report provides information for the

plan as a whole and information helpful for understanding the scale of the information presented relative to the School. 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, 2006 through June 30, 2009.

	2009	2008	2007
Funding percentage range	16.54-16.72%	16.72-17.74%	16.34-17.74%
Total payroll	\$ 60,024,631	\$ 61,826,892	\$ 66,397,609
Total covered payroll	59,149,988	60,705,676	65,228,390
School contributions	9,806,180	10,194,140	11,379,587
Employee MIP contributions	1,623,938	1,617,487	1,714,521
Tax deferred payment program	372,401	406,794	473,589
Portion of school contribution covering health, dental and vision benefits	41%	39%	37%

Trend Information

Ten-year historical trend information is presented in the September 30, 2008, 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, 2007, the latest date for which information is available, approximates \$ 47.1 billion and \$ 39.9 billion, respectively.

School District of the City of Saginaw
Notes to Financial Statements
June 30, 2009

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, 2008.

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, 2008, statewide expenditures of \$ 735 million were recognized for post-retirement health care, dental and vision. This represented approximately 19% of the total expenditures of the Michigan Public School Employees Retirement System.

NOTE 12 - SUBSEQUENT EVENT

Subsequent to June 30, 2009, the School District has paid the balance of the \$19,665,000 and accrued interest on the short-term state aid anticipation note borrowed on August 20, 2008 and has subsequently borrowed \$29,000,000 in short-term state aid anticipation notes through the Michigan Municipal Bond Authority. Proceeds from the borrowing were distributed to the School District August 20, 2009.

NOTE 13 - 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 fiscal year June 30, 2009.

The District is the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the condition of the District.



**REQUIRED
SUPPLEMENTAL
INFORMATION**

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual	(Under)
	Original	Final		Final Budget
Revenue from local sources				
General property taxes	\$ 8,045,922	\$ 7,914,175	\$ 7,678,482	\$ (235,693)
Penalties and interest on delinquent taxes	22,000	25,000	51,086	26,086
Tuition	-	-	300	300
Earnings on investments	175,000	200,000	362,462	162,462
Other local revenue				
Rent	10,000	10,000	11,247	1,247
Gifts and grants	9,000	63,098	59,370	(3,728)
Miscellaneous	68,000	101,500	466,267	364,767
Total local sources	<u>8,329,922</u>	<u>8,313,773</u>	<u>8,629,214</u>	<u>315,441</u>
Revenue from intermediate sources				
Special education	<u>2,400,000</u>	<u>1,675,000</u>	<u>649,872</u>	<u>(1,025,128)</u>
Revenue from state sources				
Grants - unrestricted				
State school aid	62,528,071	59,691,858	50,416,154	(9,275,704)
Grants - restricted				
At Risk	4,250,000	5,420,000	5,015,422	(404,578)
Special education	59,780	102,012	102,012	-
Adult education	-	37,050	35,654	(1,396)
Vocational Education	130,000	175,542	171,188	(4,354)
Early Childhood	950,400	950,400	1,100,043	149,643
Great Parents / Great Start	66,000	66,000	57,476	(8,524)
Other state sources				
Special Education Headlee OB	-	4,762,836	10,255,770	5,492,934
Renaissance Zones	500,000	506,282	639,850	133,568
Other state revenue	87,000	115,743	146,487	30,744
Total state sources	<u>68,571,251</u>	<u>71,827,723</u>	<u>67,940,056</u>	<u>(3,887,667)</u>

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual	(Under)
	Original	Final		Final Budget
Revenue from federal sources				
Grants restricted				
Received through the state				
Title I	\$ 8,459,180	\$ 9,414,658	\$ 7,924,571	\$ (1,490,087)
Title V	51,373	38,633	51,373	12,740
Reading First	638,921	585,911	560,080	(25,831)
REM	-	214,212	82,320	(131,892)
TSG	-	-	10,174	10,174
21st Century	1,335,637	1,499,999	1,307,134	(192,865)
Title II-A	1,529,371	2,719,094	1,750,248	(968,846)
Title II-D	80,000	104,976	91,330	(13,646)
Drug Free Schools	140,519	141,793	123,075	(18,718)
Title III-English Language Acquisition	-	82,436	80,199	(2,237)
Received through intermediate source				
Carl Perkins	522,913	546,473	546,473	-
Special education - IDEA	2,419,309	2,256,878	3,587,526	1,330,648
ARRA - State Fiscal Stabilization Fund	-	-	3,447,710	3,447,710
Technology Prep	-	18,000	20,704	2,704
Early On	20,000	20,000	21,019	1,019
Preschool Incentive	76,900	87,102	87,102	-
WIA Youth	228,877	210,758	229,167	18,409
Michigan Nutrition Network	-	-	2,400	2,400
Medicaid	-	-	29,018	29,018
Total federal sources	15,503,000	17,940,923	19,951,623	2,010,700
Total revenues	\$ 94,804,173	\$ 99,757,419	\$ 97,170,765	\$ (2,586,654)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2009

Expenditures	Budgeted Amounts		Actual	(Over)
	Original	Final		Under
Instruction				
Basic programs				
Elementary	\$ 16,333,677	\$ 16,804,755	\$ 18,174,767	\$ (1,370,012)
Middle school	5,060,699	5,857,948	5,678,667	179,281
Senior high school	7,659,067	9,037,898	9,090,802	(52,904)
Other basic programs	2,152,148	2,844,808	2,575,474	269,334
Added needs				
Special education	11,662,531	12,198,402	13,198,571	(1,000,169)
Compensatory education	7,356,856	7,903,298	7,201,092	702,206
Vocational education	932,155	878,293	1,067,134	(188,841)
Total instruction	51,157,133	55,525,402	56,986,507	(1,461,105)
Supporting services				
Pupil services				
Guidance services	1,342,467	1,212,901	1,055,847	157,054
Health services	136,150	557,475	506,555	50,920
Psychological services	945,746	953,463	877,007	76,456
Speech pathology audiology	986,424	986,450	1,033,247	(46,797)
Social work services	1,872,262	1,786,996	1,789,708	(2,712)
Other pupil services	1,837,785	2,383,047	2,416,641	(33,594)
Instructional staff				
Improvement of instruction	1,031,471	2,217,824	1,438,621	779,203
Library	874,984	1,018,833	993,711	25,122
Audio visual	237,950	246,450	243,548	2,902
Technology assisted instruction	-	535,561	495,529	40,032
Supervision direction	2,537,874	2,656,784	2,280,652	376,132
General administration				
Board of education	363,750	474,131	471,344	2,787
Executive administration	319,200	346,050	330,404	15,646
School administration				
Office of the principal	5,290,208	5,885,435	5,530,293	355,142
Business services				
Fiscal services	1,073,410	1,080,163	951,101	129,062
Internal services	274,500	280,401	223,424	56,977
Other business services	1,220,600	1,354,600	1,351,470	3,130

(continued)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2009

Expenditures	Budgeted Amounts		Actual	(Over) Under Final Budget
	Original	Final		
Operation and maintenance of plant	\$ 8,942,773	\$ 10,561,336	\$ 9,598,970	\$ 962,366
Security	1,377,706	1,704,825	1,617,828	86,997
Pupil transportation services	2,270,021	3,002,388	2,663,829	338,559
Central services				
Planning, research, development and evaluation	546,660	268,609	202,325	66,284
Informational services	488,600	465,225	480,990	(15,765)
Staff services	1,732,198	1,489,747	985,511	504,236
Data processing services	1,110,737	1,124,785	804,229	320,556
Other central services	330,500	377,600	358,926	18,674
Total supporting services	<u>37,143,976</u>	<u>42,971,079</u>	<u>38,701,710</u>	<u>4,269,369</u>
Community services				
Direction	230,742	217,435	222,659	(5,224)
Other community services	408,461	442,152	376,990	65,162
Total community services	<u>639,203</u>	<u>659,587</u>	<u>599,649</u>	<u>59,938</u>
Other financing uses				
Operating transfers out				
Athletic fund	910,000	910,000	907,038	2,962
Food service fund	-	89,000	-	89,000
Capital project fund	200,000	200,000	137,800	62,200
Debt service fund	710,100	696,040	691,810	4,230
Total other financing uses	<u>1,820,100</u>	<u>1,895,040</u>	<u>1,736,648</u>	<u>158,392</u>
Total expenditures and other financing uses	<u>90,760,412</u>	<u>101,051,108</u>	<u>98,024,514</u>	<u>3,026,594</u>
Net change in fund balance	4,043,761	(1,293,689)	(853,749)	439,940
Fund balance - July 1	<u>1,962,649</u>	<u>1,962,649</u>	<u>1,962,649</u>	<u>-</u>
Fund balance - June 30	<u>\$ 6,006,410</u>	<u>\$ 668,960</u>	<u>\$ 1,108,900</u>	<u>\$ 439,940</u>



**OTHER
SUPPLEMENTAL
INFORMATION**

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds		Capital Project Fund		Debt Service Funds					Total Nonmajor Governmental Funds	
	Food Service Fund	Athletics Fund	Permanent Improvement Fund	Building Fund Series 1	2002 A Bond Fund	2002 B Bond Fund	2004 Bond Fund	2006 Bond Fund	2008 Bond Fund		Durant
Assets											
Cash and cash equivalents	\$ -	\$ 20,073	\$ 238,428	\$ -	\$ 137	\$ 48,123	\$ 699,808	\$ 113	\$ 500	\$ -	\$ 1,007,182
Taxes receivable	-	-	-	-	-	-	40,700	-	-	-	40,700
Due from other governments	509,381	-	-	-	-	-	-	-	-	-	509,381
Inventories	20,453	-	-	-	-	-	-	-	-	-	20,453
Total assets	\$ 529,834	\$ 20,073	\$ 238,428	\$ -	\$ 137	\$ 48,123	\$ 740,508	\$ 113	\$ 500	\$ -	\$ 1,577,716
Liabilities and Fund Balance											
Liabilities											
Accounts payable	\$ 34,994	\$ 2,194	\$ 42,377	\$ -	\$ 137	\$ -	\$ 113	\$ 113	\$ 500	\$ -	\$ 80,428
Checks written from future deposits	478,329	-	-	-	-	-	-	-	-	-	478,329
Accrued payroll	650	17,879	-	-	-	-	-	-	-	-	18,529
Deferred revenue	-	-	-	-	-	-	40,700	-	-	-	40,700
Total liabilities	513,973	20,073	42,377	-	137	-	40,813	113	500	-	617,986
Fund Balance											
Reserved for food service	15,861	-	-	-	-	-	-	-	-	-	15,861
Reserved for debt service	-	-	-	-	-	48,123	699,695	-	-	-	747,818
Designated for capital projects	-	-	196,051	-	-	-	-	-	-	-	196,051
Total fund balance	15,861	-	196,051	-	-	48,123	699,695	-	-	-	959,730
Total liabilities and fund balance	\$ 529,834	\$ 20,073	\$ 238,428	\$ -	\$ 137	\$ 48,123	\$ 740,508	\$ 113	\$ 500	\$ -	\$ 1,577,716

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds		Capital Project Fund		Debt Service Funds					Total Nonmajor Governmental Funds	
	Food Service Fund	Athletics Fund	Permanent Improvement Fund	Building Fund Series 1	2002 A Bond Fund	2002 B Bond Fund	2004 Bond Fund	2006 Bond Fund	2008 Bond Fund	Durant Bond Fund	
Revenues											
Local sources	\$ 363,165	\$ 87,052	\$ -	\$ -	\$ -	\$ 3,882	\$ 1,118,659	\$ 1,665,431	\$ 912,952	\$ -	\$ 4,151,141
State sources	234,093	-	-	-	-	-	-	-	-	340,911	575,004
Federal sources	3,790,372	-	-	-	-	-	-	-	-	-	3,790,372
Total revenues	<u>4,387,630</u>	<u>87,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,882</u>	<u>1,118,659</u>	<u>1,665,431</u>	<u>912,952</u>	<u>340,911</u>	<u>8,516,517</u>
Expenditures											
Education											
Food services	4,371,769	-	-	-	-	-	-	-	-	-	4,371,769
Athletics	-	994,090	-	-	-	-	-	-	-	-	994,090
Capital projects	-	-	137,776	-	-	-	-	-	-	-	137,776
Debt retirement											
Principal	-	-	-	-	455,000	90,000	300,000	500,000	150,000	270,172	1,765,172
Interest	-	-	-	-	138,210	20,825	814,450	1,165,206	761,952	70,739	2,971,382
Bank fees	-	-	-	-	275	-	225	225	1,000	-	1,725
Total expenditures	<u>4,371,769</u>	<u>994,090</u>	<u>137,776</u>	<u>-</u>	<u>593,485</u>	<u>110,825</u>	<u>1,114,675</u>	<u>1,665,431</u>	<u>912,952</u>	<u>340,911</u>	<u>10,241,914</u>
Other financing sources (uses)											
Transfers in											
General Fund	-	907,038	137,800	-	593,485	98,325	-	-	-	-	1,736,648
Transfers out											
Capital Projects Fund	-	-	-	(2,504,787)	-	-	-	-	-	-	(2,504,787)
Total other financing sources (uses)	<u>-</u>	<u>907,038</u>	<u>137,800</u>	<u>(2,504,787)</u>	<u>593,485</u>	<u>98,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(768,139)</u>
Net change in fund balance	15,861	-	24	(2,504,787)	-	(8,618)	3,984	-	-	-	(2,493,536)
Fund balance - July 1	-	-	196,027	2,504,787	-	56,741	695,711	-	-	-	3,453,266
Fund balance - June 30	<u>\$ 15,861</u>	<u>\$ -</u>	<u>\$ 196,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,123</u>	<u>\$ 699,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 959,730</u>



SPECIAL REVENUE FUNDS

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

Food Service Fund - This fund is used to account for activities related to operation of cafeterias in the district's school buildings, providing nourishing breakfasts, lunches, and snacks to students in all grades.

Athletics Fund - This fund is used to account for activities related to operation of the district's athletic programs. A comprehensive program including football, basketball, baseball, softball, hockey, soccer, tennis, swimming, golf, track, cross country, wrestling, volleyball, cheerleading, and pompon is provided.

SCHOOL DISTRICT OF THE CITY OF SAGINAW

Special Revenue Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2009

	Food Service Fund			Athletics Fund			Total		
			Variance			Variance			Variance
	Budget	Actual	Positive (Negative)	Budget	Actual	Positive (Negative)	Budget	Actual	From Final Budget
Revenues									
Local sources	\$ 388,821	\$ 363,165	\$ (25,656)	\$ 79,200	\$ 87,052	\$ 7,852	\$ 468,021	\$ 450,217	\$ (17,804)
State sources	174,000	234,093	60,093	-	-	-	174,000	234,093	60,093
Federal sources	<u>3,290,900</u>	<u>3,790,372</u>	<u>499,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,290,900</u>	<u>3,790,372</u>	<u>499,472</u>
Total revenues	<u>3,853,721</u>	<u>4,387,630</u>	<u>533,909</u>	<u>79,200</u>	<u>87,052</u>	<u>7,852</u>	<u>3,932,921</u>	<u>4,474,682</u>	<u>541,761</u>
Expenditures									
Salaries	1,319,300	1,163,962	155,338	566,050	391,872	174,178	1,885,350	1,555,834	329,516
Employee benefits	664,225	513,861	150,364	159,215	112,384	46,831	823,440	626,245	197,195
Contracted services	80,600	340,204	(259,604)	207,750	412,806	(205,056)	288,350	753,010	(464,660)
Food cost	1,784,561	2,337,526	(552,965)	-	-	-	1,784,561	2,337,526	(552,965)
Supplies and materials	25,000	16,216	8,784	54,700	75,329	(20,629)	79,700	91,545	(11,845)
Other	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>1,485</u>	<u>1,699</u>	<u>(214)</u>	<u>3,985</u>	<u>1,699</u>	<u>2,286</u>
Total expenditures	<u>3,876,186</u>	<u>4,371,769</u>	<u>(495,583)</u>	<u>989,200</u>	<u>994,090</u>	<u>(4,890)</u>	<u>4,865,386</u>	<u>5,365,859</u>	<u>(500,473)</u>
Excess (deficiency) of revenues over expenditures	(22,465)	15,861	38,326	(910,000)	(907,038)	2,962	(932,465)	(891,177)	41,288
Other financing sources									
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>910,000</u>	<u>907,038</u>	<u>(2,962)</u>	<u>910,000</u>	<u>907,038</u>	<u>(2,962)</u>
Net change in fund balance	(22,465)	15,861	38,326	-	-	-	(22,465)	15,861	38,326
Fund balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ (22,465)</u>	<u>\$ 15,861</u>	<u>\$ 38,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,465)</u>	<u>\$ 15,861</u>	<u>\$ 38,326</u>



CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Permanent Improvement Fund - This fund is used to account for major site and building improvements not covered by the Durant Fund.

Building Fund - Series 1 - This fund is used to account for the proceeds of the first series of bonds issued as part of the \$70,000,000 in bonds approved by the District's voters. The proceeds will be used to renovate three existing buildings and construct a new elementary building.

Building Fund - Series 2 - This fund is used to account for the proceeds of the second series of bonds issued as part of the \$70,000,000 in bonds approved by the District's voters. The proceeds will be used to construct a new middle school and provide security enhancements at two high schools.

Building Fund - Series 3 - This fund is used to account for the proceeds of the third series of bonds issued as part of the \$70,000,000 in bonds approved by the District's voters. The proceeds will be used to construct a new middle school and provide security enhancements at two high schools.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2009

	<u>Non-Major Fund</u>			<u>Non-Major Fund</u>		
	<u>Permanent Improvement Fund</u>			<u>Building Fund- Series 1</u>		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Positive (Negative)
Revenues						
Local sources						
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures						
Capital outlay						
Building renovations	200,000	137,776	62,224	-	-	-
Other Financing Sources (Uses)						
Transfer from General Fund	200,000	137,800	(62,200)	-	-	-
Transfer from Building Fund - Series I	-	-	-	-	-	-
Transfer to Building Fund - Series III	-	-	-	-	(2,504,787)	(2,504,787)
Total other financing sources (uses)	200,000	137,800	(62,200)	-	(2,504,787)	(2,504,787)
Net Change in Fund Balance	-	24	62,224	-	(2,504,787)	-
Fund balance - beginning of year	196,027	196,027	-	2,504,787	2,504,787	-
Fund balance - end of year	\$ 196,027	\$ 196,051	\$ 62,224	\$ 2,504,787	\$ -	\$ -

(Continued)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2009

	<u>Major Fund</u>			<u>Major Fund</u>		
	<u>Building Fund - Series 2</u>			<u>Building Fund - Series 3</u>		
	Budget	Actual	Variance From Final Budget	Budget	Actual	Variance From Final Budget
Revenues						
Local sources						
Earnings on investments	\$ 500,000	\$ (252,973)	\$ (752,973)	\$ -	\$ 208,050	\$ 208,050
Expenditures						
Capital outlay						
Building renovations	-	1,516,330	(1,516,330)	-	1,312,052	(1,312,052)
Other Financing Sources (Uses)						
Transfer from General Fund	-	-	-	-	-	-
Transfer from Building Fund - Series I	-	-	-	-	2,504,787	(2,504,787)
Transfer to Building Fund - Series III	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	2,504,787	(2,504,787)
Net Change in Fund Balance	500,000	(1,769,303)	(2,269,303)	-	1,400,785	(3,608,789)
Fund balance - Beginning of year	4,863,031	4,863,031	-	19,202,085	19,202,085	-
Fund balance - End of year	<u>\$ 5,363,031</u>	<u>\$ 3,093,728</u>	<u>\$ (2,269,303)</u>	<u>\$ 19,202,085</u>	<u>\$ 20,602,870</u>	<u>\$ (3,608,789)</u>

(Continued)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2009

	<u>Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues			
Local sources			
Earnings on investments	\$ 500,000	\$ (44,923)	\$ (544,923)
Expenditures			
Capital outlay			
Building renovations	200,000	2,966,158	(2,766,158)
Other Financing Sources (Uses)			
Transfer from General Fund	200,000	137,800	(62,200)
Transfer from Building Fund - Series I	-	2,504,787	(2,504,787)
Transfer to Building Fund - Series III	-	(2,504,787)	(2,504,787)
Total other financing sources (uses)	200,000	137,800	(5,071,774)
 Net Change in Fund Balance	 500,000	 (2,873,281)	 (8,382,855)
Fund balance - Beginning of year	26,765,930	26,765,930	-
Fund balance - End of year	<u>\$ 27,265,930</u>	<u>\$ 23,892,649</u>	<u>\$ (8,382,855)</u>



DEBT SERVICE FUNDS

Debt Service Funds are used to record tax and interest revenue and operating transfers in , and the payment of interest, principal and other expenditures on long-term bonded debt by bond issues.

2002 A Bond Fund - This fund is used to account for the payment of principal and interest on bonds issued to renovate the Arthur Eddy K-8 instructional building.

2002 B Bond Fund - This fund is used to account for the payment of principal and interest on bonds issued to renovate and equip the Arthur Eddy K-8 instructional building.

2004 Bond Fund - This fund is used to account for the payment of principal and interest on bonds issued to renovate three elementary school buildings and construct one new elementary building.

2006 Bond Fund - This fund is used to account for the payment of principal and interest on bonds issued to renovate school buildings and construct one new middle school.

2008 Bond Fund - This fund is used to account for the payment of principal and interest on bonds issued for construction of Saginaw Arts and Science Academy and Zilwaukee and improvements to Arthur Hill High School and Saginaw High School.

Durant Bond Fund - This fund is used to account for the payment of principal and interest on bonds issued as a result of the Durant special education lawsuit settlement. The State of Michigan makes these payments. The school district records a state source revenue and an offsetting principal and interest expenditure for this transaction.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Debt Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2009

	<u>Non-Major Fund</u>			<u>Non-Major Fund</u>		
	<u>2002 A Bond Fund</u>			<u>2002 B Bond Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues						
Local sources						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	3,882	3,882
Total local sources	-	-	-	-	3,882	3,882
State sources	-	-	-	-	-	-
Total revenues	-	-	-	-	3,882	3,882
Expenditures						
Debt retirement						
Principal	455,000	455,000	-	90,000	90,000	-
Interest	138,210	138,210	-	20,825	20,825	-
Bank fees	275	275	-	-	-	-
Total expenditures	593,485	593,485	-	110,825	110,825	-
Other financing sources						
Transfers from						
General Fund	593,485	593,485	-	110,825	98,325	(12,500)
Net change in fund balance	-	-	-	-	(8,618)	(8,618)
Fund balance - July 1	-	-	-	56,741	56,741	-
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,741</u>	<u>\$ 48,123</u>	<u>\$ (8,618)</u>

(Continued)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Debt Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2009

	<u>Non-Major Fund</u>			<u>Non-Major Fund</u>		
	<u>2004 Bond Fund</u>			<u>2006 Bond Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues						
Local sources						
Property Taxes	\$ 1,114,675	\$ 1,086,007	\$ (28,668)	\$ 1,665,431	\$ 1,657,719	\$ (7,712)
Earnings on investments	<u>-</u>	<u>32,652</u>	<u>32,652</u>	<u>-</u>	<u>7,712</u>	<u>7,712</u>
Total local sources	<u>1,114,675</u>	<u>1,118,659</u>	<u>3,984</u>	<u>1,665,431</u>	<u>1,665,431</u>	<u>-</u>
State sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,114,675</u>	<u>1,118,659</u>	<u>3,984</u>	<u>1,665,431</u>	<u>1,665,431</u>	<u>-</u>
Expenditures						
Debt retirement						
Principal	300,000	300,000	-	500,000	500,000	-
Interest	814,450	814,450	-	1,165,206	1,165,206	-
Bank fees	<u>225</u>	<u>225</u>	<u>-</u>	<u>225</u>	<u>225</u>	<u>-</u>
Total expenditures	<u>1,114,675</u>	<u>1,114,675</u>	<u>-</u>	<u>1,665,431</u>	<u>1,665,431</u>	<u>-</u>
Other financing sources						
Transfers from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	3,984	3,984	-	-	-
Fund balance - July 1	<u>695,711</u>	<u>695,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - June 30	<u>\$ 695,711</u>	<u>\$ 699,695</u>	<u>\$ 3,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Debt Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2009

	<u>Non-Major Fund</u>			<u>Non-Major Fund</u>		
	<u>2008 Bond Fund</u>			<u>Durant Bond Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues						
Local sources						
Property Taxes	\$ 912,952	\$ 909,963	\$ (2,989)	\$ -	\$ -	\$ -
Earnings on investments	-	2,989	2,989	-	-	-
Total local sources	<u>912,952</u>	<u>912,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
State sources	-	-	-	-	340,911	340,911
Total revenues	<u>912,952</u>	<u>912,952</u>	<u>-</u>	<u>-</u>	<u>340,911</u>	<u>340,911</u>
Expenditures						
Debt retirement						
Principal	150,000	150,000	-	-	270,172	270,172
Interest	761,952	761,952	-	-	70,739	70,739
Bank fees	1,000	1,000	-	-	-	-
Total expenditures	<u>912,952</u>	<u>912,952</u>	<u>-</u>	<u>-</u>	<u>340,911</u>	<u>340,911</u>
Other financing sources						
Transfers from General Fund	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-
Fund balance - July 1	-	-	-	-	-	-
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Debt Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2009

	Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues			
Local sources			
Property Taxes	\$ 3,693,058	\$ 3,653,689	\$ (39,369)
Earnings on investments	<u>-</u>	<u>47,235</u>	<u>47,235</u>
Total local sources	<u>3,693,058</u>	<u>3,700,924</u>	<u>7,866</u>
State sources	<u>-</u>	<u>340,911</u>	<u>340,911</u>
Total revenues	<u>3,693,058</u>	<u>4,041,835</u>	<u>348,777</u>
Expenditures			
Debt retirement			
Principal	1,495,000	1,765,172	270,172
Interest	2,900,643	2,971,382	70,739
Bank fees	<u>1,725</u>	<u>1,725</u>	<u>-</u>
Total expenditures	<u>4,397,368</u>	<u>4,738,279</u>	<u>340,911</u>
Other financing sources			
Transfers from			
General Fund	<u>704,310</u>	<u>691,810</u>	<u>(12,500)</u>
Net change in fund balance	-	(4,634)	(4,634)
Fund balance - July 1	<u>752,452</u>	<u>752,452</u>	<u>-</u>
Fund balance - June 30	<u>\$ 752,452</u>	<u>\$ 747,818</u>	<u>\$ (4,634)</u>



FIDUCIARY FUNDS

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

Private Purpose Trust Funds

Scholarship Fund - Accounts for funds entrusted to the School District for scholarship loans and awards to worthy students when the principal and interest of the trust may be spent.

Scholarship Endowment Fund - Accounts for funds entrusted to the School District and the principal must remain intact. Interest earned may be spent for scholarship awards to worthy students.

Agency Funds:

Agency Fund - Accounts for monies held by the School District as fiscal agent.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Combining Statement of Fiduciary Net Assets - Private Purpose Trust Funds
June 30, 2009

	Scholarship Fund	Scholarship Endowment Fund	Total
Assets			
Cash and cash equivalents	\$ 246,763	\$ -	\$ 246,763
Investments	1,563,037	254,138	1,817,175
Loans receivable	39,289	-	39,289
Total assets	1,849,089	254,138	2,103,227
Net Assets			
Restricted for scholarships and loans	\$ 1,849,089	\$ 254,138	\$ 2,103,227

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Combining Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds
Year Ended June 30, 2009

	Scholarship Fund	Scholarship Endowment Fund	Total
Revenues			
Local sources	\$ 59,060	\$ -	\$ 59,060
Expenses			
Scholarships and awards	35,133	-	35,133
Change in net assets	23,927	-	23,927
Net Assets - July 1	1,825,162	254,138	2,079,300
Net Assets - June 30	<u>\$ 1,849,089</u>	<u>\$ 254,138</u>	<u>\$ 2,103,227</u>

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Agency Funds
Statement of Changes in Assets and Liabilities
Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009
Assets				
Cash and cash equivalents	\$ 970,646	\$ 882,447	\$ 1,224,633	\$ 628,460
Due from other funds	4,410	-	4,410	-
	<u>\$ 975,056</u>	<u>\$ 882,447</u>	<u>\$ 1,229,043</u>	<u>\$ 628,460</u>
Liabilities				
Accounts payable	\$ -	\$ 872,918	\$ 872,380	\$ 538
Due to other funds	356,663	-	356,663	-
Due to student and other groups	618,393	882,447	872,918	627,922
	<u>\$ 975,056</u>	<u>\$ 1,755,365</u>	<u>\$ 2,101,961</u>	<u>\$ 628,460</u>

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Agency Funds
Schedule of Changes in Due to Student and Other Groups
Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009
Student Groups				
Senior High Schools				
Arthur Hill	\$ 85,837	\$ 95,999	\$ 89,238	\$ 92,598
Saginaw	28,229	84,486	86,782	25,933
Middle Schools				
Central	25,232	4,081	18,964	10,349
Thompson	3,536	6,218	1,565	8,189
Webber	10,193	104	7,279	3,018
Elementary Schools				
Arthur Eddy	15,393	26,908	29,194	13,107
Chester Miller	5,535	8,923	8,223	6,235
Coulter	1,584	987	2,524	47
Handley	45,147	17,697	24,423	38,421
Heavenrich	12,208	8,009	16,435	3,782
Herig	2,730	18,129	20,587	272
Houghton	11,297	6,147	11,560	5,884
Jerome	12,361	16,389	13,919	14,831
Jessie Loomis	5,942	17,917	14,858	9,001
Jessie Rouse	915	10,077	9,436	1,556
Kempton	6,518	25,451	23,132	8,837
Longfellow	11,219	3,575	12,900	1,894
Merrill Park	15,849	20,278	20,435	15,692
Stone	2,205	1,505	2,540	1,170
Webber	3,782	1,150	4,932	-
Zilwaukee	2,063	29,949	31,802	210
Subtotal carried forward	307,775	403,979	450,728	261,026

(Continued)

(Continued)

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Agency Funds
Schedule of Changes in Due to Student and Other Groups
Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009
Subtotal brought forward	307,775	403,979	450,728	261,026
Adult and Other Schools				
Alternative High School	10,670	286	1,039	9,917
Saginaw Career Complex	29,794	145,089	130,705	44,178
Saginaw Arts and Sciences Academy	46,684	227,943	242,267	32,360
Community Education Department	5,091	1,329	3,374	3,046
Hillier Education Center	290	7	108	189
Total due to student groups	<u>400,304</u>	<u>778,633</u>	<u>828,221</u>	<u>350,716</u>
Other Groups				
21st Century	-	3,455	-	3,455
Administrative	-	16,196	-	16,196
Bus Garage	2,570	1,351	534	3,387
District-wide programs	(176)	176	-	-
FEMA	-	13,110	-	13,110
Parent Resource	-	817	-	817
Project SOAR	5	20,269	20,269	5
Saginaw AAU Sports	76	1	-	77
Social Work	1,007	17	309	715
Special education	236	-	235	1
Special Events	9,348	191	1,336	8,203
Special Needs - District-wide	155,443	30,484	774	185,153
Staff Development Center	49,580	17,747	21,240	46,087
Total due to other groups	<u>218,089</u>	<u>103,814</u>	<u>44,697</u>	<u>277,206</u>
Total due to student and other groups	<u>\$ 618,393</u>	<u>\$ 882,447</u>	<u>\$ 872,918</u>	<u>\$ 627,922</u>

STATISTICAL SECTION



This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the District's overall financial health.

The statistical section is organized into the following main categories

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information

Sources - Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Districted implanted GASB 34 in 2003; schedules presenting district-wide information include information beginning in that year.



FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities					
Invested in capital assets, net of related debt	\$ 11,510,074	\$ 36,183,087	\$ 36,194,031	\$ 16,902,879	\$ 35,710,299
Restricted	22,959,122	194,442	774,601	27,518,382	747,818
Unrestricted	4,173,571	4,921,201	4,810,305	(7,407,326)	(2,520,085)
Total primary government net assets	<u>\$ 38,642,767</u>	<u>\$ 41,298,730</u>	<u>\$ 41,778,937</u>	<u>\$ 37,013,935</u>	<u>\$ 33,938,032</u>

Note: The district began to report accrual information when it implemented GASB Statement 34 in 2002.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Expenses, Program Revenues, and Net (Expense)/ Revenue
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
Instruction	\$ 66,368,984	\$ 66,126,577	\$ 67,452,745	\$ 64,825,877	\$ 62,393,169	\$ 60,486,582	\$ 59,533,239
Pupil personnel services	8,610,608	8,709,310	6,948,885	7,636,150	7,424,886	7,218,435	7,679,005
Instructional training, media, curriculum	6,819,100	6,381,643	8,824,699	7,531,369	8,628,058	6,911,213	6,873,607
Board of Education	240,231	366,940	637,001	451,295	350,852	396,410	471,344
Executive administration	301,153	311,908	315,739	317,309	329,647	337,864	330,404
School administration	7,313,758	7,357,736	7,092,618	7,096,737	6,404,504	6,066,237	5,530,293
Food services	4,216,442	4,218,556	4,658,608	4,685,429	4,557,398	4,417,989	4,407,443
Fiscal services	2,162,533	1,065,379	866,251	1,114,356	1,071,441	1,021,764	951,101
Business services	1,022,614	1,217,377	1,594,538	1,616,343	1,482,812	1,490,212	1,574,894
Central services	3,450,666	3,566,921	3,694,221	3,520,565	3,204,339	4,138,793	2,831,981
Pupil transportation services	2,788,261	2,836,720	2,175,681	2,265,505	2,274,089	2,541,468	2,663,829
Operation and maintenance of plant	11,252,809	11,072,750	9,910,193	10,620,795	11,085,651	10,192,432	9,598,970
Security	-	-	1,037,398	1,432,740	1,451,050	1,519,175	1,617,828
Community services	1,611,322	1,547,139	1,477,060	1,613,710	1,159,948	684,844	655,016
Athletics	969,759	957,596	1,019,207	1,049,270	1,118,926	1,032,935	994,090
Interest on long term debt	397,161	396,078	876,464	1,205,768	2,190,173	2,496,816	2,983,382
Capital outlay (not capitalized)	633,363	1,147,967	-	-	-	-	-
Depreciation	426,002	373,512	373,512	283,598	-	-	-
Total primary government expenses	118,584,766	117,654,109	118,954,820	117,266,816	115,126,943	110,953,169	108,696,426
Program Revenues							
Governmental activities:							
Charges for services							
Instruction	910,901	65,618	17,577	10,916	25,567	30,091	11,547
Food service	492,085	474,202	460,644	431,971	393,108	382,611	363,165
Athletics	108,317	89,138	78,901	72,913	76,776	73,916	87,052
Operating grants and contributions	29,658,009	29,763,179	29,713,655	31,548,510	31,127,164	27,835,222	31,963,486
Capital grants and contributions	1,214,318	-	-	1,608,723	-	-	-
Total primary government program revenues	32,383,630	30,392,137	30,270,777	33,673,033	31,622,615	28,321,840	32,425,250
Net (Expense)/Revenue							
Total primary government net expense	<u><u>\$(86,201,136)</u></u>	<u><u>\$(87,261,972)</u></u>	<u><u>\$(88,684,043)</u></u>	<u><u>\$(83,593,783)</u></u>	<u><u>\$(83,504,328)</u></u>	<u><u>\$(82,631,329)</u></u>	<u><u>\$(76,271,176)</u></u>

Notes: The district began to report accrual information when it implemented GASB Statement 34 in 2002.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
General Revenues and Total Change in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Net (Expense)/Revenue							
Total primary government net expense	\$ (86,201,136)	\$ (87,261,972)	\$ (83,593,783)	\$ (83,504,328)	\$ (83,504,328)	\$ (82,631,329)	\$ (76,271,176)
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Property taxes	8,064,478	8,134,294	10,919,289	12,807,734	13,166,014	12,607,597	11,352,219
State Aid-unrestricted	76,815,224	75,541,949	74,003,698	71,587,380	66,740,327	64,127,478	61,020,701
Investment earnings	213,168	156,699	562,377	1,454,265	3,179,918	1,467,123	364,774
Miscellaneous	29,109	1,313,499	451,619	400,367	898,276	1,724,497	457,579
Total primary government	<u>85,121,979</u>	<u>85,146,441</u>	<u>85,936,983</u>	<u>86,249,746</u>	<u>83,984,535</u>	<u>79,926,695</u>	<u>73,195,273</u>
Change in Net Assets							
Total primary government	<u>\$ (1,079,157)</u>	<u>\$ (2,115,531)</u>	<u>\$ 2,343,200</u>	<u>\$ 2,745,418</u>	<u>\$ 480,207</u>	<u>\$ (2,704,634)</u>	<u>\$ (3,075,903)</u>

Note: The district began to report accrual information when it implemented GASB Statement 34 in 2002.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 11,927,520	\$ 10,377,608	\$ 1,612,533	\$ 1,763,881	\$ 1,540,920	\$ 1,361,651	\$ 990,517	\$ 956,921	\$ 796,702	\$ 507,093
Unreserved	-	-	9,197,543	8,092,186	6,459,309	5,569,030	5,643,502	5,675,923	1,165,947	601,807
Total general fund	<u>\$ 11,927,520</u>	<u>\$ 10,377,608</u>	<u>\$ 10,810,076</u>	<u>\$ 9,856,067</u>	<u>\$ 8,000,229</u>	<u>\$ 6,930,681</u>	<u>\$ 6,634,019</u>	<u>\$ 6,632,844</u>	<u>\$ 1,962,649</u>	<u>\$ 1,108,900</u>
All Other Governmental Funds										
Reserved	\$ 3,334,253	\$ 2,813,707	\$ 1,145,633	\$ 1,707,723	\$ 1,551,617	\$ 23,057,493	\$ 37,291,483	\$ 23,423,466	\$ 27,518,382	\$ 24,656,328
Unreserved, reported in:										
Trust and agency funds	931,496	951,827	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 4,265,749</u>	<u>\$ 3,765,534</u>	<u>\$ 1,145,633</u>	<u>\$ 1,707,723</u>	<u>\$ 1,551,617</u>	<u>\$ 23,057,493</u>	<u>\$ 37,291,483</u>	<u>\$ 23,423,466</u>	<u>\$ 27,518,382</u>	<u>\$ 24,656,328</u>

Note: The significant change in fund balance during the 2005 and 2006 fiscal years is due to the issuance of facility bonds.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Federal sources:										
Federal grants	\$ 11,912,573	\$ 12,689,051	\$ 13,398,575	\$ 13,407,962	\$ 14,465,971	\$ 16,784,845	\$ 17,771,949	\$ 17,008,066	\$ 15,402,131	\$ 19,951,623
Food services	3,299,962	3,332,164	3,250,921	3,678,327	3,767,057	3,855,562	3,717,510	3,484,712	3,633,338	3,790,372
Total federal sources	<u>15,212,535</u>	<u>16,021,215</u>	<u>16,649,496</u>	<u>17,086,289</u>	<u>18,233,028</u>	<u>20,640,407</u>	<u>21,489,459</u>	<u>20,492,778</u>	<u>19,035,469</u>	<u>23,741,995</u>
State sources:										
State grants	78,028,228	79,235,060	80,573,089	80,923,461	82,970,511	80,227,412	79,059,960	75,631,275	72,263,963	67,940,056
Debt service	606,841	606,641	606,457	-	-	-	1,123,268	-	-	-
Other restricted revenue	1,750,142	3,467,035	4,308,273	5,768,283	532,918	485,455	485,455	-	-	-
Food services	66,825	197,241	186,519	181,806	188,552	194,907	205,494	233,496	207,841	575,004
Total state sources	<u>80,452,036</u>	<u>83,505,977</u>	<u>85,674,338</u>	<u>86,873,550</u>	<u>83,691,981</u>	<u>80,907,774</u>	<u>80,874,177</u>	<u>75,864,771</u>	<u>72,471,804</u>	<u>68,515,060</u>
Local sources:										
Property taxes	8,079,687	8,178,690	8,613,557	8,042,322	8,004,191	9,209,659	9,306,665	9,400,331	8,877,089	7,729,568
Food Service	516,141	536,882	673,055	492,085	474,202	460,644	431,971	393,108	382,611	363,165
Athletics	105,766	97,506	128,511	108,317	89,138	78,901	72,913	76,776	73,916	87,052
Capital projects	1,169,218	1,091,161	-	44,728	10,752	133,654	806,665	2,264,688	629,583	(41,041)
Debt service	53,060	59,214	-	-	-	1,752,401	3,677,111	3,812,901	3,846,694	3,697,042
Investment earnings	563,570	539,300	258,811	168,440	156,699	428,166	592,893	741,698	758,848	362,462
Gifts and grants	559,385	639,084	634,765	665,693	491,013	358,512	395,235	316,602	139,012	59,370
Tuition	8,976	10,333	813,581	910,901	65,618	17,577	10,916	17,040	19,500	300
Expendable trust	222,723	303,718	-	-	-	-	-	-	-	-
Miscellaneous	259,586	641,048	158,905	69,450	165,679	187,167	84,847	74,611	174,529	477,514
Total local sources	<u>11,538,112</u>	<u>12,096,936</u>	<u>11,281,185</u>	<u>10,501,936</u>	<u>9,457,292</u>	<u>12,626,681</u>	<u>15,379,216</u>	<u>17,097,755</u>	<u>14,901,782</u>	<u>12,735,432</u>
Intermediate sources:										
Transportation	340,832	468,892	630,259	678,796	-	-	-	-	-	-
Special Education	2,156,808	2,158,969	2,031,281	2,383,223	2,231,489	2,891,696	2,250,763	2,103,098	1,867,771	649,872
Total intermediate sources	<u>2,497,640</u>	<u>2,627,861</u>	<u>2,661,540</u>	<u>3,062,019</u>	<u>2,231,489</u>	<u>2,891,696</u>	<u>2,250,763</u>	<u>2,103,098</u>	<u>1,867,771</u>	<u>649,872</u>
Total revenues	<u>\$109,700,323</u>	<u>\$114,251,989</u>	<u>\$116,266,559</u>	<u>\$117,523,794</u>	<u>\$113,613,790</u>	<u>\$117,066,558</u>	<u>\$119,993,615</u>	<u>\$115,558,402</u>	<u>\$108,276,826</u>	<u>\$105,642,359</u>

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Instruction	\$ 59,243,346	\$ 60,597,162	\$ 61,964,485	\$ 65,412,180	\$ 65,107,964	\$ 66,214,261	\$ 64,079,173	\$ 60,217,638	\$ 58,398,087	\$ 56,986,507
Pupil personnel services	6,970,983	8,482,360	8,716,111	8,610,608	8,709,310	6,948,885	7,636,150	7,424,886	7,218,435	7,679,005
Instructional training, media, curriculum	7,062,014	6,183,108	6,818,608	6,129,139	5,611,371	8,045,535	6,735,720	7,084,620	6,137,337	5,452,061
Board of Education	225,150	247,656	257,541	240,231	366,940	637,001	451,295	350,852	396,410	471,344
Executive administration	235,482	248,489	268,684	301,153	311,908	315,739	317,309	329,647	337,864	330,404
School administration	6,338,284	6,725,669	6,808,121	7,313,758	7,357,736	7,092,618	7,096,737	6,404,504	6,066,237	5,530,293
Food services	3,697,866	3,845,576	3,990,849	4,216,442	4,218,556	4,658,608	4,685,429	4,342,533	4,382,315	4,371,769
Fiscal Services	904,737	997,351	1,149,761	2,162,533	1,065,379	866,251	1,114,356	1,071,441	1,021,764	951,101
Business services	892,996	811,631	656,570	1,022,614	1,217,377	1,594,538	1,616,343	1,482,812	1,490,212	1,574,894
Central Services	2,961,718	3,132,741	3,495,704	3,450,666	3,566,921	3,694,221	3,520,565	3,204,339	4,138,793	2,831,981
Pupil transportation services	2,528,583	2,798,406	2,707,584	2,788,261	2,836,720	2,175,681	2,265,505	2,274,089	2,541,468	2,663,829
Operation and maintenance of plant	9,642,648	10,848,718	10,578,712	11,252,809	11,072,750	9,910,193	10,620,795	11,085,651	10,192,432	9,598,970
Security						1,037,398	1,432,740	1,451,050	1,519,175	1,617,828
Community services	1,735,013	1,517,098	1,428,808	1,611,322	1,547,139	1,477,060	1,613,710	1,124,495	629,477	599,649
Athletics	1,021,970	975,787	970,011	969,759	957,596	1,019,207	1,049,270	1,118,926	1,032,935	994,090
Capital outlay	9,172,402	8,192,229	5,051,477	8,702,974	1,896,536	818,220	14,011,000	16,335,213	16,324,255	2,966,158
Debt service										
Principal	532,851	418,208	437,936	445,000	470,000	1,680,000	4,191,728	2,025,000	2,280,000	1,765,172
Interest	214,094	188,433	168,521	188,795	240,110	686,464	1,615,768	2,099,173	2,223,816	2,971,382
Miscellaneous	891,036	8,290	-	474	275	387	500	725	725	1,725
Total primary government expenses	<u>\$114,271,173</u>	<u>\$116,218,912</u>	<u>\$115,469,483</u>	<u>\$124,818,718</u>	<u>\$116,554,588</u>	<u>\$118,872,267</u>	<u>\$134,054,093</u>	<u>\$129,427,594</u>	<u>\$126,331,737</u>	<u>\$109,358,162</u>
Debt service as a percentage of noncapital expenditures	1.6%	0.6%	0.6%	0.5%	0.6%	2.0%	5.1%	3.8%	4.3%	4.7%

Notes: This schedule includes all data from the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances.
This information changed with the implementation of GASB 34; therefore the years prior to 2002 have different information.
Prior to 1999 employee benefits are included in Central Services.
Prior to 2005 security was included in with Central Services.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Excess of revenues over (under) expenditures	\$ (5,214,557)	\$ (2,184,364)	\$ 797,076	\$ (7,294,924)	\$ (2,940,800)	\$ (1,805,709)	\$ (14,060,478)	\$ (13,869,192)	\$ (18,054,911)	\$ (3,715,803)
Other Financing Sources (Uses)										
Transfers in	5,026,612.00	4,805,982.00	4,586,445	2,950,912	2,507,423	1,650,656	2,006,062	1,815,253	2,024,979	4,241,435
Transfers out	(4,774,896)	(4,790,915)	(4,586,445)	(2,950,912)	(1,578,568)	(1,650,656)	(2,006,062)	(1,815,253)	(2,024,979)	(4,241,435)
Bond proceeds	-	-	-	6,946,192	-	22,130,000	28,160,000	-	19,540,000	-
Net original issue premium	-	-	-	-	-	271,016	5,040	-	-	-
Bond issuance costs	-	-	-	(43,187)	-	(158,979)	(167,234)	-	-	-
Total other financing sources (uses)	<u>251,716</u>	<u>15,067</u>	<u>-</u>	<u>6,903,005</u>	<u>928,855</u>	<u>22,242,037</u>	<u>27,997,806</u>	<u>-</u>	<u>19,540,000</u>	<u>-</u>
Prior period adjustments	<u>391,047</u>	<u>120,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u><u>\$ (4,571,794)</u></u>	<u><u>\$ (2,049,108)</u></u>	<u><u>\$ 797,076</u></u>	<u><u>\$ (391,919)</u></u>	<u><u>\$ (2,011,945)</u></u>	<u><u>\$ 20,436,328</u></u>	<u><u>\$ 13,937,328</u></u>	<u><u>\$ (13,869,192)</u></u>	<u><u>\$ 1,485,089</u></u>	<u><u>\$ (3,715,803)</u></u>



REVENUE CAPACITY

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

<u>FISCAL YEAR</u>	<u>TAXABLE VALUE</u>				<u>ESTIMATED ACTUAL VALUE</u>	<u>(A) Total Direct Rate</u>
	<u>CITY OF SAGINAW</u>	<u>CITY OF ZILWAUKEE</u>	<u>KOCHVILLE TOWNSHIP</u>	<u>TOTAL</u>		
1999-00	\$ 633,812,988	\$ 28,863,247	\$ 105,978,984	\$ 768,655,219	\$ 1,537,310,438	18.00
2000-01	633,911,654	33,272,589	115,180,065	782,364,308	1,564,728,616	18.00
2001-02	684,397,497	35,325,969	119,322,353	839,045,819	1,678,091,638	18.00
2002-03	684,676,885	38,428,812	123,460,427	846,566,124	1,693,132,248	18.00
2003-04	690,961,250	38,373,474	142,663,692	871,998,416	1,743,996,832	18.00
2004-05	701,689,995	38,340,231	142,321,992	882,352,218	1,764,704,436	18.00
2005-06	706,601,023	39,146,644	150,750,133	896,497,800	1,792,995,600	18.00
2006-07	740,549,396	43,442,895	168,054,119	952,046,410	1,904,092,820	18.00
2007-08	721,640,702	44,717,040	175,606,032	941,963,774	1,883,927,548	18.00
2008-09	739,172,861	43,430,467	167,058,884	949,662,212	1,899,324,424	18.00

Note: Total actual value is estimated by doubling the taxable value.

(A) Per \$1,000 of taxable value.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of taxable value)

<u>Fiscal Year</u>	<u>District Direct Rates</u>			<u>Overlapping Rates</u>				
	<u>Operating Millage</u>	<u>Debt Millage</u>	<u>Total</u>	<u>City of Saginaw</u>	<u>City of Zilwaukee</u>	<u>Zilwaukee Township</u>	<u>Kochville Township</u>	<u>State of Michigan</u>
2000	18.0000	-	18.0000	40.8800	13.3500	-	1.0000	6.0000
2001	18.0000	-	18.0000	41.5500	13.3500	-	1.0000	6.0000
2002	18.0000	-	18.0000	45.3600	13.3600	-	1.0000	6.0000
2003	18.0000	-	18.0000	45.4300	13.3900	-	1.0000	5.0000
2004	18.0000	-	18.0000	42.2500	13.3800	-	1.0000	6.0000
2005	18.0000	1.9500	19.9500	44.2000	13.3800	-	1.0000	6.0000
2006	18.0000	3.9000	21.9000	43.8000	13.3400	-	1.0000	6.0000
2007	18.0000	3.9000	21.9000	33.9860	13.3400	-	1.0000	6.0000
2008	18.0000	3.9000	21.9000	34.0200	13.3400	-	1.0000	6.0000
2009	18.0000	3.9000	21.9000	36.6650	13.3370	-	1.0000	6.0000

Note: City of Saginaw rates are used in this schedule because their portion of the School District's assessed valuation is the largest. Comparative rates are provided for the City of Zilwaukee, Zilwaukee Township, and Kochville Township. The rates were provided by the Saginaw County Equalization Department.

The School District of the City of Saginaw 2005-06 operating millage rate of 18.00 per \$1000 of assessed value is levied on industrial and commercial property only as provided for in Proposal A. The State of Michigan also levies an additional 6.0 mills on all property.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)

<u>TAX PAYER</u>	<u>2009</u>		<u>2000</u>	
	<u>Taxable Value</u>	<u>Percentage of Total Taxable Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Value</u>
General Motors	\$ 32,438,366	5.12%	\$ 102,045,470	16.10%
Consumers Energy Company	17,569,650	2.77%	20,371,762	3.21%
Delphi Corporation	6,942,844	1.10%	122,776,127	19.37%
TRW Integrated Chassis Systems	8,505,300	1.34%	N/A	N/A
Enterprise Automotive Systems	5,193,700	0.82%	N/A	N/A
Linear Motion	5,093,524	0.80%	N/A	N/A
Machine Enterprises Inc.	3,741,200	0.59%	N/A	N/A
CMI-Schneible Co	3,650,400	0.58%	N/A	N/A
Corvus Nodular Interests II LLC	3,564,841	0.56%	N/A	N/A
SSP Associates Inc	3,460,060	0.55%	N/A	N/A
Charter Communications II	3,312,000	0.52%	N/A	N/A
Housing and Urban Development	3,075,226	0.49%	N/A	N/A
Riverfront Medical Realty LLC	2,888,556	0.46%	N/A	N/A
B & W Heat Treating	2,595,600	0.41%	N/A	N/A
Rifkin Scrap Iron Metal	2,491,693	0.39%	N/A	N/A
Meredith Corporation	2,558,200	0.40%	N/A	N/A
Totals	<u>\$ 50,130,300</u>	<u>16.89%</u>	<u>\$ 245,193,359</u>	<u>38.69%</u>

Note: The above assessed valuations were provided by the City of Saginaw Assessing Division.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollar amounts expressed in thousands) (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 7,864	\$ 7,767	98.77%	\$ 31	\$ 7,798	99.16%
2000	8,081	7,976	98.70%	75	8,051	99.63%
2001	8,210	8,083	98.45%	113	8,196	99.83%
2002	8,476	8,373	98.78%	73	8,446	99.64%
2003	8,148	7,948	97.55%	143	8,091	99.30%
2004	8,407	7,889	93.84%	162	8,051	95.77%
2005	11,085	10,926	98.57%	77	11,003	99.26%
2006	12,880	12,785	99.26%	81	12,866	99.89%
2007	12,975	11,537	88.92%	-	11,537	88.92%
2008	12,646	12,142	96.01%	-	12,142	96.01%
2009	11,363	11,326	99.67%	-	11,326	99.67%

Note: The School District began a debt service levy in 2005 of 1.95 mills, and in 2006 of 3.9 mills.



DEBT CAPACITY

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	State Aid Notes	Capital Leases	Serial Bonds	Facility Bond	Subtotal	Durant Bonds	Total	Percentage of Personal Income	Per Capita
2000	\$ -	\$ -	\$ 3,957,560	\$ -	\$ 3,957,560	\$ 3,919,014	\$ 7,876,574	0.58%	127
2001	-	-	3,539,352	-	3,539,352	3,519,623	7,058,975	0.52%	114
2002	-	-	-	-	-	3,101,416	3,101,416	0.19%	50
2003	3,047,428	-	-	6,550,000	9,597,428	3,101,416	12,698,844	0.78%	205
2004	13,639,050	-	-	6,080,000	19,719,050	3,101,416	22,820,466	1.46%	386
2005	20,314,000	-	-	26,530,000	46,844,000	3,101,416	49,945,416	3.18%	843
2006	18,795,827	-	-	51,610,000	70,405,827	1,989,687	72,395,514	9.11%	1,259
2007	17,214,274	-	-	49,585,000	66,799,274	1,989,687	68,788,961	8.85%	1,223
2008	18,144,000	-	-	62,790,000	80,934,000	1,989,687	82,923,687	11.40%	1,619
2009	19,665,000	-	-	61,840,000	81,505,000	1,989,687	83,494,687	N/A	N/A

Note: Details of the Districts outstanding debt can be found in Notes 7 and 8 to the financial statements
The Durant general obligation bonds are paid directly by the State of Michigan.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Saginaw	\$ 12,040,190	100.00%	\$ 12,040,190
City of Zilwaukee	-	-	-
County of Saginaw	38,612,810	17.73%	6,846,051
Kochville Township	370,148	90.05%	333,318
Saginaw I.S.D.	3,200,000	17.95%	574,400
Subtotal, overlapping debt			19,793,959
District direct debt			<u>64,950,000</u>
Total direct and overlapping debt			<u><u>\$ 84,743,959</u></u>

Note: The Durant general obligation bonds are paid directly by the State of Michigan and, thus, are not represented above. Overlapping debt amounts are provided by the Municipal Advisory Council of Michigan.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2007

State equalized value	\$ 938,368,153
Debt limit (15% of assessed value)	140,755,223
Debt applicable to limit	<u>3,957,560</u>
Legal debt margin	<u><u>\$ 136,797,663</u></u>

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 115,298,283	\$ 117,354,646	\$ 125,856,873	\$ 126,984,919	\$ 126,984,919	\$ 132,352,833	\$ 134,177,544	\$ 139,253,417	\$ 136,942,171	\$ 140,755,223
Total net debt applicable to limit	-	-	-	6,552,746	6,082,471	26,431,629	70,405,827	66,799,274	80,934,000	3,957,560
Legal debt margin	<u>\$ 115,298,283</u>	<u>\$ 117,354,646</u>	<u>\$ 125,856,873</u>	<u>\$ 120,432,173</u>	<u>\$ 120,902,448</u>	<u>\$ 105,921,204</u>	<u>\$ 63,771,717</u>	<u>\$ 72,454,143</u>	<u>\$ 56,008,171</u>	<u>\$ 136,797,663</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	5.16%	4.79%	19.97%	52.47%	47.97%	59.10%	2.81%



DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

<u>Calendar Year</u>	(A) <u>Population</u>	(A) <u>Personal Income</u>	(A) Per Capita <u>Personal Income</u>	(B) <u>Unemployment Rate</u>
1999	62,580	\$ 1,358,173,740	\$ 21,703	8.20%
2000	61,799	1,359,578,000	22,000	9.90%
2001	61,799	1,359,578,000	22,000	10.40%
2002	61,799	1,636,746,515	26,485	12.10%
2003	61,799	1,636,746,515	26,485	16.00%
2004	59,045	1,563,806,825	26,485	16.50%
2005	59,235	1,568,838,975	26,485	14.90%
2006	57,523	794,737,768	13,816	12.90%
2007	56,263	777,329,608	13,816	12.30%
2008	51,218	727,500,472	14,204	14.40%

Note: (A) Data provided by Saginaw Future Inc. as quoted from American Community Survey (3 yr estimate/US Census Bureau)

(B) Data provided by the Michigan Employment Security Commission

(C) Per capita income for the city of Saginaw was unavailable prior to 2006, median income was used
Information for the current year was not available at the time this report was prepared

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

<u>Employer</u>	<u>2009</u>		<u>2000</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Covenant Health Care	4,129	13.81%	2,070	8.95%
Delphi Automotive Systems LLC	2,080	6.96%	8,418	36.38%
St. Mary's of Michigan	2,200	7.36%	1,794	7.75%
Hemlock Semiconductor Corp.	1,582	5.29%	-	-
Meijer	1,425	4.76%	600	2.59%
Saginaw Public Schools	1,390	4.65%	-	-
Frankenmuth Bavarian Inn	1,000	3.34%	500	2.16%
Saginaw Valley State University	924	3.09%	-	-
Aleda E. Lutz Veteran Medical Ctr	750	2.51%	-	-
Zehnder's of Frankenmuth	725	2.42%	-	-
County of Saginaw	712	2.38%	-	-
TRW Automotive	690	2.31%	-	-
Saginaw Township Com Schools	672	2.25%	-	-
Fashion Square Mall	650	2.17%	-	-
Totals	<u>18,929</u>	<u>63.29%</u>	<u>13,382</u>	<u>57.83%</u>

Source: Saginaw Future Inc.

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Full-time-Equivalent District Employees by Type,
Last Ten Fiscal Years

	Full-time-Equivalent Employees as of June 30					Percentage Change
	2005	2006	2007	2008	2009	2005-2009
Supervisory						
Instructional administrators	10	10	10	10	9	-11.11%
Noninstructional administrators	11	8	8	8	10	-10.00%
Supervisors of instruction	3	3	2	2	2	-50.00%
Principals	29	28	25	25	17	-70.59%
Assistant principals	17	17	18	16	11	-54.55%
Total supervisory	<u>70</u>	<u>66</u>	<u>63</u>	<u>61</u>	<u>49</u>	
Instruction						
Early childhood teachers	19	22	14	14	8	-137.50%
Special education teachers	233	191	161	151	130	-79.23%
General elementary teachers	268	258	238	233	208	-28.85%
General secondary teachers	260	257	223	223	195	-33.33%
Adult education teachers	4	3	2	2	-	0.00%
Aides	219	199	184	180	152	-44.08%
Total instruction	<u>1,003</u>	<u>930</u>	<u>822</u>	<u>803</u>	<u>693</u>	
Student Services						
Guidance counselors	17	20	12	15	8	-112.50%
Librarians	6	7	6	6	4	-50.00%
Social workers	23	21	18	19	19	-21.05%
Psychologists	8	9	7	8	7	-14.29%
Parent educators	7	7	7	7	5	-40.00%
Total student services	<u>61</u>	<u>64</u>	<u>50</u>	<u>55</u>	<u>43</u>	
Support and Administrators						
Clerical/ secretarial	97	92	81	73	59	-64.41%
Custodians	140	135	120	114	83	-68.67%
Cafeteria	79	81	72	70	55	-43.64%
Paraprofessionals	36	35	31	31	33	-9.09%
Educational support group	151	130	115	123	95	-58.95%
Transportation	63	58	57	74	63	0.00%
Total support and administrators	<u>566</u>	<u>531</u>	<u>476</u>	<u>485</u>	<u>388</u>	
Total	<u><u>1,700</u></u>	<u><u>1,591</u></u>	<u><u>1,411</u></u>	<u><u>1,404</u></u>	<u><u>1,173</u></u>	-44.93%

Note: This information only available for the past five fiscal years due to software conversion.



OPERATING INFORMATION

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time

SCHOOL DISTRICT OF THE CITY OF SAGINAW
Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Net Expenditures and Other Financing Uses</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced Meals</u>
2009	9,970	109,358,162	10,969	1.09%	633	15.75	78.40%
2008	10,080	109,358,162	10,849	-14.41%	737	13.68	77.54%
2007	10,427	129,427,594	12,413	-0.54%	747	13.96	73.27%
2006	10,755	134,221,327	12,480	18.85%	778	13.82	79.68%
2005	11,753	119,031,246	10,128	3.46%	826	14.23	75.89%
2004	11,928	116,617,775	9,777	-4.55%	845	14.12	76.14%
2003	12,215	124,861,905	10,222	7.34%	916	13.34	73.84%
2002	12,191	115,469,483	9,472	0.42%	886	13.76	71.35%
2001	12,322	116,218,912	9,432	5.28%	901	13.68	69.82%
2000	12,791	114,271,173	8,934	6.15%	878	14.57	(A)

Note: Includes general, special revenue, debt service and capital project funds.
Transfers between Governmental Funds are eliminated to more accurately reflect expenditures and other uses.
Each fiscal year an Independent Certified Public Accounting Firm audits the financial statements of the school district.
The number reported above are taken from these audited financial statements.
Non-financial information from district records.
2006 increase in net expenditures is due to capital project spending.
(A) Data not available

SCHOOL DISTRICT OF THE CITY OF SAGINAW
School Building Information - Last Ten Fiscal Years
(Unaudited)

School	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Elementary										
Arthur Eddy (1955)										
Square feet	89,570	89,570	89,570	89,570	89,570	89,570	89,570	89,570	89,570	89,570
Capacity	622	622	622	622	622	622	622	622	622	622
Enrollment	-	-	-	368	393	450	469	459	476	432
Chester Miller (1963)										
Square feet	34,367	34,367	34,367	34,367	34,367	34,367	34,367	34,367	34,367	34,367
Capacity	404	404	404	404	404	404	404	404	404	404
Enrollment	331	306	302	267	300	294	309	270	282	336
Coulter (1971)										
Square feet	39,373	39,373	39,373	39,373	39,373	39,373	39,373	39,373	39,373	39,373
Capacity	343	343	343	343	343	343	343	343	343	343
Enrollment	188	200	166	138	178	147	144	132	135	146
Edith Baillie (1967)										
Square feet	38,312	38,312	38,312	38,312	38,312	38,312	38,312	38,312	38,312	38,312
Capacity	522	522	522	522	522	522	522	522	522	522
Enrollment	144	168	148	-	-	-	-	-	-	-
Emerson (1967)										
Square feet	47,421	47,421	47,421	47,421	47,421	47,421	47,421	47,421	47,421	47,421
Capacity	612	612	612	612	612	612	612	612	612	612
Enrollment	312	284	249	223	168	-	-	-	-	-
Fuerbringer (1931)										
Square feet	29,919	29,919	29,919	29,919	29,919	29,919	29,919	29,919	29,919	29,919
Capacity	462	462	462	462	462	462	462	462	462	462
Enrollment	288	278	285	302	270	280	252	-	-	-
Handley (1929)*^										
Square feet	48,855	48,855	48,855	48,855	48,855	48,855	48,855	113,889	113,889	119,344
Capacity	656	656	656	656	656	656	656	1,210	1,210	1,459
Enrollment	372	375	376	392	416	414	388	390	388	420
Heavenrich (1961)										
Square feet	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595	45,595
Capacity	612	612	612	612	612	612	612	612	612	612
Enrollment	442	440	429	431	367	431	426	401	339	301

SCHOOL DISTRICT OF THE CITY OF SAGINAW
School Building Information - Last Ten Fiscal Years
(Unaudited)

School	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Herig (1973)										
Square feet	31,380	31,380	31,380	31,380	31,380	31,380	31,380	52,044	52,044	52,044
Capacity	425	425	425	425	425	425	425	475	475	475
Enrollment	389	345	335	287	284	351	328	320	338	383
Houghton (1956)										
Square feet	61,443	61,443	61,443	61,443	61,443	61,443	61,443	61,443	61,443	61,443
Capacity	704	704	704	704	704	704	704	704	704	704
Enrollment	247	213	233	182	291	299	361	354	342	348
Jerome (1976)										
Square feet	42,450	42,450	42,450	42,450	42,450	42,450	42,450	42,450	42,450	42,450
Capacity	402	402	402	402	402	402	402	402	402	402
Enrollment	330	272	288	249	260	289	288	283	270	288
Jessie Loomis (1931)										
Square feet	36,297	36,297	36,297	36,297	36,297	36,297	36,297	57,300	57,300	57,300
Capacity	500	500	500	500	500	500	500	450	450	450
Enrollment	313	250	242	206	239	245	212	356	354	393
Jessie Rouse (1955)										
Square feet	49,850	49,850	49,850	49,850	49,850	49,850	49,850	49,850	49,850	49,850
Capacity	452	452	452	452	452	452	452	452	452	452
Enrollment	259	277	251	234	245	242	258	232	239	287
John Moore (1963)										
Square feet	28,267	28,267	28,267	28,267	28,267	28,267	28,267	28,267	28,267	28,267
Capacity	358	358	358	358	358	358	358	358	358	358
Enrollment	256	222	176	194	168	-	-	-	-	-
Jones (1960)										
Square feet	34,093	34,093	34,093	34,093	34,093	34,093	34,093	34,093	34,093	34,093
Capacity	492	492	492	492	492	492	492	492	492	492
Enrollment	277	271	236	245	253	239	209	-	-	-
Kempton (1962)										
Square feet	27,648	27,648	27,648	27,648	27,648	27,648	27,648	46,082	46,082	46,082
Capacity	325	325	325	325	325	325	325	425	425	425
Enrollment	246	245	241	255	253	262	264	385	394	440

SCHOOL DISTRICT OF THE CITY OF SAGINAW
School Building Information - Last Ten Fiscal Years
(Unaudited)

School	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Longfellow (1965)										
Square feet	49,950	49,950	58,736	58,736	58,736	58,736	58,736	58,736	58,736	58,736
Capacity	582	582	582	582	582	582	582	582	582	582
Enrollment	280	263	231	236	229	293	264	217	191	180
Merrill Park (1960)										
Square feet	39,932	39,932	39,932	39,932	39,932	39,932	39,932	39,932	39,932	39,932
Capacity	552	552	552	552	552	552	552	552	552	552
Enrollment	321	314	299	308	318	297	284	277	279	311
Morley (1936)										
Square feet	34,025	34,025	34,025	34,025	34,025	34,025	34,025	34,025	34,025	34,025
Capacity	462	462	462	462	462	462	462	462	462	462
Enrollment	204	211	198	179	206	168	-	-	-	-
Nelle Haley (1957)										
Square feet	33,778	33,778	33,778	33,778	33,778	33,778	33,778	33,778	33,778	33,778
Capacity	492	492	492	492	492	492	492	492	492	492
Enrollment	305	275	239	229	193	166	164	123	-	-
Salina (1958)										
Square feet	43,774	43,774	43,774	43,774	43,774	43,774	43,774	43,774	43,774	-
Capacity	492	492	492	492	492	492	492	492	492	-
Enrollment	187	154	143	123	-	-	-	-	-	-
Stone (1970)										
Square feet	32,200	32,200	32,200	32,200	32,200	32,200	32,200	52,935	52,935	52,935
Capacity	500	500	500	500	500	500	500	450	450	450
Enrollment	341	316	289	289	298	306	307	319	300	290
Webber (1966)										
Square feet	44,933	44,933	44,933	44,933	44,933	44,933	44,933	44,933	44,933	44,933
Capacity	662	662	662	662	662	662	662	662	662	662
Enrollment	438	430	438	407	405	331	259	225	256	-
Zilwaukee (1925)										
Square feet	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195	49,195
Capacity	507	507	507	507	507	507	507	507	507	507
Enrollment	244	273	302	313	311	348	328	372	373	354