



**Coopersville Area Public
Schools**

Annual Financial Report
Year Ended June 30, 2007

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Coopersville Area Public Schools

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Coopersville Area Public Schools

Board of Education and Appointed Officials June 30, 2007

Board of Education

President	Tim Postma
Vice-President	Dick Holman
Secretary	Stacey Snyder
Treasurer	Lori Rander
Trustee	Ira Engeltjes
Trustee	Carol Olthoff
Trustee	Lynn VanSickle

Appointed Officials

Superintendent	Kevin R. O'Neill
Director of Finance	Catherine L. Kloska
Board of Education Administrative Assistant	Heather D. Gibbons

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Independent Auditors' Report

Board of Education
Coopersville Area Public Schools
Coopersville, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Coopersville Area Public Schools (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements. These financial statements are the responsibility of the management of the District. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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 financial position of Coopersville Area Public Schools at June 30, 2007, and the respective changes in financial position and the respective budgetary comparison for the general fund 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 September 20, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards as required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the combining, individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Coopersville Area Public Schools. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "BDO Seidman, LLP". The signature is written in a cursive, flowing style.

Grand Rapids, Michigan
September 20, 2007

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Management's Discussion and Analysis

Coopersville Area Public Schools (the District) is located in Ottawa County, Michigan. The accompanying financial statements have been completed in compliance with the provisions of Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis (MD&A) - for State and Local Governments* with the enclosed financial statements. The discussion and analysis of the District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to provide, in layman's terms, a look at the District's current and past financial performance and position. Certain comparative information between the current year and the prior year is presented in the MD&A. Readers should also review the notes to the financial statements to enhance their understanding of the District's financial performance.

Brief Description of the Financial Statements

This Annual Financial Report (AFR) consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District's financial position as a whole. The *District-Wide Financial Statements* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements present how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the District's operations in more detail than the district-wide financial statements by providing information about the District's most significant funds, which include the General Fund, Common Debt Fund and 2006 School Building and Site Capital Project Fund with all other funds (special revenue and 2004 School Building and Site Capital Project Fund) presented in one column as other governmental funds or nonmajor funds. The Statement of Fiduciary Net Assets presents financial information about activities for which the District acts solely as an agent for the benefit of students and parents. The remaining statement, the Statement of Proprietary Net Assets, presents financial information about activities related to retirement liabilities of the District.

Reporting the District as a Whole - District-Wide Financial Statements

One of the most important questions asked about the District is, "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include *all* assets and liabilities, using the *full accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or bills paid.

These two statements report the District's *net assets* - the difference between assets and liabilities, as reported in the Statement of Net Assets, as one way to measure the District's *financial position*. Over time, *increases or decreases* in the District's net assets, as reported in the Statement of Activities, are one indicator of whether its *financial position* is improving or deteriorating. The relationship between revenues and expenses is the District's *operating results*. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools, to assess the *overall health* of the District.

The Statement of Net Assets and Statement of Activities report the governmental activities for the District, which encompass all of the District's services, including instruction, operations and maintenance, transportation, athletics and food services. Property taxes, sales taxes, foundation allowance revenue, state and federal grants and payment of fees finance most of these activities.

Reporting the District's Most Significant Funds - Fund Financial Statements

The District's Fund Financial Statements provide detailed information about the most *significant funds* - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes other funds to help it control and manage money for particular purposes (like the Food Service Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the District receives from the U.S. Department of Education). The governmental funds of the District are accounted for using the following accounting guidelines:

Governmental funds - All of the District's services are reported in governmental funds. Governmental Fund reporting focuses on showing how money flows in to and out of funds and the balances left at year-end. They are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The Governmental Fund Statements provide a detailed *short-term view* of the operations of the District and the services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation report.

Condensed Financial Information and Analysis of the District's Overall Financial Position and Results of Operations

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets at fiscal years ended June 30, 2007 and 2006:

Table 1

<i>June 30,</i>	Governmental Activities 2007	Governmental Activities 2006
Assets		
Current assets	\$ 48,633,728	\$ 9,124,369
Noncurrent assets	44,791,123	43,753,786
Total Assets	93,424,851	52,878,155
Liabilities		
Current liabilities	6,233,638	4,995,305
Noncurrent liabilities	83,449,467	44,222,711
Total Liabilities	89,683,105	49,218,016
Net Assets		
Invested in capital assets, net of related debt	(2,038,600)	(755,328)
Unrestricted	5,780,346	4,415,467
Total Net Assets	\$ 3,741,746	\$ 3,660,139

The District's net assets were \$3,660,139 at June 30, 2006 and \$3,741,746 at June 30, 2007. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

Current assets increased in the current year by \$39,509,359 and noncurrent liabilities increased \$39,226,756 mainly due to the issuance of the 2006 School Buildings and Site Bonds. The amount of cash and investments as of June 30, 2007 is \$39,879,368 and the corresponding long-term obligations are \$41,727,881. There were also payments on principal in the current year of \$1,230,000.

Property taxes revenue increased in the current year approximately 8.6% due to new developments in the Coopersville Area School District as well as the continued increase in property taxes due to increased taxable values in the District. State sources revenue increased by \$1,303,524 due to an increase in state aid because of increased student enrollment in the District as well as a payment from the State for approximately \$59,000 as an equity payment for being one of the lowest paid Districts.

Interest on long-term debt increased to \$3,319,810 from \$1,517,557 for a couple reasons. Interest paid and accrued on the 2006 School Building and Site Bonds was \$1,213,941 and the rest of the increase was due to interest expense on the 2006 Refunding bonds.

The results of this year's operations for the District, as a whole, are reported in the Statement of Activities (Table 2), which shows the changes in net assets for fiscal years 2007 and 2006.

Table 2

<i>Year ended June 30,</i>	Governmental Activities 2007	Governmental Activities 2006
Revenues		
Program revenues:		
Charges for services	\$ 1,145,607	\$ 1,139,455
Operating grants and contributions	3,338,246	3,176,191
General revenues:		
Property taxes	5,217,492	4,804,811
State sources	16,085,941	14,782,417
Other	1,259,842	547,972
Total Revenues	27,047,128	24,450,846
Expenses		
Instruction	12,997,523	10,315,547
Supporting services	6,991,064	6,522,258
Food service	733,721	640,378
Athletics	542,102	436,901
Community services	508,982	476,433
Center stage	18,818	27,108
Interest on long-term debt	3,319,810	1,517,557
Unallocated depreciation	1,853,501	1,817,115
Total Expenses	26,965,521	21,753,297
Increase in net assets	81,607	2,697,549
Net Assets, beginning of year	3,660,139	962,590
Net Assets, end of year	\$ 3,741,746	\$ 3,660,139

As reported in the Statement of Activities, the cost of all of our *governmental* activities this year was \$26,965,521. However, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$5,217,492 because some of the cost was paid by those who benefited from the programs (\$1,145,607) or by other governments and organizations who subsidized certain programs with grants and contributions (\$3,338,246). We paid for the remaining “public benefit” portion of our governmental activities with \$1,736,110 in taxes, \$16,085,941 in state aid, and with our other revenues, such as interest and general entitlements.

In the table below, we have presented the total cost for each of the District’s largest services as well as each service’s *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the District by each of these services. Providing this information allows our citizens to consider the cost of each service in comparison to the benefits they believe are provided by that service.

	<u>Governmental Activities</u>	
	Total Cost of Services	Net (Cost) Benefit of Services
<i>Year ended June 30, 2007</i>		
Basic programs	\$ 10,996,678	\$ (10,823,991)
Special education	1,943,010	771,560
Other instruction	57,835	(54,385)
Pupil services	689,005	(681,226)
Instructional staff	334,927	(334,927)
General administrative	768,876	(768,876)
School administration	1,265,930	(1,265,930)
Business office/fiscal services	360,751	(360,751)
Operations and maintenance	2,177,851	(2,177,851)
Pupil transportation	969,918	(886,599)
Other supporting services	423,806	(423,806)
Community services	508,982	(2,898)
Food service	733,721	36,143
Athletics	542,102	(321,585)
Center stage	18,818	(13,235)
Interest on long-term debt	3,319,810	(3,319,810)
Unallocated depreciation	1,853,501	(1,853,501)
	\$ 26,965,521	\$ (22,481,668)

Analysis of Balances and Transactions of Individual Funds

The District’s Funds

As we noted earlier, the District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the District is being accountable for the resources taxpayers and others provide but may also give you more insight into the District’s overall financial position.

As of June 30, 2007, our governmental funds reported a combined fund balance of \$44,632,502.

The general fund is our principal operating fund, which is \$4,129,152 of the above amount. The District has reserved \$93,357 for inventory and prepaid expenditures, leaving an unrestricted fund balance of \$4,035,795.

Analysis of Differences Between Original and Final Budgeted Amounts and Between Actual and Budgeted Amounts

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted just before year-end. (A schedule showing the District's original and final budget amounts for the General Fund compared with amounts actually paid and received is provided on page 31.)

Description of Changes in Capital Assets and Long-Term Debt During the Year

Capital Assets

At June 30, 2007, the District had \$44,106,898 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$1,026,755, or 2.3% from last year.

<i>June 30,</i>	2007	2006
Land	\$ 1,307,557	\$ 1,027,557
Land improvements	4,829,268	5,151,799
Buildings and improvements	35,002,712	35,111,544
Machinery and equipment	566,758	810,674
Furniture and fixtures	380,423	449,398
Motor vehicles	64,884	57,322
Buses	579,184	471,849
Construction in progress	1,376,112	-
	\$ 44,106,898	\$ 43,080,143

Additional information on capital assets can be found in Note 6.

In May 2006, a new bond proposal (2006 School Building and Site Bonds) passed for \$41,550,000. Actual bonds were issued in the amount of \$40,680,000 and the proceeds will be used to purchase land, build a new middle school, renovations of existing buildings, technology and buses. The district sold the bonds and invested proceeds on October 9, 2006.

Long-Term Obligations

At the end of this year, the District had \$82,971,581 in general obligation bonds outstanding versus \$43,521,851 last year.

Other obligations include accrued vacation pay, sick leave and capital leases. We present more detailed information about our long-term obligations in Note 11 to the Financial Statements.

Description of Currently Known Facts, Decisions or Conditions That Have, or are Expected to Have, a Material Effect on Financial Position or Results of Operations

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration considered many factors when setting the District's 2007 fiscal year budget and tax rates. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2007 fiscal year was 25% and 75% of the February 2006 and September 2006 student counts, respectively. The 2007-2008 budget was adopted in June 2007, based on an estimate of students that will be enrolled in September 2007. Approximately 75% of total revenues is from the Foundation Allowance. We anticipate that the fall student count will be slightly higher for the 2007-2008 budget and will require a budget amendment after the count is final.

For the general fund we have projected a slight increase in fund balance of \$34,982 for the 2008 fiscal year, leaving a fund balance of \$4,164,134. All employees' contracts are negotiated until 2011. Other uncertainties include our Foundation Allowance and health insurance for District employees.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Director of Finance and Operations, Catherine L. Kloska, Coopersville Area Public Schools; Coopersville, Michigan.



**District-Wide
Financial Statements**



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Coopersville Area Public Schools

District-Wide Financial Statements Statement of Net Assets

<i>June 30, 2007</i>	Governmental Activities
Assets	
Current Assets	
Cash (Note 3)	\$ 6,906,264
Investments (Note 3)	38,475,108
Accounts receivable	23,146
Due from other governmental units	3,126,026
Inventories	83,428
Prepaid expenses	19,756
Total current assets	48,633,728
Noncurrent Assets	
Depreciable capital assets, net of accumulated depreciation (Note 6)	41,423,229
Land and construction in progress (Note 6)	2,683,669
Note receivable (Note 7)	30,000
Deferred bond issuance costs, net of accumulated amortization of \$43,509	654,225
Total noncurrent assets	44,791,123
Total Assets	93,424,851
Liabilities	
Current Liabilities	
Accounts payable	735,898
State aid note payable (Note 10)	933,304
Accrued payroll liabilities	1,379,857
Interest payable	636,472
Deposits	27,667
Current portion of long-term obligations (Note 11)	2,520,440
Total current liabilities	6,233,638
Noncurrent Liabilities	
Noncurrent portion of long-term obligations (Note 11)	83,449,467
Total Liabilities	89,683,105
Net Assets	
Invested in capital assets, net of related debt	(2,038,600)
Unrestricted	5,780,346
Total Net Assets	\$ 3,741,746

See accompanying notes to financial statements.

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Coopersville Area Public Schools

District-Wide Financial Statements Statement of Activities

Year ended June 30, 2007	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total
Functions/Programs				
Governmental Activities				
Instruction:				
Basic programs	\$ 10,996,678	\$ 77,580	\$ 95,107	\$ (10,823,991)
Special education	1,943,010	-	2,714,570	771,560
Other instruction	57,835	3,450	-	(54,385)
Total instruction	12,997,523	81,030	2,809,677	(10,106,816)
Supporting services:				
Pupil services	689,005	-	7,779	(681,226)
Instructional staff	334,927	-	-	(334,927)
General administrative	768,876	-	-	(768,876)
School administration	1,265,930	-	-	(1,265,930)
Business office/fiscal services	360,751	-	-	(360,751)
Operations and maintenance	2,177,851	-	-	(2,177,851)
Pupil transportation	969,918	-	83,319	(886,599)
Other supporting services	423,806	-	-	(423,806)
Community services	508,982	466,150	39,934	(2,898)
Food service	733,721	404,725	365,139	36,143
Athletics	542,102	188,119	32,398	(321,585)
Center stage	18,818	5,583	-	(13,235)
Interest on long-term debt	3,319,810	-	-	(3,319,810)
Unallocated depreciation	1,853,501	-	-	(1,853,501)
Total School District	\$ 26,965,521	\$ 1,145,607	\$ 3,338,246	(22,481,668)
General revenues:				
Property taxes levied for general purposes				1,736,110
Property taxes levied for debt service				3,481,382
Unrestricted state aid				16,085,941
Investment earnings				1,138,057
Gain on sale of assets				7,947
Other				113,838
Total general revenues				22,563,275
Change in net assets				81,607
Net Assets, beginning of year				3,660,139
Net Assets, end of year				\$ 3,741,746

See accompanying notes to financial statements.

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**Fund Financial
Statements**



Coopersville Area Public Schools

Governmental Funds Balance Sheet

<i>June 30, 2007</i>	General Fund	Common Debt Fund	2006 School Building and Site Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash (Note 3)	\$ 3,664,392	\$ 572,990	\$ 1,404,260	\$ 336,972	\$ 5,978,614
Investments (Note 3)	-	-	38,475,108	-	38,475,108
Accounts receivable	10,708	2,608	-	9,830	23,146
Due from other governmental units	3,126,026	-	-	-	3,126,026
Due from other funds (Note 5)	65,893	-	-	-	65,893
Inventories	73,601	-	-	9,827	83,428
Prepaid expenditures	19,756	-	-	-	19,756
Total Assets	\$ 6,960,376	\$ 575,598	\$ 39,879,368	\$ 356,629	\$ 47,771,971
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 500,768	\$ -	\$ 206,648	\$ 28,482	\$ 735,898
Due to other funds (Note 5)	-	-	-	62,743	62,743
State aid note payable (Note 10)	933,304	-	-	-	933,304
Accrued payroll liabilities	1,379,857	-	-	-	1,379,857
Deposits	17,295	-	-	10,372	27,667
Total liabilities	2,831,224	-	206,648	101,597	3,139,469
Fund Balances					
Reserved for:					
Inventories and prepaid expenditures	93,357	-	-	9,827	103,184
Unreserved reported in:					
General fund	4,035,795	-	-	-	4,035,795
Capital project fund	-	-	39,672,720	-	39,672,720
Special revenue funds	-	-	-	245,205	245,205
Debt retirement fund	-	575,598	-	-	575,598
Total fund balances	4,129,152	575,598	39,672,720	255,032	44,632,502
Total Liabilities and Fund Balances	\$ 6,960,376	\$ 575,598	\$ 39,879,368	\$ 356,629	\$ 47,771,971

See accompanying notes to financial statements.

Coopersville Area Public Schools

Reconciliation of Fund Balances of Governmental Funds to Net Assets on the Statement of Net Assets

June 30, 2007

Total fund balances - total governmental funds (from page 26)		\$ 44,632,502
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Capital assets, at cost	\$ 62,059,559	
Accumulated depreciation	<u>(17,952,661)</u>	
Net capital assets		44,106,898
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. These assets consist of:		
Bond issuance costs	654,225	
Note receivable	<u>30,000</u>	
Total long-term assets		684,225
Long-term liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds. Balances are as follows:		
Bonds and installment purchase contract payable	(83,586,162)	
Deferred bond premium	(1,916,330)	
Deferred interest on refunding	953,602	
Compensated absences	(496,517)	
Accrued interest on bonds and notes	<u>(636,472)</u>	
Total long-term liabilities		<u>(85,681,879)</u>
Net Assets of Governmental Activities		\$ 3,741,746

See accompanying notes to financial statements.

Coopersville Area Public Schools

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year ended June 30, 2007</i>	General Fund	Common Debt Fund	2006 School Building and Site Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local sources:					
Property taxes	\$ 1,736,110	\$ 3,481,382	\$ -	\$ -	\$ 5,217,492
Other local	153,212	-	-	591,451	744,663
Tuition	547,180	-	-	-	547,180
Interest income	184,647	59,463	875,673	18,274	1,138,057
Other governmental units	1,120,539	-	-	-	1,120,539
State sources	17,079,312	-	-	47,775	17,127,087
Federal sources	826,799	-	-	317,364	1,144,163
Total revenues	21,647,799	3,540,845	875,673	974,864	27,039,181
Expenditures					
Instruction	12,997,716	-	-	-	12,997,716
Supporting services	6,842,547	-	-	-	6,842,547
Community services	506,680	-	-	-	506,680
Food service	-	-	-	734,156	734,156
Center stage	-	-	-	18,818	18,818
Athletics	-	-	-	541,692	541,692
Debt retirement:					
Redemption of principal	188,721	1,230,000	-	-	1,418,721
Interest and fiscal charges	-	3,068,156	-	-	3,068,156
Bond issuance costs	-	-	259,584	-	259,584
Capital outlay	121,000	-	2,671,250	196,535	2,988,785
Total expenditures	20,656,664	4,298,156	2,930,834	1,491,201	29,376,855
Excess (deficiency) of revenues over expenditures	991,135	(757,311)	(2,055,161)	(516,337)	(2,337,674)

Coopersville Area Public Schools

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year ended June 30, 2007</i>	General Fund	Common Debt Fund	2006 School Building and Site Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	\$ 21,136	\$ -	\$ -	\$ -	\$ 21,136
Issuance of long-term debt	-	-	40,680,000	-	40,680,000
Premium on bond issuance	-	-	1,047,881	-	1,047,881
Transfers from other funds (Note 5)	63,711	-	-	372,702	436,413
Transfers to other funds (Note 5)	(372,702)	-	-	(62,743)	(435,445)
Total other financing sources (uses)	(287,855)	-	41,727,881	309,959	41,749,985
Changes in fund balances	703,280	(757,311)	39,672,720	(206,378)	39,412,311
Fund Balances, beginning of year	3,425,872	1,332,909	-	461,410	5,220,191
Fund Balances, end of year	\$ 4,129,152	\$ 575,598	\$ 39,672,720	\$ 255,032	\$ 44,632,502

See accompanying notes to financial statements.

Coopersville Area Public Schools

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2007

Net changes in fund balances - total governmental funds (from page 29) \$ 39,412,311

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 2,883,445	
Depreciation expense	<u>(1,853,501)</u>	
Net effect of capital outlays		1,029,944

Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and note principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Debt issued	(40,680,000)	
Bond issuance cost	259,584	
Bond issuance premium	(1,047,881)	
Amortization of bond charges and premium	(9,618)	
Principal payments	<u>1,418,721</u>	
Net effect of debt issuance and repayment		(40,059,194)

Governmental funds report proceeds from the sale of capital assets as other financing sources while on the statement of activities the difference between the proceeds and the book value of the assets is reported as a gain or loss. (13,189)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(242,036)	
Compensated absences	<u>(45,261)</u>	
Net effect of long-term liabilities		(287,297)

The internal service fund is used by management to pay retirement liabilities of the District as they become due. The net revenue (expense) of the internal service fund is reported in governmental activities. (968)

Change in Net Assets of Governmental Activities **\$ 81,607**

See accompanying notes to financial statements.

Coopersville Area Public Schools

General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

<i>Year ended June 30, 2007</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Local sources:				
Property taxes	\$ 1,730,200	\$ 1,734,083	\$ 1,736,110	\$ 2,027
Other local	100,034	150,414	153,212	2,798
Tuition	528,883	537,727	547,180	9,453
Interest income	124,000	132,954	184,647	51,693
Other governmental units	934,626	1,084,660	1,120,539	35,879
State sources:				
Unrestricted school aid	15,301,946	16,009,393	16,085,941	76,548
Restricted grants	1,028,345	1,034,211	993,371	(40,840)
Federal sources	833,331	826,962	826,799	(163)
Total revenues	20,581,365	21,510,404	21,647,799	137,395
Expenditures				
Instruction	12,546,182	13,088,556	12,997,716	90,840
Supporting services	6,962,697	6,892,604	6,842,547	50,057
Community services	550,107	544,707	506,680	38,027
Debt retirement:				
Redemption of principal	217,189	217,189	188,721	28,468
Capital outlay	-	143,171	121,000	22,171
Total expenditures	20,276,175	20,886,227	20,656,664	229,563
Excess of revenues over expenditures	305,190	624,177	991,135	366,958
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	15,700	21,136	5,436
Transfers from other funds	55,000	55,000	63,711	8,711
Transfers to other funds	(359,982)	(360,917)	(372,702)	(11,785)
Total other financing sources (uses)	(304,982)	(290,217)	(287,855)	2,362
Changes in fund balances	208	333,960	703,280	369,320
Fund Balances, beginning of year	3,425,872	3,425,872	3,425,872	-
Fund Balances, end of year	\$ 3,426,080	\$ 3,759,832	\$ 4,129,152	\$ 369,320

See accompanying notes to financial statements.

Coopersville Area Public Schools

Proprietary Fund Statement of Net Assets

	Governmental Activities
	<u>Internal</u>
<i>June 30, 2007</i>	Service Fund
Assets - Current	
Cash (Note 3)	\$ 927,650
Liabilities and Net Assets	
Liabilities	
Due to other funds (Note 5)	\$ 3,150
Long-term liabilities - retirement liability	924,500
Total liabilities	<u>927,650</u>
Net Assets	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 927,650</u>

See accompanying notes to financial statements.

Coopersville Area Public Schools

Proprietary Fund Statement of Revenue, Expense and Changes in Fund Net Assets

	Governmental Activities
	<u>Internal Service Fund</u>
<i>June 30, 2007</i>	
Operating Revenue	
Charges for services	\$ 294,625
Operating Expense	
Retirement expense	294,625
Operating income	-
Transfer to Other Fund	968
Change in net assets	(968)
Net Assets, beginning of year	968
Net Assets, end of year	\$ -

See accompanying notes to financial statements.

Coopersville Area Public Schools

Proprietary Fund Statement of Cash Flows

	Governmental Activities
	<u>Internal Service Fund</u>
<i>Year ended June 30, 2007</i>	
Cash Flows for Operating Activities	
Payments to retirees	\$ (306,286)
Payment from general fund, net of present value adjustments	40,221
Net Cash for Operating Activities	<u>(266,065)</u>
Cash Flows for Noncapital and Related Financing Activity	
Transfer to general fund	(968)
Decrease in Cash	(267,033)
Cash, beginning of year	1,194,683
Cash, end of year	<u>\$ 927,650</u>
Reconciliation of Operating Income to Net Cash for Operating Activities	
Operating income	\$ -
Adjustments to reconcile operating income to net cash for operating activities:	
Changes in liabilities:	
Due to other funds	(154,452)
Long-term liabilities - retirement liability	(111,613)
Net Cash for Operating Activities	<u>\$ (266,065)</u>

See accompanying notes to financial statements.

Coopersville Area Public Schools

Fiduciary Funds Statement of Fiduciary Net Assets

<i>June 30, 2007</i>	Trust Fund	Agency Fund
Assets		
Cash (Note 3)	\$ 8,096	\$ 235,045
Liabilities		
Due to student groups	-	235,045
Net Assets	\$ 8,096	\$ -

See accompanying notes to financial statements.

Coopersville Area Public Schools

Fiduciary Funds Statement of Changes in Fiduciary Net Assets

<i>Year ended June 30, 2007</i>	Trust Fund
Additions	
Interest	\$ 266
Deductions	
Student scholarships	128
Change in net assets	138
Net Assets, beginning of year	7,958
Net Assets, end of year	\$ 8,096

See accompanying notes to financial statements.

Coopersville Area Public Schools

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

Reporting Entity

The District is an independent entity with an elected Board of Education. The Board consists of seven members elected to four-year terms. The Board has responsibility and control over all matters affecting the District, including authority to levy taxes and determine its budget, the power to designate management and primary accountability for fiscal matters. The basic financial statements of the District contain all funds and account groups for which the District is financially accountable.

Basis of Presentation

District-wide financial statements: The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. The district-wide financial statements categorize activities as either governmental or business-type. All of the District's activities are classified as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to recipients who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Property taxes, state aid foundation and certain other items are reported as general revenues.

Fund financial statements: The fund financial statements provide information about the District's funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the district-wide

Coopersville Area Public Schools

Notes to Financial Statements

financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

The financial transactions of the District are recorded in individual funds and account groups. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

Governmental Funds

Governmental Funds are used to account for the District's general activity. The focus is on determination of the financial position and changes in financial position rather than on income determination. The following is a description of the Governmental Funds of the District:

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and is considered a major fund.

Special Revenue Funds are used to account for revenue sources that are restricted to expenditures for specified purposes. The District operates three special revenue funds: Food Service, Athletics and Center Stage. All special revenue funds are considered nonmajor funds.

Debt Retirement Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Common Debt Fund is considered a major fund, while the Durant Debt Fund is considered a nonmajor fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities. The District has two Capital Projects Funds, the 2004 School Building and Site Capital Project Fund which is considered a non-major fund and the 2006 School Building and Site Capital Project Fund which is considered a major fund. The 2004 project was completed in November 2006 and the 2006 project was started in November 2006.

Coopersville Area Public Schools

Notes to Financial Statements

Proprietary Funds

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The following is a description of the Proprietary Fund of the District:

Internal Service Fund recognizes, as operating revenue, internal transfers intended to recover the cost of providing specific benefits to retired employees. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds

The *Agency Fund* is used to account for assets held by the District in a trustee capacity for individuals or school-related organizations. The Agency Fund is custodial in nature and does not involve measurement of results of operations. The District operates one agency fund, which is the Student Activities Fund.

A *Private-Purpose Trust Fund* reports trust arrangements where the principal and interest benefit students. The District operates one such fund: the Student Loan Fund.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Coopersville Area Public Schools

Notes to Financial Statements

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in the district-wide financial and proprietary fund statements to the extent that those standards do not conflict with GASB guidance.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough after to pay liabilities for the current period.

Expenditures 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

State Foundation Revenue

The State of Michigan provides funds through a foundation grant approach, which provides for a specific annual amount of revenue per student based on a statewide formula. The foundation is funded from state and local sources. The School Aid Act and the School Code of Michigan primarily govern revenues from state sources. For the year ended June 30, 2007, the foundation allowance was based on the average of pupil membership counts taken in February and September 2006.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes, which may be levied at a rate of up to 18 mills.

State Categorical Revenue

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be expended for its specific purpose. Categorical funds received that are not expended by the close of the fiscal year are recorded as deferred revenue.

Coopersville Area Public Schools

Notes to Financial Statements

Federal Revenue

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Budgets and Budgetary Accounting

The budgetary data reflected in the financial statements is established by the District using the procedures outlined below:

Prior to April, the Principals, Directors and Supervisors review operating budgets by program or building for the fiscal year commencing the following July 1, and submit them to the Superintendent, the Director of Finance, the Board Treasurer and two Board Trustees.

This Committee works with the information and develops a budget and resolution for the General Fund and Special Revenue Funds. This includes proposed expenditures and the means of financing them and is compiled by the Committee on a basis consistent with generally accepted accounting principles.

In June, the budget resolution is subjected to a public hearing before the full Board of Education and is adopted within seven days after this hearing and before July 1, the first day of the budgeted fiscal year. Unexpended appropriations lapse at the end of the fiscal year.

The Superintendent can reduce budgeted expenditures for any program; however, any revisions that increase expenditures for a program must be approved by the Board of Education. Budget amendments were not material in relation to the original budget.

The budget is integrated with the accounting system of the District and is used as a management control device during the year.

Investments

Investments are recorded at fair value.

Inventories

Inventories are stated at cost (first-in, first-out) except for donated USDA commodities, which are recorded at fair value. Inventories consist primarily of food and cafeteria supplies, teaching supplies, office supplies, gas, oil, maintenance and bus repair parts.

Coopersville Area Public Schools

Notes to Financial Statements

Capital Assets

Capital assets, which include property, buildings and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at their market value as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets are included as part of the capitalized value.

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

	Years
Buildings	50
Land improvements	20
Furniture, fixtures, machinery and equipment	5-15
Motor vehicles and buses	10

Compensated Absences

District employees are granted vacation and accrued leave in varying amounts based on length of service. Unused vacation time accumulates from year to year to a maximum of twice the annual allotment.

Accrued leave is accumulated at different rates for various categories of employees. Unused accrued leave accumulates from year to year to a maximum of 100 days for all full time employees, other than teachers and administrators. There is no accrued leave limit for teachers and administrators. Unused accrued leave is paid to employees at a nominal rate for each unused day only at the time of retirement. In the fund financial statements only the matured liability for compensated absences is reported. The total liability is reported in the district-wide financial statements.

Coopersville Area Public Schools

Notes to Financial Statements

Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of debt is reported as other financing sources. Premiums and discounts are reported as other financing sources (uses) while issuance costs are reported as expenditures.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

Property Taxes

Properties are assessed as of December 31, and the related property taxes are levied and become a lien on July 1. These taxes are due on September 14, with the final collection date of February 28, before they are added to the county delinquent tax rolls.

Interfund Activity

During the course of its operations, the District has numerous transactions between funds. The General Fund regularly transfers funds to Athletics to fund operating shortfalls. To the extent that certain transactions had not been paid or received as of June 30, 2007, balances of interfund receivables or payables have been recorded. Balances are normally liquidated in the subsequent fiscal year.

Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Coopersville Area Public Schools

Notes to Financial Statements

2. Stewardship, Compliance and Accountability

The following funds had expenditures (including transfers) exceeding budgeted appropriations:

<i>Year ended June 30, 2007</i>	Budget	Actual	Variance
Food Service Fund	\$ 795,296	\$ 796,899	\$ 1,603
Athletics Fund	541,192	541,692	500

Revenues and/or fund balances were sufficient to cover the excess expenditures.

3. Cash and Investments

Deposits

Statutes require that certificates of deposit, savings accounts, deposit accounts and depository receipts are made with banks doing and having a place of business in the state of Michigan that are also members of a federal or national insurance corporation.

Certificates of deposits consist of the following:

<i>June 30, 2007</i>	Maturity Date	Interest Rate	Amount
Student Activities			
Comerica Bank - Certificate of Deposit	09/29/07	2.52%	\$ 5,117
Comerica Bank - Certificate of Deposit	10/22/10	4.93	2,979
			\$ 8,096

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District minimizes custodial credit risk by pre-qualifying financial institutions. At June 30, 2007, \$7,859,224 of the District's bank balances (without recognition of deposits in transit and outstanding checks) of \$8,067,320 was uninsured and uncollateralized.

Coopersville Area Public Schools

Notes to Financial Statements

Investments

At June 30, 2007, the District had the following investments:

<i>Investment Type</i>	Fair Value	Maturities			Standard & Poor's Rating
		Less Than 1 Year	1-5 Years	After 10 Years	
U.S. government agencies	\$ 36,612,205	\$ 9,316,211	\$ 11,394,262	\$ 15,901,732	AAA
U.S. government agencies	1,862,903	1,862,903	-	-	N/A
	\$ 38,475,108	\$ 11,179,114	\$ 11,394,262	\$ 15,901,732	

Interest Rate Risk

The District does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District minimizes custodial credit risk by pre-qualifying financial institutions. The District had no investments that were subject to custodial credit risk at June 30, 2007.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

State statutes authorize the District to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, bankers acceptance and certificates of deposit issued or created by a state or national bank insured with the applicable federal agency, investment pools authorized by the Surplus Funds Investment Pool Act. The District follows state statutes and has no investment policy that would further limit its investment choices.

Coopersville Area Public Schools

Notes to Financial Statements

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Although the District places no limit on the amount that may be invested in any one issuer, the District minimizes concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimal. The District has 52% of its investments in Federal Home Loan Mortgage Corporation, 29% in Federal Home Loan Banks and 16% in Federal National Mortgage Association.

4. Voted Millage and Expiration Dates

A substantial portion of revenues is attributable to local property taxes in the 2006-07 school year. The millage rates levied and expiration dates for the prior and current fiscal years consist of the following:

<i>Year ended June 30,</i>	Taxable Value All Properties	Debt Retirement Millage Rate	Taxable Value Non- Homestead	Non- Homestead Millage Rate	Year of Expiration
2006	\$ 386,815,445	8.15	\$ 99,043,066	18.00	2007
2007	405,756,119	8.69	99,589,153	18.00	2008

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Coopersville Area Public Schools

Notes to Financial Statements

5. Interfund Receivables, Payables and Transfers

Interfund receivables and payables at June 30, 2007 are as follows:

<i>Fund</i>	Interfund Payable	Interfund Receivable
General Fund	\$ -	\$ 65,893
Food Service Fund	62,743	-
Proprietary Fund	3,150	-
	\$ 65,893	\$ 65,893

Interfund transfers during the current fiscal year were as follows:

<i>Fund</i>	Interfund Transfers In	Interfund Transfers Out
General Fund	\$ 63,711	\$ 372,702
Athletic Fund	358,665	-
Center Stage Fund	10,000	-
Food Service Fund	4,037	62,743
Proprietary Fund	-	968
	\$ 436,413	\$ 436,413

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Coopersville Area Public Schools

Notes to Financial Statements

6. Capital Assets

The following summarizes capital asset activity for the year ended June 30, 2007.

	Balance, July 1, 2006	Additions	Deletions	Balance, June 30, 2007
Governmental Activities				
Capital assets not depreciated:				
Land	\$ 1,027,557	\$ 280,000	\$ -	\$ 1,307,557
Construction in progress	-	1,376,112	-	1,376,112
Capital assets being depreciated:				
Land improvements	6,655,492	-	-	6,655,492
Buildings	45,244,751	899,070	-	46,143,821
Machinery and equipment	4,034,473	91,121	15,944	4,109,650
Furniture and fixtures	853,639	5,380	-	859,019
Motor vehicles	292,587	32,900	-	325,487
Buses	1,358,631	198,862	275,072	1,282,421
Totals at historical cost	59,467,130	2,883,445	291,016	62,059,559
Less accumulated depreciation for:				
Land improvements	1,503,693	322,531	-	1,826,224
Buildings	10,133,207	1,007,902	-	11,141,109
Machinery and equipment	3,223,799	331,848	12,755	3,542,892
Furniture and fixtures	404,241	74,355	-	478,596
Motor vehicles	235,265	25,338	-	260,603
Buses	886,782	91,527	275,072	703,237
Total accumulated depreciation	16,386,987	1,853,501	287,827	17,952,661
Net Capital Assets				
Land	1,027,557	280,000	-	1,307,557
Construction in progress	-	1,376,112	-	1,376,112
Land improvements	5,151,799	(322,531)	-	4,829,268
Buildings	35,111,544	(108,832)	-	35,002,712
Machinery and equipment	810,674	(240,727)	3,189	566,758
Furniture and fixtures	449,398	(68,975)	-	380,423
Motor vehicles	57,322	7,562	-	64,884
Buses	471,849	107,335	-	579,184
Total Net Capital Assets	\$ 43,080,143	\$ 1,029,944	\$ 3,189	\$ 44,106,898

Coopersville Area Public Schools

Notes to Financial Statements

7. Note Receivable

The District has a note receivable from a Corporation payable annually in the amount of \$10,000. The balance at June 30, 2007 is \$30,000 and will be paid in full as of January 1, 2010. The balance of the note is reflected in the district-wide financial statements.

8. Employee Retirement System - Defined Benefit Plan

Plan Description

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

Funding Policy

Basic Plan members make no contributions. Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990 contribute a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990 or later and returning members who did not work between January 1, 1987 and December 31, 1989 contribute at the following graduated permanently fixed contribution rate: 3.0% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rates for the year ended June 30, 2007 were 16.34% from July 1, 2006 through September 30, 2006 and 17.74% from October 1, 2006 through June 30, 2007. The contribution requirements of plan members and the District are established and may be amended by the MPSERS Board of Trustees.

Coopersville Area Public Schools

Notes to Financial Statements

The District contributions to MPSERS for the current and two preceding years were as follows:

<i>Year ended June 30,</i>	Employer Contribution
2007	\$1,969,859
2006	1,727,667
2005	1,502,490

In 2006-07, the State of Michigan issued a credit in the amount of \$346,154 on behalf of the District to meet the District's required pension obligation. The District applied the credit against their May and June 2007 pension obligation payments.

Other Postemployment Benefits

Certain retirees have the option of health, dental and vision coverage, which is funded on a cash basis by the employers. A significant portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension.

9. Risk Management

The District purchases insurance coverage from commercial carriers. Various deductibles ranging from \$250 to \$10,000 are maintained to place the responsibility for certain charges with the insured. For the years ended June 30, 2007 and 2006, the District paid premiums of \$130,691 and \$135,418, respectively.

10. Note Payable

The District obtains short-term financing for cash flow purposes. In August 2005, the District borrowed \$800,000 from the Michigan Municipal Bond Authority. This note was paid on August 18, 2006. In addition, in August 2006, the District borrowed \$900,000 from the Michigan Municipal Bond Authority. The note and \$33,304 of accrued interest were outstanding as of June 30, 2007. The note bears interest at 3.68% and was paid on August 20, 2007.

Coopersville Area Public Schools

Notes to Financial Statements

11. Long-Term Obligations

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

	Balance, July 1,2006	Additions	Deductions	Balance, June 30,2007	Due Within One Year
Bonds payable	\$ 43,521,581	\$ 40,680,000	\$ 1,230,000	\$ 82,971,581	\$ 1,945,000
Less deferred interest from issuance	(787,844)	(212,535)	(46,777)	(953,602)	(46,777)
Deferred issuance premium	932,075	1,047,881	63,626	1,916,330	75,467
Installment purchase contracts	803,302	-	188,721	614,581	189,580
Retirement incentive	1,036,113	183,012	294,625	924,500	307,170
Compensated absences	451,256	119,271	74,010	496,517	50,000
	<u>\$ 45,956,483</u>	<u>\$ 41,817,629</u>	<u>\$ 1,804,205</u>	<u>\$ 85,969,907</u>	<u>\$ 2,520,440</u>

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Coopersville Area Public Schools

Notes to Financial Statements

Bonds payable at June 30, 2007 are comprised of the following individual issues:

<i>June 30,</i>	Interest Rate	2007	2006
Debt Retirement			
Durant Resolution Bonds	4.76%	\$ 161,581	\$ 161,581
1999 School Building and Site Bonds - Bonds maturing after May 1, 2010, are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	5.50	2,175,000	3,200,000
2004 School Building and Site Bonds - Bonds maturing after May 1, 2015, are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	3.00-4.55	3,400,000	3,500,000
2005 Refunding Bonds - Bonds maturing after May 1, 2016, are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	3.00-4.20	6,670,000	6,700,000
2006 Refunding Bonds - Bonds maturing after May 1, 2017, are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	3.75-5.00	29,885,000	29,960,000
2006 School Building and Site Bonds - Bonds maturing after May 1, 2017, are subject to redemption prior to maturity, at the option of the District, at par plus accrued interest and applicable premiums.	4.00-5.00	40,680,000	-
		\$ 82,971,581	\$ 43,521,581

On November 24, 1998, the State of Michigan, through the Michigan Municipal Bond Authority, issued School Loan Revenue Bonds, Series 1998, on behalf of the District. The Durant Bonds are a legal obligation of the District and are recorded in the District's statement of net assets as a noncurrent liability. The revenue associated with the annual debt service payment is derived from an annual State of Michigan appropriation. Should the legislature fail to appropriate the funds, the District is under no obligation for payment.

Coopersville Area Public Schools

Notes to Financial Statements

Defeased Debt

In 2006, the District defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account asset and the liability for the defeased bonds are not included in the financial statements. At June 30, 2007, \$23,850,000 of bonds outstanding are considered defeased. These bonds will be called for payment May 1, 2009 by the trustee.

Voluntary and Early Retirement Incentives

The District offers some employees a voluntary retirement program and an early retirement program as part of their contractual agreement. Several employees have elected early retirement until they are eligible for benefits under the Federal Social Security System. Currently, nineteen employees participate in the voluntary retirement program and four employees participate in the early retirement programs. The program payment requirements vary each year. At June 30, 2007, the District's liability for the voluntary and early retirement plans was \$884,470 and \$150,000, respectively. The total present value of the future payments for both programs, using a discount rate of 5% is \$924,500.

Retirement contracts are typically liquidated by the Internal Service Fund and compensated absences by the General Fund.

Bonds

The annual requirements to pay principal and interest on bonds and notes outstanding are as follows:

<i>Year ending June 30,</i>	Principal	Interest	Total
2008	\$ 1,945,000	\$ 3,814,196	\$ 5,759,196
2009	2,465,229	3,726,336	6,191,565
2010	2,950,954	3,613,550	6,564,504
2011	3,451,714	3,496,489	6,948,203
2012	3,727,509	3,336,387	7,063,896
2013-2017	16,931,175	14,118,192	31,049,367
2018-2022	15,770,000	10,552,166	26,322,166
2023-2027	16,960,000	6,816,991	23,776,991
2028-2032	12,045,000	2,975,374	15,020,374
2033-2037	6,725,000	758,252	7,483,252
	\$ 82,971,581	\$ 53,207,933	\$ 136,179,514

Coopersville Area Public Schools

Notes to Financial Statements

Installment Purchase Contract (Bus)

<i>Year ending June 30,</i>	Principal	Interest	Total
2008	\$ 19,581	\$ 897	\$ 20,478

Installment Purchase Contract (Administration Building)

<i>Year ending June 30,</i>	Principal	Interest	Total
2008	\$ 170,000	\$ 21,768	\$ 191,768
2009	170,000	15,071	185,071
2010	170,000	8,372	178,372
2011	85,000	1,675	86,675
	\$ 595,000	\$ 46,886	\$ 641,886

The following is the detail for each bond issue.

Durant Resolution Bonds

<i>Year ending June 30,</i>	Interest Payable May 15,	Serial Bonds Payable May 15,	Total Bonds and Interest Payable
2008	\$ -	\$ -	\$ -
2009	3,988	15,229	19,217
2010	3,262	15,954	19,216
2011	2,503	16,714	19,217
2012	1,707	17,509	19,216
Thereafter	32,938	96,175	129,113
	\$ 44,398	\$ 161,581	\$ 205,979

Coopersville Area Public Schools

Notes to Financial Statements

1999 School Building and Site Bonds (General Obligation-Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1,	Interest Payable May 1,	Total Interest Payable	Serial Bonds Payable May 1,	Total Bonds and Interest Payable
2008	\$ 59,812	\$ 59,812	\$ 119,624	\$ 1,075,000	\$ 1,194,624
2009	30,250	30,250	60,500	1,100,000	1,160,500
	\$ 90,062	\$ 90,062	\$ 180,124	\$ 2,175,000	\$ 2,355,124

2004 School Building and Site Bonds (General Obligation-Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1,	Interest Payable May 1,	Total Interest Payable	Serial Bonds Payable May 1,	Total Bonds and Interest Payable
2008	\$ 68,612	\$ 68,612	\$ 137,224	\$ 125,000	\$ 262,224
2009	66,738	66,738	133,476	150,000	283,476
2010	64,300	64,300	128,600	175,000	303,600
2011	61,237	61,237	122,474	200,000	322,474
2012	57,488	57,488	114,976	200,000	314,976
Thereafter	368,155	368,155	736,310	2,550,000	3,286,310
	\$ 686,530	\$ 686,530	\$ 1,373,060	\$ 3,400,000	\$ 4,773,060

Coopersville Area Public Schools

Notes to Financial Statements

2005 Refunding Bonds (General Obligation-Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1,	Interest Payable May 1,	Total Interest Payable	Serial Bonds Payable May 1,	Total Bonds and Interest Payable
2008	\$ 135,318	\$ 135,318	\$ 270,636	\$ 30,000	\$ 300,636
2009	134,868	134,868	269,736	30,000	299,736
2010	134,400	134,400	268,800	30,000	298,800
2011	133,912	133,912	267,824	35,000	302,824
2012	133,321	133,321	266,642	35,000	301,642
Thereafter	875,978	875,978	1,751,956	6,510,000	8,261,956
	\$ 1,547,797	\$ 1,547,797	\$ 3,095,594	\$ 6,670,000	\$ 9,765,594

2006 Refunding Bonds (General Obligation-Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1,	Interest Payable May 1,	Total Interest Payable	Serial Bonds Payable May 1,	Total Bonds and Interest Payable
2008	\$ 697,428	\$ 697,428	\$ 1,394,856	\$ 210,000	\$ 1,604,856
2009	693,490	693,490	1,386,980	420,000	1,806,980
2010	685,616	685,616	1,371,232	1,730,000	3,101,232
2011	651,016	651,016	1,302,032	1,950,000	3,252,032
2012	602,266	602,266	1,204,532	2,175,000	3,379,532
Thereafter	5,256,447	5,256,447	10,512,894	23,400,000	33,912,894
	\$ 8,586,263	\$ 8,586,263	\$ 17,172,526	\$ 29,885,000	\$ 47,057,526

Coopersville Area Public Schools

Notes to Financial Statements

2006 School Building and Site Bonds (General Obligation-Unlimited Tax)

<i>Year ending June 30,</i>	Interest Payable November 1,	Interest Payable May 1,	Total Interest Payable	Serial Bonds Payable May 1,	Total Bonds and Interest Payable
2008	\$ 945,928	\$ 945,928	\$ 1,891,856	\$ 505,000	\$ 2,396,856
2009	935,828	935,828	1,871,656	750,000	2,621,656
2010	920,828	920,828	1,841,656	1,000,000	2,841,656
2011	900,828	900,828	1,801,656	1,250,000	3,051,656
2012	874,266	874,266	1,748,532	1,300,000	3,048,532
Thereafter	11,093,437	11,093,437	22,186,874	35,875,000	58,061,874
	\$ 15,671,115	\$ 15,671,115	\$ 31,342,230	\$ 40,680,000	\$ 72,022,230

The District's installment contracts are summarized as follows:

<i>June 30,</i>	Interest Rate	2007	2006
2002 Thomas buses (2)	4.58%	\$ 19,581	\$ 38,302
Administration building	3.94	595,000	765,000
		\$ 614,581	\$ 803,302

12. Bond Compliance

The 2004 School Building and Site Capital Project Fund includes activities funded by bonds that were issued after May 1, 1994. For this capital project, the District has complied with the applicable provisions of Section 1351a of the Revised School Code. Beginning with the year of bond issuance, the District has reported the annual construction activity in the Fund. Cumulative revenues and expenditures for the construction period ended June 30, 2007 were \$78,180 and \$3,646,895, respectively.

The 2006 School Building and Site Capital Project Fund includes activities funded by bonds that were issued after October 17, 2006. For this capital project, the District has complied with the applicable provisions of Section 1351a of the Revised School Code. Beginning with the year of the bond issuance, the District has reported the annual construction activity in the Fund. Cumulative revenues and expenditures for the construction period ended June 30, 2007 were \$ 875,673 and \$2,930,834, respectively.

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General Fund

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Coopersville Area Public Schools

General Fund Schedule of Sources of Financial Resources

<i>Year ended June 30,</i>	2007	2006
Revenues		
Local Sources		
Property taxes	\$ 1,736,110	\$ 1,691,566
Other local sources	113,838	202,036
Pay to play	39,374	40,934
Tuition	547,180	547,661
Interest on investments	184,647	110,915
Total revenues from local sources	2,621,149	2,593,112
Payments From Other Governmental Units		
County special education tax	1,059,040	923,264
Medicaid unrestricted	49,913	-
Other	11,586	1,287
Total revenues from payments from other governmental units	1,120,539	924,551
State Sources		
State-aid unrestricted:		
State school aid - foundation allowance	16,067,426	14,743,598
Renaissance	18,515	19,602
Total state-aid unrestricted	16,085,941	14,763,200
State-aid restricted:		
Special education	562,060	585,936
At risk	274,450	274,447
Adult education	39,934	47,290
Preschool	59,400	59,400
Other grants	57,527	37,867
Total state-aid restricted	993,371	1,004,940

Coopersville Area Public Schools

General Fund Schedule of Sources of Financial Resources

<i>Year ended June 30,</i>	2007	2006
Other state grants:		
Medicaid non-transportation	\$ -	\$ 9,500
Total revenues from state sources	17,079,312	15,777,640
Federal Sources		
Grants-in-aid restricted:		
ESEA	371,633	352,899
IDEA/PPI special education	441,772	440,744
Medicaid outreach	4,899	3,515
Other grants	8,495	28,000
Total revenues from federal sources	826,799	825,158
Total revenues	21,647,799	20,120,461
Other Financing Sources		
Transfer from other fund	63,711	65,047
Insurance reimbursement	-	31,436
Issuance of long-term debt	-	850,000
Proceeds from sale of capital assets	21,136	280,505
Total other financing sources	84,847	1,226,988
Total Revenues and Other Financing Sources	\$ 21,732,646	\$ 21,347,449

Coopersville Area Public Schools

General Fund Schedule of Uses of Financial Resources

<i>Year ended June 30,</i>	2007	2006
Expenditures		
Instruction		
Basic programs:		
Pre-school (Pre-K)	\$ 142,707	\$ 150,940
Elementary (K-5)	4,265,203	3,898,692
Junior high (6-8)	2,799,783	2,598,082
Secondary (9-12)	3,789,808	3,350,044
Total basic programs	10,997,501	9,997,758
Added needs:		
Special education	1,398,158	1,195,261
Compensatory education	544,222	547,965
Total added needs	1,942,380	1,743,226
Adult/continuing education:		
Basic education	57,835	54,284
Total instruction	12,997,716	11,795,268
Supporting Services		
Pupil services:		
Guidance services	167,870	136,750
Certified occupational therapist assistant	7,050	30,898
Psychologist	72,134	61,970
Speech pathology and audiology	249,188	206,973
Social work services	205,173	194,179
Total pupil services	701,415	630,770
Instructional staff:		
Improvement of instruction	34,945	26,444
Media	30,061	42,603
Supervisor and director of instructional staff	221,706	203,927
Auditorium	51,117	43,137
Total instructional staff	337,829	316,111

Coopersville Area Public Schools

General Fund Schedule of Uses of Financial Resources

<i>Year ended June 30,</i>	2007	2006
General administration:		
Board of Education	\$ 92,346	\$ 58,254
Executive administration	552,129	496,187
Total general administration	644,475	554,441
School administration:		
Office of the principal	1,256,666	1,193,376
Other supporting services:		
Fiscal services	256,208	251,324
Other fiscal services	101,819	66,779
Operations and maintenance	2,176,031	2,244,901
Pupil transportation	946,166	887,482
Communications	55,148	58,731
Title II Part A and other services	8,652	443
Technology	358,138	232,644
Total other supporting services	3,902,162	3,742,304
Total supporting services	6,842,547	6,437,002
Community Services		
Drivers education	31,279	20,621
Other services	475,401	455,992
Total community services	506,680	476,613
Payments to Other Governmental Units		
Transportation/tuition	-	4,000
Debt Retirement		
Redemption of principal	188,721	102,902
Capital Outlay	121,000	809,045
Total expenditures	20,656,664	19,624,830

Coopersville Area Public Schools

General Fund Schedule of Uses of Financial Resources

<i>Year ended June 30,</i>	2007	2006
Other Financing Uses		
Transfers to other funds	\$ 372,702	\$ 341,480
Total Expenditures and Other Financing Uses	\$ 21,029,366	\$ 19,966,310

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**Nonmajor Governmental
Funds**



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Coopersville Area Public Schools

Nonmajor Governmental Funds Combining Balance Sheet

<i>June 30, 2007</i>	Special Revenue			Capital Project 2004 School Building and Site	Total
	Food Service	Center Stage	Athletics		
Assets					
Cash	\$ 226,631	\$ 13,260	\$ 97,081	\$ -	\$ 336,972
Accounts receivable	8,660	1,170	-	-	9,830
Inventories	9,827	-	-	-	9,827
Total Assets	\$ 245,118	\$ 14,430	\$ 97,081	\$ -	\$ 356,629
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 22,989	\$ 428	\$ 5,065	\$ -	\$ 28,482
Due to other funds	62,743	-	-	-	62,743
Deposits	7,793	-	2,579	-	10,372
Total liabilities	93,525	428	7,644	-	101,597
Fund Balances					
Reserved for inventories	9,827	-	-	-	9,827
Unreserved	141,766	14,002	89,437	-	245,205
Total fund balances	151,593	14,002	89,437	-	255,032
Total Liabilities and Fund Balances	\$ 245,118	\$ 14,430	\$ 97,081	\$ -	\$ 356,629

Coopersville Area Public Schools

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year ended June 30, 2007</i>	Special Revenue			Capital Project	Total
	Food Service	Center Stage	Athletics	2004 School Building and Site	
Revenues					
Local sources:					
Food sales	\$ 370,043	\$ -	\$ -	\$ -	\$ 370,043
Ticket sales	-	69	-	-	69
Rentals	-	5,351	-	-	5,351
Athletic fees	-	-	148,745	-	148,745
Other	34,682	163	32,398	-	67,243
Interest income	10,623	423	4,559	2,669	18,274
State sources	47,775	-	-	-	47,775
Federal sources	317,364	-	-	-	317,364
Total revenues	780,487	6,006	185,702	2,669	974,864
Expenditures					
Salaries	193,186	-	288,217	-	481,403
Employee benefits	50,788	-	73,635	-	124,423
Supplies and food	390,394	12,422	53,519	-	456,335
Contracted services	98,785	6,278	73,945	-	179,008
Other	1,003	118	52,376	-	53,497
Capital outlay	-	-	-	196,535	196,535
Total expenditures	734,156	18,818	541,692	196,535	1,491,201
Excess (deficiency) of revenues over expenditures	46,331	(12,812)	(355,990)	(193,866)	(516,337)
Other Financing Sources (Uses)					
Transfers to other funds	(62,743)	-	-	-	(62,743)
Transfers from other funds	4,037	10,000	358,665	-	372,702
Total other financing sources (uses)	(58,706)	10,000	358,665	-	309,959
Changes in fund balances	(12,375)	(2,812)	2,675	(193,866)	(206,378)
Fund Balances, beginning of year	163,968	16,814	86,762	193,866	461,410
Fund Balances, end of year	\$ 151,593	\$ 14,002	\$ 89,437	\$ -	\$ 255,032



Agency Funds

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Coopersville Area Public Schools

Agency Funds Statement of Changes in Agency Fund Assets and Liabilities

	Balance, July 1, 2006	Additions	Deductions	Balance, June 30, 2007
Assets				
Cash	\$ 226,921	\$ 565,528	\$ 557,404	\$ 235,045
Liabilities				
Due to student groups	\$ 226,921	\$ 565,528	\$ 557,404	\$ 235,045

<i>June 30,</i>	2007					Community Services Activities Fund	Total
	K-2 Student Activities Fund	3-5 Student Activities Fund	6-8 Student Activities Fund	9-12 Student Activities Fund			
Assets							
Cash	\$ 59,807	\$ 38,059	\$ 37,769	\$ 93,188	\$ 6,222	\$ 235,045	
Liabilities							
Due to student groups	\$ 59,807	\$ 38,059	\$ 37,769	\$ 93,188	\$ 6,222	\$ 235,045	

Coopersville Area Public Schools

Agency Funds Comparative Combining Balance Sheet

2006						
K-2 Student Activities Fund	3-5 Student Activities Fund	6-8 Student Activities Fund	9-12 Student Activities Fund	Community Services Activities Fund	Total	
\$ 53,429	\$ 31,223	\$ 45,644	\$ 91,373	\$ 5,252	\$ 226,921	
\$ 53,429	\$ 31,223	\$ 45,644	\$ 91,373	\$ 5,252	\$ 226,921	

Coopersville Area Public Schools

Analysis of Changes in Amounts Due to Depositors K-2 Student Activities Fund

	Balance, June 30, 2007			Balance, June 30, 2006			Balance, July 1, 2005
	Increases	Decreases		Increases	Decreases		
1st grade	\$ 760	\$ -	\$ -	\$ 760	\$ -	\$ -	\$ 760
1st grade field trips	544	3,545	3,359	358	2,356	3,110	1,112
2nd grade field trips	684	1,864	1,291	111	1,117	1,074	68
Box Tops For Education	1,196	1,538	1,433	1,091	1,030	1,148	1,209
Interest	6,738	2,494	554	4,798	1,882	341	3,257
Kindergarten field trips	158	1,960	1,861	59	667	643	35
Library fund	1,416	387	93	1,122	497	35	660
Migrant	84	70	132	146	-	-	146
Pacer	3,371	82	164	3,453	45	131	3,539
Pepsi	5,335	455	59	4,939	1,041	-	3,898
Playground	11,248	-	148	11,396	-	1,561	12,957
Pre 1st activities	24	278	220	(34)	375	531	122
Project Keep	521	-	8	529	471	942	1,000
QSP	14,398	5,181	2,009	11,226	3,637	2,452	10,041
Sound amplification	138	-	-	138	-	-	138
Special education	1,956	2,920	1,960	996	2,588	2,088	496
Special projects	3,371	-	1,787	5,158	-	2,459	7,617
Valentine Flower Fund	368	1,164	1,142	346	1,389	1,043	-
Miscellaneous	7,497	1,529	869	6,837	2,934	2,892	6,795
	\$ 59,807	\$ 23,467	\$ 17,089	\$ 53,429	\$ 20,029	\$ 20,450	\$ 53,850

Coopersville Area Public Schools

Analysis of Changes in Amounts Due to Depositors 3-5 Student Activities Fund

	Balance, June 30, 2007			Balance, June 30, 2006			Balance, July 1, 2005
	Increases	Decreases		Increases	Decreases		
3rd grade field trip	\$ 1,876	\$ 1,875	\$ -	\$ 1,706	\$ 1,706	\$ -	\$ -
4th grade field trip	1,154	4,240	54	4,881	4,827	-	-
5th grade field trip	201	5,660	477	4,754	4,489	212	212
Accelerated reader	71	-	71	-	-	71	71
Fundraiser	3,316	-	3,316	-	-	3,316	3,316
Interest	3,815	1,664	2,151	962	-	1,189	1,189
Library fundraiser	3,963	1,591	2,411	171	13	2,253	2,253
Pepsi	10,001	804	9,197	875	1,586	9,908	9,908
Popcorn sales	5,431	1,857	5,061	1,253	670	4,478	4,478
Running Club	520	1,200	598	1,150	1,173	621	621
School store	1,697	825	1,665	491	522	1,696	1,696
Science Fair	752	742	43	595	936	384	384
Skating	4,649	150	4,499	95	-	4,404	4,404
Student Council	459	573	554	1,595	1,041	-	-
Young Authors	32	-	32	-	-	32	32
Miscellaneous	1,997	7,371	1,094	3,955	5,519	2,658	2,658
	\$ 38,059	\$ 29,377	\$ 31,223	\$ 22,483	\$ 22,482	\$ 31,222	\$ 31,222

Coopersville Area Public Schools

Analysis of Changes in Amounts Due to Depositors 6-8 Student Activities Fund

	Balance, June 30, 2007			Balance, June 30, 2006			Balance, July 1, 2005
	Increases	Decreases	Increases	Decreases	Increases	Decreases	
6th grade	\$ 2,901	\$ 13,883	\$ 13,741	\$ 2,759	\$ 12,380	\$ 12,632	\$ 3,011
7th grade	3,133	347	-	2,786	426	39	2,399
8th grade	1,867	347	-	1,520	426	-	1,094
Art from the Heart	3,429	1,965	2,214	3,678	2,940	2,672	3,410
Art materials	58	-	25	83	-	140	223
Book fines	2,167	559	989	2,597	982	771	2,386
Future Farmers of America	59	-	-	59	-	-	59
GM Box Tops	862	-	-	862	-	-	862
Professional development	1,855	2,484	2,577	1,948	1,948	-	-
Science Olympiad	169	-	418	587	-	-	587
Ski Club	307	3,140	2,952	119	2,543	2,502	78
Staff activity	-	-	-	-	-	1,182	1,182
Student activity	16,976	24,174	24,890	17,692	29,800	32,642	20,534
Student Congress	1,529	3,753	4,022	1,798	3,710	5,528	3,616
Teacher Flower Fund	875	1,247	1,525	1,153	2,482	1,333	4
Team excellence	912	1,195	3,080	2,797	2,448	7,590	7,939
Technology Fund	302	1,546	1,313	69	1,496	1,523	96
Miscellaneous	368	7,819	12,588	5,137	10,971	11,159	5,325
	\$ 37,769	\$ 62,459	\$ 70,334	\$ 45,644	\$ 72,552	\$ 79,713	\$ 52,805

Coopersville Area Public Schools

Analysis of Changes in Amounts Due to Depositors 9-12 Student Activities Fund

	Balance, June 30, 2007			Balance, June 30, 2006			Balance, July 1, 2005
	Increases	Decreases	Increases	Decreases	Increases	Decreases	
Academic mentor	\$ 4,815	\$ 7,000	\$ 2,185	\$ -	\$ -	\$ -	\$ -
Annual staff	1,148	30,319	29,356	185	28,773	28,775	187
Athletic	-	28,094	28,094	-	21,126	21,126	-
Boys baseball	4,265	9,851	11,625	6,039	14,286	11,871	3,624
Boys basketball	3,012	13,067	12,695	2,640	11,933	10,809	1,516
Cheerleading	1,056	8,845	8,151	362	2,526	2,216	52
CHS "Our Future"	973	2,171	4,175	2,977	3,967	10,355	9,365
Class of 2006	-	-	768	768	1,705	3,231	2,294
Class of 2007	2,446	4,196	7,487	5,737	8,925	6,380	3,192
Class of 2008	3,970	10,826	8,577	1,721	4,810	3,354	265
Class of 2009	3,650	6,030	2,395	15	-	185	200
Class of 2010	18	200	182	-	-	-	-
Cross country	1,691	7,121	6,963	1,533	5,590	4,057	-
Dance Team	504	1,001	498	1	668	1,259	592
Drama	1,351	18,808	20,075	2,618	18,637	19,634	3,615
Electrator car	3,663	5,981	6,044	3,726	5,709	7,920	5,937
Football	2,055	26,570	25,438	923	11,894	13,369	2,398
Future Farmers of America	983	14,515	15,826	2,294	18,422	16,229	101
GAPP	-	-	-	-	38,523	40,801	2,278
Girls basketball	5,594	9,670	7,921	3,845	8,256	8,756	4,345
Girls track	735	1,578	1,123	280	400	120	-
Golf	2,041	900	-	1,141	516	864	1,489
Greenhouse	320	-	62	382	-	58	440
Industrial Arts	4,169	5,298	9,235	8,106	9,391	4,635	3,350
Instrumental music	493	4,126	4,566	933	5,326	5,256	863
Jazz band	20	-	1	21	210	232	43
Media Center	1,480	1,677	1,392	1,195	940	1,201	1,456
National Honor Society	1,969	2,711	2,203	1,461	7,811	7,369	1,019
Parking lot	568	1,616	1,815	767	1,734	1,933	966
Pep Club	1,077	322	158	913	494	990	1,409
Prom account	1,011	221	230	1,020	-	-	1,020
Rietsma Trust	-	127	127	-	127	255	128

Coopersville Area Public Schools

Analysis of Changes in Amounts Due to Depositors 9-12 Student Activities Fund

	Balance,			Balance,			Balance,
	June 30, 2007	Increases	Decreases	June 30, 2006	Increases	Decreases	July 1, 2005
S.A.D.D.	\$ 121	\$ -	\$ 662	\$ 783	\$ 1,104	\$ 570	\$ 249
Ski Club	242	-	50	292	90	50	252
Soccer	1,601	1,872	1,150	879	1,535	1,514	858
Softball	2,191	3,063	4,107	3,235	23,220	21,170	1,185
Spanish Club	144	-	-	144	10	-	134
Spirit Shop	5,661	31,184	26,299	776	19,544	18,768	-
Student Council	2,336	13,224	12,904	2,016	11,812	11,251	1,455
Student loans	-	6,031	6,031	-	4,916	4,916	-
Tennis	1,773	1,379	1,810	2,204	1,539	-	665
Travel Club	1,478	-	-	1,478	4,960	4,656	1,174
Vocal Music Boosters	1,172	15,120	16,822	2,874	13,252	11,317	939
Volleyball	1,520	1,341	538	717	1,380	1,514	851
Wrestling	3,072	656	20	2,436	1,758	750	1,428
Miscellaneous	16,800	73,876	79,012	21,936	54,738	44,005	11,203
	\$ 93,188	\$ 370,587	\$ 368,772	\$ 91,373	\$ 372,557	\$ 353,721	\$ 72,537

Coopersville Area Public Schools

Analysis of Changes in Amounts Due to Depositors Community Services Activities Fund

	Balance, June 30, 2007			Balance, June 30, 2006			Balance, July 1, 2005
	Increases	Decreases		Increases	Decreases		
Senior citizens	\$ 2,254	\$ 68,176	\$ 70,449	\$ 4,527	\$ 37,439	\$ 35,752	\$ 2,840
Miscellaneous	3,968	11,462	8,219	725	7,881	9,283	2,127
	\$ 6,222	\$ 79,638	\$ 78,668	\$ 5,252	\$ 45,320	\$ 45,035	\$ 4,967

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**Report on Internal Control Over
Financial Reporting and on
Compliance and Other Matters
Based on an Audit of Financial
Statements Performed in
Accordance With *Government
Auditing Standards***

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Independent Auditors' Report

Board of Education
Coopersville Area Public Schools
Coopersville, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Coopersville Area Public Schools (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 20, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

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

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Compliance and Other Matters

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

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

A handwritten signature in black ink that reads "BDO Seidman, LLP". The signature is written in a cursive, flowing style.

Grand Rapids, Michigan
September 20, 2007

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



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Independent Auditors' Report

Board of Education
Coopersville Area Public Schools
Coopersville, Michigan

Compliance

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

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

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

Internal Control Over Compliance

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

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internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Coopersville Area Public Schools as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 20, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Grand Rapids, Michigan
September 20, 2007

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**Schedule of Expenditures
of Federal Awards**

<i>Year ended June 30, 2007</i>	Federal CFDA Number	Program or Award Amount	Prior Year Expenditures (memorandum only)
Federal Grantor/Pass-Through Grantor/Program/Project Number			
U.S. Department of Education			
Passed through Michigan Department of Education:			
Title I	84.010		
071530-0607		\$ 221,767	\$ -
Title I Migrant Education	84.011		
071890-0607		56,531	-
Title II Part A Improving Teacher Quality	84.367		
070520-0607		93,335	-
Title II Part D Technology Literacy Challenge	84.318		
074290-0607		2,276	-
Title V Part A Innovative Programs	84.298		
070250-0607		553	-
IDEA Part B - CIMS	84.027		
070440-0607		716	-
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Total passed through Michigan Department of Education			
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Passed through Ottawa Area Intermediate School District:			
Drug Free Schools	84.186		
072860 0607		6,029	-
IDEA - Flow Through	84.027		
060450 0506		428,918	428,918
070450 0607		427,035	-
IDEA - Transition	84.027		
070490 0607		1,777	-
PPI	84.173		
060460 0506		11,825	11,825
070460 0607		12,959	-
<hr/>			
Total passed through Ottawa Area Intermediate School District			
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Total U.S. Department of Education			
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Coopersville Area Public Schools

Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue at July 1, 2006	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2007
\$ -	\$ 219,421	\$ 221,767	\$ 2,346
-	56,531	56,531	-
-	73,986	93,335	19,349
-	2,276	2,276	-
-	553	553	-
-	716	716	-
-	353,483	375,178	21,695
-	4,498	4,950	452
214,459	214,459	-	-
-	213,518	427,036	213,518
-	1,473	1,777	304
5,912	5,912	-	-
-	6,480	12,959	6,479
220,371	446,340	446,722	220,753
220,371	799,823	821,900	242,448

<i>Year ended June 30, 2007</i>	Federal CFDA Number	Program or Award Amount	Prior Year Expenditures (memorandum only)
Federal Grantor/Pass-Through Grantor/Program/Project Number			
U.S. Department of Health and Human Services			
Passed through Ottawa Area Intermediate School District:			
Medicaid Outreach	93.778		
06/07		\$ 4,899	\$ -
U.S. Department of Agriculture			
Passed through Michigan Department of Education:			
National School Lunch	10.555	240,370	-
National School Breakfast	10.553	47,773	-
Bonus Commodities	10.550	194	-
Entitlement Commodities	10.550	27,944	-
Total U.S. Department of Agriculture			
Total Federal Financial Assistance			

Coopersville Area Public Schools

Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue at July 1, 2006	Current Year Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2007
\$ -	\$ 3,961	\$ 4,899	\$ 938
-	240,370	240,370	-
-	47,773	47,773	-
(101)	194	264	(31)
(1,094)	27,944	28,957	(81)
(1,195)	316,281	317,364	(112)
\$ 219,176	\$ 1,120,065	\$ 1,144,163	\$ 243,274

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**Note to
Schedule of Expenditures
of Federal Awards**



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Coopersville Area Public Schools

Note to Schedule of Expenditures of Federal Awards

1. General

Revenues are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met.

Expenditures are recorded under the modified accrual basis of accounting.

Expenditures in this schedule agree with amounts reported in the basic financial statements and financial reports. Amounts reported in the Grant Section Auditors' Report reconcile with this schedule. Inventory values are based on the USDA value for donated food commodities and include spoilage.

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**Schedule of Findings
and Questioned Costs**



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Coopersville Area Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2007

Summary of Auditors' Results

The auditors' report expresses an unqualified opinion on the basic financial statements of Coopersville Area Public Schools.

The audit did not disclose any noncompliance which is material to the basic financial statements of Coopersville Area Public Schools.

The auditors' report on compliance for major programs of Coopersville Area Public Schools expresses an unqualified opinion.

The audit did not disclose any findings relative to major programs that are required to be reported herein in accordance with OMB Circular A-133.

The District had the following major program: The Special Education Cluster which consists of, IDEA Transition, Flow Through and PPI.

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

Coopersville Area Public Schools qualified as a low-risk auditee.

Findings Related to the Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs.

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