

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

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**Financial Report  
with Supplemental Information  
Prepared in Accordance with GASB 34**

**June 30, 2010**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>4</b>
<b>ADMINISTRATION’S DISCUSSION AND ANALYSIS .....</b>	<b>7</b>
<b>BASIC FINANCIAL STATEMENTS .....</b>	<b>17</b>
STATEMENT OF NET ASSETS .....	18
STATEMENT OF ACTIVITIES.....	20
BALANCE SHEET – GOVERNMENTAL FUNDS .....	21
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS.....	23
GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES .....	24
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES .....	26
STATEMENT OF FIDUCIARY NET ASSETS .....	27
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS.....	28
<b>NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>29</b>
<b>REQUIRED SUPPLEMENTAL INFORMATION.....</b>	<b>88</b>
BUDGETARY COMPARISON SCHEDULE – ALL GENERAL OPERATING FUNDS .....	89
<b>OTHER SUPPLEMENTAL INFORMATION.....</b>	<b>90</b>
COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS.....	91
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS.....	92
ALL GENERAL OPERATING FUNDS – COMBINING BALANCE SHEET .....	93
ALL GENERAL OPERATING FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE.....	94
ALL SPECIAL REVENUE FUNDS – COMBINING BALANCE SHEET .....	95
ALL SPECIAL REVENUE FUNDS – COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE.....	96
ALL SPECIAL REVENUE FUNDS – COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE.....	97
GENERAL FUND - COMPARATIVE BALANCE SHEET .....	98
GENERAL FUND - SUPPLEMENTAL SCHEDULE OF REVENUES – ACTUAL COMPARED TO BUDGET .....	99
GENERAL FUND -SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET .....	101
COMMUNITY SCHOOL FUND – COMPARATIVE BALANCE SHEET .....	109
COMMUNITY SCHOOL FUND - STATEMENT OF REVENUES – ACTUAL COMPARED TO BUDGET .....	110
COMMUNITY SCHOOL FUND - STATEMENT OF EXPENDITURES – ACTUAL COMPARED TO BUDGET .....	111

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>OTHER SUPPLEMENTAL INFORMATION (Continued)</b>	
FOOD SERVICE FUND – COMPARATIVE BALANCE SHEET.....	113
FOOD SERVICE FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET .....	114
ATHLETIC FUND – COMPARATIVE BALANCE SHEET.....	116
SPECIAL REVENUE FUND - ATHLETIC FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET .....	117
CAPITAL PROJECTS FUND – COMPARATIVE BALANCE SHEET.....	118
CAPITAL PROJECTS FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET .....	119
DEBT RETIREMENT FUND – COMPARATIVE BALANCE SHEET.....	120
DEBT RETIREMENT FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE .....	121
DEBT RETIREMENT FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE .....	122
TRUST AND AGENCY FUND - STATEMENT OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE.....	123
TRUST AND AGENCY FUND - STATEMENT OF RECEIPTS AND DISBURSEMENTS .....	124
PROPERTY TAX DATA.....	127
<b>INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....</b>	<b>128</b>
<b>SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES.....</b>	<b>131</b>
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....</b>	<b>134</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....</b>	<b>137</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....</b>	<b>146</b>

**INDEPENDENT AUDITOR'S REPORT**

# ***DS Rostagno, CPA, P.C.***

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Board of Education  
**West Iron County Public School District**  
601 Garfield Avenue  
Iron River, Michigan 49935

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the **West Iron County Public School District**, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

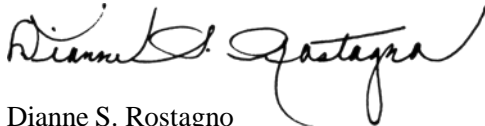
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States of America, and with the standards prescribed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

In our opinions, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **West Iron County Public School District** at June 30, 2010, and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2010, on our consideration of the **West Iron County Public School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions 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 read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 through 16, and on page 89, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express opinions or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express opinions or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **West Iron County Public School District's** financial statements as a whole. The introductory section and the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinions, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

October 18, 2010

**ADMINISTRATION'S DISCUSSION AND ANALYSIS**

# WEST IRON COUNTY PUBLIC SCHOOLS

601 Garfield Avenue  
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Chris Thompson  
Superintendent

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The **West Iron County Public School District** is a K-12 school district located in Iron County, Michigan.

The Administration's Discussion and Analysis, a requirement of GASB 34, is intended to be the **West Iron County Public School District's** discussion and analysis of the financial results for the fiscal year ended June 30, 2010.

Generally accepted accounting principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: District Wide Financial Statements and Fund Financial Statements.

## **Fund Financial Statements**

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in the relevant funds, including Debt Service, Capital Projects, and the School Service Funds, which are comprised of Food Service and Athletics.

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

## **District-wide Financial Statements**

The *District-wide Financial Statements* are full accrual basis statements. They report all of the District's assets and liabilities, both short and long-term, regardless if they are "currently available" or not. For example, assets that are restricted for use in the Debt Service Fund solely for the payment of long-term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Assets on the *District-wide Financial Statements*.

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## The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity and scholarship funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### Summary of Net Assets:

The following summarizes comparative the net assets at fiscal years ended June 30, 2010 and June 30, 2009:

<b><u>NET ASSETS SUMMARY</u></b>	<b><u>June 30, 2010</u></b>	<b><u>June 30, 2009</u></b>
<b>Assets</b>		
Current Assets	\$ 2435762	\$ 1790534
Capital Assets	14813262	14678805
Less: Accumulated Depreciation	<u>(7443555)</u>	<u>(7074371)</u>
Capital assets, net book value	7369707	7604434
<b>Total Assets</b>	<b>\$ <u>9805469</u></b>	<b>\$ <u>9394968</u></b>
<b>Liabilities</b>		
Current Liabilities	1393621	1598174
Long-term Liabilities	<u>2480006</u>	<u>3169382</u>
<b>Total Liabilities</b>	<b>3873627</b>	<b>4767556</b>
<b>Net Assets</b>		
Investment in capital assets, net of related debt	5146737	5051559
Restricted for Inventory	6190	6765
Restricted for Food Service	15654	0
Restricted for Athletics	0	0
Restricted for Debt Service	276642	177585
Restricted for Sinking Fund Capital expense	172491	146545
Designated for Special Programs	0	0
Unrestricted	<u>314128</u>	<u>(755042)</u>
<b>Total Net Assets</b>	<b>5931842</b>	<b>4627412</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>9805469</u></b>	<b>\$ <u>9394968</u></b>

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## Analysis of Financial Position

During fiscal year ended June 30, 2010, the District's net assets increased by \$ 1,304,430. A few of the significant factors affecting net assets during the year are discussed below:

### A. General Operating Fund Operations

The District's revenues from General Operating Fund operations exceeded expenditures by \$ 850,772. General Operating Fund revenues decreased by \$ 319,429 from the last fiscal year, while General Operating Fund expenditures decreased by \$881,774 from the prior year.

### B. Debt, Principal Payments

The District made principal payments on long-term debt obligations that reduced the amount of the District's long-term liabilities as follows:

	<b>Balance July 01, <u>2009</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance June 30, <u>2010</u></b>
2007 Refunding Bonds	\$ 2475000	\$ 0	\$ 280000	\$ 2195000
Durant Resolution Bonds	77875	0	49905	27970
Long-term Employee Benefits	<u>904996</u>	<u>0</u>	<u>349066</u>	<u>555930</u>
<b>Totals</b>	<b>\$ 3457871</b>	<b>\$ 0</b>	<b>\$ 678971</b>	<b>\$ 2778900</b>

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## C. Net Investment in Capital Assets

The District's comparative net investment in capital assets is as follows:

	<b>Balance June 30, <u>2009</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance June 30, <u>2010</u></b>
Capital Assets	\$ 14678805	\$ 134457	\$ 0	\$ 14813262
Less: Accumulated Depreciation	<u>(7074371)</u>	<u>(369184)</u>	<u>0</u>	<u>(7443555)</u>
<b>Net Investment in Capital Assets</b>	<b>\$ <u>7604434</u></b>	<b>\$ <u>(234727)</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>7369707</u></b>

	<b>Balance June 30, <u>2008</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance June 30, <u>2009</u></b>
Capital Assets	\$ 1455327	\$ 123478	\$ 0	\$14678805
Less: Accumulated depreciation	<u>(6692732)</u>	<u>(381639)</u>	<u>0</u>	<u>(7074371)</u>
<b>Net Investment in Capital Assets</b>	<b>\$ <u>7862595</u></b>	<b>\$ <u>(258161)</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>7604434</u></b>

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## Results of Operations:

For the fiscal years ended June 30, 2010 and June 30, 2009, the District-wide comparative results of operations were as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
<b><u>Revenues</u></b>		
<b><i>General Revenues</i></b>		
Property taxes, levied for general operations	\$ 2479206	\$ 2331267
Property taxes, levied for debt service	485454	368298
Property taxes, levied for Sinking Fund Improvements	107946	101310
Other taxes and Fees	86503	5449
State Aid, Unrestricted	4236491	4622047
Schools and roads grant	117844	124448
Interest and Investment Earnings	18730	15423
Other general revenues	<u>127050</u>	<u>126495</u>
<b><i>Total General Revenues</i></b>	<b>\$ 7659224</b>	<b>\$ 7694737</b>
<b><i>Operating Grants</i></b>		
Federal	1125922	1137752
State of Michigan	844448	865399
Other operating grants	<u>18763</u>	<u>31141</u>
<b><i>Total Operating Grants</i></b>	<b>1989133</b>	<b>2034292</b>
<b><i>Charges for Services</i></b>		
Instruction	10797	24643
Food Service	108625	135521
Athletics	68850	74943
Community Internet	0	1305
Day Care Program	4233	19990
Other Charges for Services	<u>0</u>	<u>27848</u>
<b><i>Total Charges for Services</i></b>	<b>192505</b>	<b>284250</b>
<b>Total Revenues</b>	<b>\$ 9840862</b>	<b>\$ 10013279</b>

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## Results of Operations: (Continued)

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
<b>Expenses:</b>		
Instruction	\$ 4783030	\$ 5426118
Support Services	2611684	3113957
Community Services	44638	32770
Food Services	399215	568185
Athletics	164471	170392
Interest on long-term debt	118328	111713
Other Costs	14772	1010
Depreciation (Unallocated)	369184	381639
Intergovernmental payments	<u>31110</u>	<u>25360</u>
<b>Total Expenses</b>	<b>\$ 8536432</b>	<b>\$ 9831144</b>
<b>Non-operating Income (Expense)</b>	<b>(0)</b>	<b>(0)</b>
<b>DECREASE/INCREASE IN NET ASSETS</b>	<b>1304430</b>	<b>182135</b>
<b>BEGINNING NET ASSETS</b>	<b>4627412</b>	<b>4445277</b>
<i>Prior Period Adjustment</i>	<u>0</u>	<u>0</u>
<b>ENDING NET ASSETS</b>	<b>\$ <u>5931842</u></b>	<b>\$ <u>4627412</u></b>

### 1. State of Michigan Unrestricted Aid (Net State Foundation Grant)

The State of Michigan aid, unrestricted, is determined with the following variables:

- a. State of Michigan State Aid Act per student foundation allowance.
- b. Student Enrollment - Blended at 80 percent of current year's fall count and 20 percent of prior year's winter count.
- c. The District's non-homestead levy.

### Per Student Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. The **West Iron County School District's** foundation allowance was \$ 7,316 per student for the 2009-2010 school year.

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## Student Enrollment:

The District's enrollment for state aid membership purposes for 2009-2010 was 988.15 students. The District's enrollment decreased substantially from the prior year's student count. The following summarizes **fall** student enrollments in the past five years:

	<u>Student FTE</u>
2009-2010	918
2008-2009	973
2007-2008	1088
2006-2007	1069
2005-2006	1119

## 2. Property Taxes Levied for General Operations (General Fund Non-Homestead)

The District levies 18 mills of property taxes for operations (General Fund) on non-homestead properties. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase, or five percent, whichever is less.

At the time of sale, a property's taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value.

The District's non-homestead property tax revenue for the 2009-2010 fiscal year was \$ 2,479,206. The non-homestead property tax levy increased from the prior year.

The following summarizes the District's non-homestead property tax levy for the past five years:

	<u>Non-Homestead Tax Levy</u>	<u>Percent Increase From Prior Year</u>
2009-2010	\$ 2479206	6.35
2008-2009	2331267	3.11
2007-2008	2260978	3.38
2006-2007	2187002	22.18
2005-2006	1789998	2.18

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### 3. Debt Service and Sinking Fund Levy

The District's debt service fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties - both homestead and non-homestead. For the fiscal year ended June 30, 2010, the District's debt millage levy was 1.9999 mills, which generated revenue of \$485454.

In addition, the District levied .4447 mills for sinking fund improvements, which generated revenue of \$107,946.

### 4. Food Sales to Students and Adults (School Lunch Program)

The District's food sales to students and adults decreased by approximately \$ 26,896 from the prior school year. During the prior 2008-2009 fiscal year, this revenue had decreased by \$2632 from the year before.

#### General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in Required Supplemental Information of these financial statements. Changes to the General Fund original budget were as follows:

	<u>Revenues</u> <u>Original</u> <u>Budget</u>	<u>Revenues</u> <u>Final</u> <u>Budget</u>	<u>Revenues</u> <u>Final</u> <u>Actual</u>	<u>Revenues</u> <u>Variance</u> <u>Actual vs</u> <u>Original</u> <u>Budget</u>	<u>Revenues</u> <u>Variance</u> <u>Actual vs</u> <u>Final</u> <u>Budget</u>
<b>General Operating Funds</b>	\$ 8518839	\$ 8591380	\$ 8686338	\$ 167499	\$ 94958
	<u>Expenditures</u> <u>Original</u> <u>Budget</u>	<u>Expenditures</u> <u>Final</u> <u>Budget</u>	<u>Expenditures</u> <u>Final</u> <u>Actual</u>	<u>Expenditures</u> <u>Variance</u> <u>Actual vs</u> <u>Original</u> <u>Budget</u>	<u>Expenditures</u> <u>Variance</u> <u>Actual vs</u> <u>Final</u> <u>Budget</u>
<b>General Operating Funds</b>	\$ 7945076	\$ 7972489	\$ 7866676	\$ 78400	\$ 105813

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## **General Fund Budgetary Highlights (Continued)**

Budgeted revenues were increased by \$ 72,541, which is less than a one percent increase from the original budget.

Budgeted expenditures were increased by \$ 27,413 from the original budgeted amounts, representing a less than one percent increase.

## **Accomplishments for the 2008-2010 School Year**

Reduced the cost of the food service program in order to make the program self-sufficient.

All buildings received positive AYP.

Created economic stability so the District will be able to withstand state economic reductions.

## **Goals and priorities for the 2010-2011 year:**

- Continue to maintain a positive fund balance.
- Continue to maintain our current academic programs with the decreases in school aid funding.
- Continue to look at efficiencies in all areas of the school district.

## **Contacting the School District's Financial Management**

This financial report is designed to provide the School District's citizens, taxpayers, customers, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact:

**West Iron County Public Schools**  
School Business Office  
601 Garfield Avenue  
Iron River, Michigan 49935

## **BASIC FINANCIAL STATEMENTS**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**STATEMENT OF NET ASSETS**

*JUNE 30, 2010*

	<u><b>Governmental Activities</b></u>
<b><u>ASSETS</u></b>	
<b><i>Current Assets</i></b>	
Cash and Cash Equivalents (Note 3 )	\$ 1,076,268
Receivables	
Taxes	238,555
Accounts Receivable	21,246
Due from Other Governmental Units	1,050,851
Due from External Parties	2,797
Inventories	10,271
Prepaid Expenses	<u>35,774</u>
<b><i>Total Current Assets</i></b>	<b>2,435,762</b>
<b><i>Noncurrent Assets</i></b>	
Capital Assets (Note 5 )	14,813,262
Less: Accumulated Depreciation (Note 5 )	<u>(7,443,555)</u>
<b><i>Total Noncurrent Assets</i></b>	<b><u>7,369,707</u></b>
<b>TOTAL ASSETS</b>	<b>\$ 9,805,469</b>
<b><u>LIABILITIES</u></b>	
<b><i>Current Liabilities</i></b>	
Accounts Payable	52,969
Accrued Salaries and Benefits	1,026,101
Deferred Revenue	4,650
Due to External Parties	11,007
Bonds Payable, Due within one year (Note 8 )	<u>298,894</u>
<b><i>Total Current Liabilities</i></b>	<b>1,393,621</b>
<b><i>Noncurrent Liabilities</i></b>	
Bonds Payable (Note 8 )	1,924,076
Compensated Absences Payable	372,430
Long-term Employee Benefits Payable	<u>183,500</u>
<b><i>Total Noncurrent Liabilities</i></b>	<b>2,480,006</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 3,873,627</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**STATEMENT OF NET ASSETS  
(CONTINUED)**

*JUNE 30, 2010*

	<u><b>Governmental Activities</b></u>
<b><u>NET ASSETS</u></b>	
Invested in Capital Assets, Net of Related Debt	\$ 5,146,737
Restricted for General Fund Inventory	6,190
Restricted for Food Service Operations	11,573
Restricted for Food Service Inventory	4,081
Restricted for Debt Services	276,642
Restricted for Sinking Fund Capital	172,491
Restricted for Athletics	-
Unrestricted and Undesignated	<u>314,128</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 5,931,842</b>

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**  
*FISCAL YEAR ENDED JUNE 30, 2010*

	<b>Expenses</b>	<b>Program Revenues</b>		<b>Governmental Activities</b>
		<b>Charges for Services</b>	<b>Operating Grants</b>	<b>Net(Expense) Revenue and Changes in Net Assets</b>
<b>Functions/Programs</b>				
Primary Government -				
Government Activities:				
Instruction	\$ 4,783,030	\$ 10,797	\$ 1,320,286	\$ (3,451,947)
Support Services	2,611,684		293,901	(2,317,783)
Food Services	399,215	108,625	306,244	15,654
Athletics	164,471	68,850		(95,621)
Community Services	44,638	4,233		(40,405)
Interest/Fees on Long-Term Debt	118,328		68,702	(49,626)
Other Costs	14,772			(14,772)
Depreciation (Unallocated)	369,184			(369,184)
Intergovernmental Payments	31,110			(31,110)
<b>Total Governmental Activities</b>	<b>\$ 8,536,432</b>	<b>\$ 192,505</b>	<b>\$ 1,989,133</b>	<b>\$ (6,354,794)</b>
General Revenues:				
Taxes:				
Property taxes levied for general operations				2,479,206
Property taxes levied for debt service				485,454
Property taxes levied for sinking fund improvements				107,946
Penalties/interest on taxes				11,724
Other Taxes				74,779
State Aid, Unrestricted				4,236,491
Schools and Roads Grant				117,844
Interest and Investment Earnings				18,730
Other				127,050
<b>Total General Revenues</b>				<b>7,659,224</b>
<b>Change in Net Assets</b>				<b>1,304,430</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>				<b>4,627,412</b>
<b>NET ASSETS - END OF YEAR</b>				<b>\$ 5,931,842</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**BALANCE SHEET – GOVERNMENTAL FUNDS**

*JUNE 30, 2010*

	<b>General Operating Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>
<b><u>ASSETS</u></b>			
Cash and Investments (Note 3 )	\$ 996,102	\$ 3,111	\$ 32,377
Receivables:			
Taxes	190,066	8,836	39,653
Accounts Receivable	6,620	-	-
Due from Other Funds	85,409	160,544	208,712
Due from Other Governmental Units	1,050,851	-	-
Inventories	6,190	-	-
Prepaid Expenditures	35,774	-	-
	<b>\$ 2,371,012</b>	<b>\$ 172,491</b>	<b>\$ 280,742</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts Payable	49,584	-	-
Accrued Salaries and Benefits	1,016,949	-	-
Accrued Sales Tax	-	-	-
Due to Other Funds	428,231	-	4,100
Deferred Revenue (Note 7 )	-	-	-
	<b>\$ 1,494,764</b>	<b>\$ -</b>	<b>\$ 4,100</b>
<b><u>FUND BALANCES</u></b>			
Reserved for Inventory	6,190	-	-
Reserved for Sinking Fund Capital Outlay	-	172,491	-
Reserved for Debt Service	-	-	276,642
Reserved for Food Services Operations	-	-	-
Reserved for Food Services Inventory	-	-	-
Reserved for Athletics	-	-	-
Unreserved and Undesignated	870,058	-	-
	<b>\$ 876,248</b>	<b>\$ 172,491</b>	<b>\$ 276,642</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,371,012</b>	<b>\$ 172,491</b>	<b>\$ 280,742</b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**BALANCE SHEET – GOVERNMENTAL FUNDS**

*JUNE 30, 2010*

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 44,678	\$ 1,076,268
-	238,555
14,626	21,246
11,070	465,735
-	1,050,851
4,081	10,271
-	35,774
<b>\$ 74,455</b>	<b>\$ 2,898,700</b>
3,385	52,969
9,152	1,026,101
-	-
41,614	473,945
4,650	4,650
<b>\$ 58,801</b>	<b>\$ 1,557,665</b>
-	6,190
-	172,491
-	276,642
11,573	11,573
4,081	4,081
-	-
-	870,058
<b>\$ 15,654</b>	<b>\$ 1,341,035</b>
<b>\$ 74,455</b>	<b>\$ 2,898,700</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GOVERNMENTAL FUNDS**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS**

*JUNE 30, 2010*

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 1,341,035</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

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

The cost of capital assets is:	14,813,262
Accumulated depreciation is:	(7,443,555)

Long term liabilities are not due and payable in the current period and are not reported in the funds:

Bonds/Notes/Leases Payable	(2,222,970)
Compensated Absences/Other Benefits	(555,930)

Other long term assets not available to pay current period expenditures therefore deferred in the funds

-

Accrued interest is not included as a liability in governmental funds

-

<b>Total Net Assets - Governmental Activities</b>	<b><u><u>\$ 5,931,842</u></u></b>
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The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

*YEAR ENDED JUNE 30, 2010*

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b><u>REVENUE</u></b>			
Local Revenue	\$ 2,709,834	\$ 109,107	\$ 490,666
State Revenue	4,788,014	-	68,702
Federal Revenue	817,375	-	-
Intergovernmental Payments			
Federal Sources			
DIISD Flowthrough	28,440	-	-
ARRA Special Education Flowthrough	120,921		
DIISD Medicaid Outreach	22,476		
DIISD MiBLSI	11,414		
MAISD Drug Free Schools	1,764	-	-
State Revenue	167,337	-	-
Other Revenue	18,763	-	-
Miscellaneous	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 8,686,338</b>	<b>\$ 109,107</b>	<b>\$ 559,368</b>
<b><u>EXPENDITURES</u></b>			
<b><i>Current:</i></b>			
Instruction	5,037,848	-	-
Support Services	2,705,932		
Community Services	44,638	-	-
Food Services	-		
Athletics	-	-	-
Debt Service			
Principal	-		329,905
Interest and Fees	-		118,328
Other costs	-	2,694	12,078
Capital Outlay	47,148	80,467	
Intergovernmental Payments	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,835,566</b>	<b>\$ 83,161</b>	<b>\$ 460,311</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>850,772</b>	<b>25,946</b>	<b>99,057</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Payments to other governmental units	(31,110)	-	-
Operating transfers in			-
Operating transfers out	(100,133)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(131,243)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>719,529</b>	<b>25,946</b>	<b>99,057</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>156,719</b>	<b>146,545</b>	<b>177,585</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 876,248</b>	<b>\$ 172,491</b>	<b>\$ 276,642</b>

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
*YEAR ENDED JUNE 30, 2010*

<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 179,805	\$ 3,489,412
42,392	4,899,108
263,852	1,081,227
-	28,440
-	120,921
-	22,476
-	11,414
-	1,764
-	167,337
-	18,763
-	-
<b>\$ 486,049</b>	<b>\$ 9,840,862</b>
-	5,037,848
-	2,705,932
-	44,638
399,215	399,215
164,471	164,471
-	329,905
-	118,328
-	14,772
6,842	134,457
-	-
<b>\$ 570,528</b>	<b>\$ 8,949,566</b>
(84,479)	891,296
-	(31,110)
100,133	100,133
-	(100,133)
<b>100,133</b>	<b>(31,110)</b>
<b>15,654</b>	<b>860,186</b>
-	480,849
<b>\$ 15,654</b>	<b>\$ 1,341,035</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GOVERNMENTAL FUNDS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF  
ACTIVITIES**

*YEAR ENDED JUNE 30, 2010*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 860,186</b>
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Amounts reported for governmental activities in the statement of activities are different because:

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

Depreciation Expense	(369,184)
Capital Outlay	134,457

Loan proceeds are considered to be other financing sources in the fund statements, but not in the statement of activities

Bond premiums on new bond issuances are reported as other financing sources as part of bond proceeds, but must be adjusted in the statement of activities

Repayment of bond/loan principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long term debt)	329,905
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(Increases) Decreases in compensated absences are reported as expenditures when financial resources are used in the governmental funds in accordance with GASB Interpretation No. 6	184,483
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(Increases) Decreases in long-term employee benefits are reported as expenditures when financial resources are used in the governmental funds.	164,583
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Rounding difference

<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 1,304,430</b>
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The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**FIDUCIARY FUND**

**STATEMENT OF FIDUCIARY NET ASSETS**

*JUNE 30, 2010*

**ASSETS**

Cash and Investments	\$ 1,566,577
Accounts Receivable	-
Due From Other Funds	<u>11,007</u>

**TOTAL ASSETS** **\$ 1,577,584**

**LIABILITIES**

Due to Other Funds	2,797
Due to Student Groups	<u>167,670</u>

**TOTAL LIABILITIES** **\$ 170,467**

**NET ASSETS**

Reserved for Scholarships	<u>1,407,117</u>
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**TOTAL NET ASSETS** **\$ 1,407,117**

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

*YEAR ENDED JUNE 30, 2010*

**PRIVATE-PURPOSE TRUST FUND**

**SCHOLARSHIP FUND**

**ADDITIONS**

Gifts and Contributions	\$	16,388
Interest and Dividends		52,514
Investment Gains (Losses)		113,043
		<hr/>

<b>TOTAL ADDITIONS</b>	<b>\$</b>	<b>181,945</b>
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**DEDUCTIONS**

Scholarships Awarded		50,194
Other		3,017
		<hr/>

<b>TOTAL DEDUCTIONS</b>	<b>\$</b>	<b>53,211</b>
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<b>CHANGE IN NET ASSETS</b>		128,734
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NET ASSETS - BEGINNING OF YEAR		1,278,383
		<hr/>

<b>NET ASSETS - END OF YEAR</b>	<b>\$</b>	<b>1,407,117</b>
		<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2010*

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

The accounting policies of the **West Iron County Public School District** conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

**Reporting Entity**

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate, component units of the School District. Based on the application of the criteria, the District does not contain any component units.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**District-wide and Fund Financial Statements**

The district-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, when applicable, which rely to a significant extent on fees and charges for support. All of the District's district-wide activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

The District generally uses restricted assets first for expenses incurred for which both restricted assets and unrestricted assets are available. The District may defer the use of restricted assets based on a review of the specific transaction.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**District-wide and Fund Financial Statements  
(Continued)**

Program revenue includes (1) charges to customers or applicants 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 operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**District-wide and Fund Financial Statements  
(Continued)**

The criteria applied for designation as a major fund as follows:

- 1) Total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for a fund type.
- 2) Total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and enterprise funds combined.
- 3) Assets, or other element taken one at a time would have to pass both the 10% test and the 5% test for the fund to be required to be reported as a major fund.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**District-wide Statements**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the district-wide financial statements.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements**

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

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

The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following governmental funds:

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Measurement Focus, Basis of Accounting and Financial  
Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***General Fund***

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

***Community School Fund***

This fund is used to account for all financial resources collected for the Community School program.

For reporting purposes, the General Fund and the Community School Fund are combined to form the School District's General Operating Fund. This is reported as a major fund.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***Capital Project Fund***

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or other capital assets, including equipment.

The capital project fund ("Sinking Fund") is considered to be a major fund for district-wide reporting purposes.

***Debt Retirement Fund***

These funds are used to account for the accumulated resources for, and the payment of, general long-term principal, interest, and related costs.

The Debt Retirement Fund is a major fund.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***Special Revenue Funds***

These funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The School Service Funds are Special Revenue Funds that segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. The School District maintains full control of these funds. The School Service Funds maintained by the School District are the Food Services Fund, and Athletic Activity Fund, both of which are considered to be non-major funds.

***Fiduciary Funds***

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**Fund-based Statements (Continued)**

***Fiduciary Funds (Continued)***

Fiduciary Fund net assets and results of operations are not included in the district-wide statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District presently maintains a Student Activities Fund and a Scholarship Fund. The Student Activity fund is an Agency Fund and the Scholarship Fund is a private-purpose trust fund.

**Deposits and Investments**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair market value.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Receivables and Payables**

In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds".

**Property Taxes**

Property taxes are levied on July 01 and payable by September 15 each year. They become delinquent on March 01 of the following year. Property taxes are recognized when they become available. The County of Iron purchases all delinquent real property taxes during the second quarter of each year, resulting in total collection of real property taxes each year.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Property Taxes (Continued)**

Delinquent personal property taxes are recorded as receivable if considered to be collectible within 60 days after year-end. For the year ended June 30, the School District levied 17.7827 operating mills (non-homestead only), and 1.9999 mills for debt retirement.

In addition, on June 10, 2002, the voters of the **West Iron County Public School District** approved a levy for 15 years to establish a sinking fund for the purchase of real estate for sites for, and the construction or repair of, school buildings and all other purposes authorized by law. For the year ended June 30, the School District levied .4447 mills on its taxable valuation of \$242,905,560.

**State Revenue**

The State of Michigan uses a foundation grant approach which provides for a specific annual amount of revenue per student based on a state-wide formula.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**State Revenue (Continued)**

The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts.

The State portion of the foundation is provided primarily by a State education property tax millage of 6.00 mills (on both homestead and non-homestead property) and an allocated portion of the State sales and other taxes.

The local portion of the foundation is funded primarily by non-homestead property taxes levied at a rate of up to 18 mills.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**State Revenue (Continued)**

The State revenue is recognized during the foundation period (currently the fiscal year) and is funded through payments from October 2009 through August 2010. The School 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 which are not expended by the close of the fiscal year are recorded as deferred revenue.

State, general, and categorical aids are recognized as revenue in the entitlement year. Federal aids for reimbursable programs are recognized as revenues in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenues.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Inventories and Prepaid Items**

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. United States Department of Agriculture commodities inventory received by the Food Service Fund is recorded as both revenue and expense in the year received. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

**Capital Assets**

Capital assets, which include land, buildings, equipment, and vehicles are reported in the applicable governmental column in the district-wide financial statements.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Capital Assets (Continued)**

Capital assets are defined by the government as assets with an initial individual cost of more than \$ 1,000 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Buses and other vehicles	5-10 years
Furniture and other equipment	5-20 years

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Contingent Liabilities**

***Unemployment***

Payroll and related withholding and expenses which have been earned by School District employees but not paid as of June 30 are recorded as a liability on the School District's balance sheet.

The School District is a reimbursing employer to the Michigan Employment Security Commission and as such is responsible to pay the Commission for those benefits paid and charged to its accounts. As of June 30, 2010 appropriate liabilities have been recorded for all claims paid by the Commission. However, no provision has been made for future payments that might result from claims in process or un-filed.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

***Compensated Absences***

**Sick Leave**

The various employment contracts and agreements covering the School District's personnel allow for the accumulation of sick leave as defined.

The master agreement between the **West Iron County Public School District's** Board of Education and the West Iron County Education Association provides that teachers receive 14 days of paid sick leave per year.

At retirement, teachers shall receive payment of accumulated sick leave at the rate of \$70 per day to a maximum of 205 days.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

***Compensated Absences (Continued)***  
**Sick Leave (Continued)**

To be eligible for payment at retirement, a teacher must have been an employee of the District for at least 10 consecutive years and must be eligible for retirement as stipulated by the Michigan Public School Employee's Retirement Act, which requires at least 15 years of service.

The current agreement between the **West Iron Public School District's** Board of Education and the West Iron County Educational Support Personnel Association - MEA contains the following provisions:

All employees are credited with 1 sick leave day per month in which at least 25% of the month was worked. Sick days can accumulate up to a maximum of 205 days.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

***Compensated Absences (Continued)***

**Sick Leave (Continued)**

At termination, accumulated sick leave is paid at the rate of \$60 for full-time support staff and \$70 per day for full-time instructional staff, prorated for part-time employees at the time of retirement.

To be eligible for such payment, the employee must have been an employee of the District for at least 10 consecutive years prior to retirement, and must be eligible for retirement as stipulated by the Michigan Public Employee's Retirement Act. This act requires a minimum of 15 years of service.

At June 30, 2010, the accumulated sick leave liability for all employees, including the related costs of FICA and retirement is estimated at \$413,810. Short-term benefits likely to be paid within the next 12 month period would result in a current liability of \$41,381. It is estimated that the long term liability (calculated at the applicable percentage and rate at retirement) is approximately \$372,429.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Non-Monetary Transactions**

Federal financial assistance received by school districts may include claims for reimbursement on reimbursable meals and milk served, cash in lieu of commodities, USDA donated commodities (both bonus and entitlement), discounts and rebates for the value of USDA donated commodity ingredients contained in processed foods (end products) provided by the state and federal processing program, respectively, and other payments for administrative costs, etc.

The Single Audit Act of 1984, as amended, and OMB Circular A-133 defines federal financial assistance to include both monetary and non-monetary forms of assistance provided by or passed down from a federal agency, such as grants, contracts, loans, loan guarantees, property, etc.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Non-Monetary Transactions (Continued)**

On this basis, the District recognizes the USDA value of donated commodities (bonus and non-bonus) received and expended in the amount of \$23,102 for entitlement commodities, and bonus commodities of \$1,498.

**Use of Estimates**

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

**Long-Term Obligations**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statements of Net Assets.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Long-Term Obligations (Continued)**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond costs, during the current period.

Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Fund Equity**

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

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

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

**Budgetary Information (Continued)**

State law requires the District to have its budget in place by July 01. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits districts to amend its budgets during the year. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year-end; the commitments will be re-appropriated and honored during the subsequent year.

**Excess of Expenditures Over Appropriation in  
Budgetary Funds**

**Budget Violations**

P.A. 621 of 1978, SECTION 18 (1), as amended, provides a local unit shall not incur expenditures in excess of the amounts appropriated. The **West Iron County Public School District's** actual expenditures and budgeted expenditures for the funds budgeted have been shown on an activity basis. The approved budgets of the **West Iron County Public School District** were adopted at the activity level.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Excess of Expenditures Over Appropriation in  
Budgetary Funds (Continued)  
Budget Violations (Continued)**

The budget is prepared on the modified accrual basis of accounting, which is the same basis as the financial statements.

The total actual 2009-2010 expenditures exceeded the amended budget allocations by \$1,434, as follows:

	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>
<b><u>Athletic Fund</u></b>			
Nonprofessional Salaries	\$ 16442	\$ 15545	\$ 897
Purchased Services	56408	55871	537
<b>Total</b>	<b>\$ <u>72850</u></b>	<b>\$ <u>71416</u></b>	<b>\$ <u>1434</u></b>

**Fund Deficits**

At June 30, 2010, the School District had no fund deficit in any fund.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 3 - DEPOSITS AND INVESTMENTS**

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of the federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

The School District's deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the local unit's cash deposits classifies cash according to three levels of risk.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

These three levels of risk are as follows:

**Category 1**

Deposits which are insured or collateralized with securities held by the School District or its agent in the School District's name.

**Category 2**

Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.

**Category 3**

Deposits which are not collateralized or insured.

Based on these three levels of risk, the School District's cash deposits are classified as follows:

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Totals</b>
Cash and Deposits	\$ 494330	\$ -0-	\$ 850689	\$ 1345019

	<b>Governmental <u>Activities</u></b>	<b>Fiduciary <u>Funds</u></b>	<b>Total Primary <u>Government</u></b>
Cash and cash equivalents	\$ 1076268	\$ 268751	\$ 1345019
Investments	-0-	1297826	1297826
<b>Total</b>	<b>\$ <u>1076268</u></b>	<b>\$ <u>1566577</u></b>	<b>\$ <u>2642845</u></b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Deposits (checking and savings accounts, certificates of deposit)	\$ 1344755
Investment in securities, mutual funds, and similar	
Vehicles	1297826
Petty cash/Cash on hand	<u>264</u>
<b>Total</b>	<b>\$ <u>2642845</u></b>

The deposits of the School District were reflected in the accounts of financial institutions at \$1,344,755, of which \$494,330 is covered by federal depository insurance.

**INVESTMENTS**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial 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 or collateral securities in the possession of an outside party.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Investments are categorized into these categories of credit risk:

**Category 1** - Insured or registered, or securities held by the School District or its agent in the School District's name;

**Category 2** - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the School District's name; and

**Category 3** - Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the School District's name.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

At June 30, 2010 the School District's investment balances were categorized as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Investments	\$ 1297826	\$ -0-	\$ -0-	\$ 1297826	\$ 1297826

**NOTE 4 - RECEIVABLES**

Receivables as of year-end for the School District's individual major funds and the non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 4 – RECEIVABLES (CONTINUED)**

	<b><u>General Fund</u></b>	<b><u>Non-major and Other Funds</u></b>	<b><u>Total</u></b>
<b>Receivables:</b>			
Taxes	\$ 190066	\$ 48489	\$ 238555
Intergovernmental	1050851	-0-	1050851
Other	<u>6620</u>	<u>14626</u>	<u>21246</u>
<b>Total Receivables</b>	<b>\$ <u>1247537</u></b>	<b>\$ <u>63115</u></b>	<b>\$ <u>1310652</u></b>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 4 – RECEIVABLES (CONTINUED)**

Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u><b>Unavailable</b></u>	<u><b>Unearned</b></u>
Grant and categorical aid payment not Considered available	\$ -0-	\$ -0-
Payments received prior to meeting all eligibility requirements	_____ -0-	_____ 4650
<b>Total</b>	<u><u>\$ -0-</u></u>	<u><u>\$ 4650</u></u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity of the School District's governmental activities was as follows:

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

	<b>Balance July 01, 2009</b>	<b><u>Additions</u></b>	<b><u>Disposals and Adjustments</u></b>	<b>Balance June 30, 2010</b>
<b>Assets not being depreciated:</b>				
Land	\$ 245000	\$ -0-	\$ -0-	\$ 245000
<b>Capital assets being depreciated:</b>				
Land Improvements	255132	-0-	-0-	255132
Building and building Improvements	10657164	80467	-0-	10737631
Buses and other vehicles	1007121	-0-	-0-	1007121
Furniture and equipment	<u>2514388</u>	<u>53990</u>	<u>-0-</u>	<u>2568378</u>
<b>Subtotal</b>	<b>\$ 14433805</b>	<b>\$ 134457</b>	<b>\$ -0-</b>	<b>\$ 14568262</b>
<b>Accumulated Depreciation:</b>				
Land Improvements	(149850)	(12317)	-0-	(162167)
Building and building Improvements	\$ (4127121)	\$ (196720)	\$ -0-	\$ (4323841)

(Continued on page 66)

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

(Continued from previous page)

	<b>Balance July 01, <u>2009</u></b>	<b><u>Additions</u></b>	<b><u>Disposals and Adjustments</u></b>	<b>Balance June 30, <u>2010</u></b>
<b>Accumulated Depreciation: (Continued)</b>				
Buses and other vehicles	\$ (852726)	\$ (43328)	\$ -0-	\$ (896054)
Furniture and equipment	<u>(1944674)</u>	<u>(116819)</u>	<u>-0-</u>	<u>(2061493)</u>
<b>Subtotal</b>	<b>\$ <u>(7074371)</u></b>	<b>\$ <u>(369184)</u></b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>(7443555)</u></b>
Net capital assets being depreciated	<u>7359434</u>	<u>(234727)</u>	<u>-0-</u>	<u>7124707</u>
<b>Net capital assets</b>	<b>\$ <u>7604434</u></b>	<b>\$ <u>(234727)</u></b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>7369707</u></b>

Depreciation expense was not charged to activities as the District considers its assets to impact multiple activities and allocation is not practical.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of inter-fund balances is as follows:

**Do To/From Other Funds:**

The amounts of inter-fund receivables and payables as of June 30, 2010 were as follows:

<u>Fund</u>	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
General fund	\$ 85409	\$ 382517
Food Service	8799	-0-
Student Activities	11007	2271
Debt Retirement	208712	4100
Community Schools	-0-	45714
Capital Projects	160544	-0-
Athletics	2271	41614
Scholarship Fund	<u>-0-</u>	<u>526</u>
<b>Totals</b>	<b>\$ <u>476742</u></b>	<b>\$ <u>476742</u></b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Do To/From Other Funds: (Continued)**

<u>Summary by Fund Type</u>	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
Major Funds	\$ 454665	\$ 432331
Non-major Funds	11070	41614
Fiduciary Funds	<u>11007</u>	<u>2797</u>
<b>Totals</b>	<b>\$ <u>476742</u></b>	<b>\$ <u>476742</u></b>

These receivables/payables are partially the result of revenues and expenditures being recognized in the appropriate funds. In addition, the General Fund loaned funds to the Athletic/Activities funds to meet the cash flow needs of these funds.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Operating Transfers**

Inter-fund transfers are the result of legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

During the fiscal year ended June 30, 2010, the District authorized the following transfers:

	<u>Transfers In</u>		<u>Transfers Out</u>
General Fund	\$ -0-		\$ 100133
Athletic Fund	<u>100133</u>		<u>-0-</u>
<b>Totals</b>	<b>\$ <u>100133</u></b>		<b>\$ <u>100133</u></b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Operating Transfers (Continued)**

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><u>Summary by Fund Type</u></b>		
Major Funds	\$ -0-	\$ 100133
Non-major Funds	<u>100133</u>	<u>-0-</u>
<b>Totals</b>	<b>\$ <u>100133</u></b>	<b>\$ <u>100133</u></b>

The General Fund transfers monies to the Athletic Fund to avoid deficit spending.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 6 – INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Other Financing Sources (Uses)**

The transfers of cash between various District funds are budgeted but reported separately from revenues and expenditures as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case, they are carried as assets and liabilities of the advancing or borrowing funds.

**NOTE 7 - DEFERRED REVENUE**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 7 – DEFERRED REVENUE (CONTINUED)**

At June 30, 2010, the deferred revenue was as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Food Service – Student Lunch Cards	\$ <u>      -0-</u>	\$ <u>      4650</u>
<b>Total</b>	<b>\$ <u>      -0-</u></b>	<b>\$ <u>      4650</u></b>

**NOTE 8 – LONG-TERM DEBT**

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

Long-term obligation activity can be summarized as follows:

	<b><u>Balance</u> <u>July 01, 2009</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u> <u>June 30, 2010</u></b>
2007 Refunding Bonds	\$ 2475000	\$ -0-	\$ 280000	\$ 2195000
Durant Resolution Package Bonds	77875	-0-	49905	27970
Long-Term Employee Benefits	<u>904996</u>	<u>-0-</u>	<u>349066</u>	<u>555930</u>
<b>Totals</b>	<b>\$ <u>3457871</u></b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>678971</u></b>	<b>\$ <u>2778900</u></b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**2007 Refunding Bonds**

On March 09, 2007, the West Iron County Public Schools issued 2007 Refunding Bonds in the amount of \$2,975,000. The bonds were issued to refund the 1997 Refunding Bonds, dated November 01, 1997 in the original amount of \$4,695,000. The 2007 bonds carry a maximum bond interest rate of 4.00%. Annual principal payments are due on May 01, with semi-annual interest due on May 01 and November 01 of each year.

The bond issue is qualified and eligible for participation in Michigan's School Loan Revolving Fund under Section 16, Article IX of the 1963 Constitution of the State of Michigan, and Act No. 92, Public Acts of 2005.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**2007 Refunding Bonds (Continued)**

Following is a schedule of the principal and interest requirements:

<b>Payment Date</b>	<b>Principal Due</b>	<b>Interest Rate</b>	<b>Interest Due</b>	<b>Total Payment</b>	<b>Tax Year Total</b>
11/01/10	\$		\$ 43,900.00	\$ 43,900.00	\$ 43,900.00
05/01/11	290,000.00	4.000%	43,900.00	333,900.00	
11/01/11			38,100.00	38,100.00	372,000.00
05/01/12	300,000.00	4.000%	38,100.00	338,100.00	
11/01/12			32,100.00	32,100.00	370,200.00
05/01/13	310,000.00	4.000%	32,100.00	342,100.00	
11/01/13			25,900.00	25,900.00	368,000.00
05/01/14	325,000.00	4.000%	25,900.00	350,900.00	
11/01/14			19,400.00	19,400.00	370,300.00
05/01/15	325,000.00	4.000%	19,400.00	344,400.00	
11/01/15			12,900.00	12,900.00	357,300.00
05/01/16	325,000.00	4.000%	12,900.00	337,900.00	
11/01/16			6,400.00	6,400.00	344,300.00
05/01/17	320,000.00	4.000%	6,400.00	326,400.00	
11/01/17			0.00	0.00	326,400.00
	<u>\$ 2,195,000.00</u>		<u>\$ 357,400.00</u>	<u>\$ 2,552,400.00</u>	<u>\$ 2,552,400.00</u>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**Durant Settlement**

The Durant class-action lawsuit resulted in a judgment of \$212 million against the State of Michigan. The State mandated specific special education programs, but failed to compensate local districts for the increased costs of the mandated programs.

The local school districts that did not participate in the class-action lawsuit were offered a settlement in lieu of future litigation.

The Districts with settlement amounts greater than or equal to \$75,000 were to receive one-half of the settlement amount over a period of ten years beginning November 15, 1998.

Restrictions on the use of these funds are stated in 11f(6): school buses, electronic instructional material and software, school security, textbooks, technology, infrastructure or infrastructure improvement, training for technology, or to reduce or eliminate voter-approved debt that was issued prior to 11/19/97.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**Durant Settlement (Continued)**

The District opted to participate in a bonding program, whereby the District would receive bond proceeds equal to the other half of the settlement amount (\$145,612).

The bonds were issued through the Michigan Municipal Bond Authority as School Loan Revenue Bonds, Series 1998. The proceeds of the bonds were to be used for capital expenditures and to pay costs of bond issuance, and were not to be used for maintenance costs.

The Durant bonds are considered to be a legal obligation of the District. The annual State of Michigan appropriation is the only revenue source for making the annual debt service payment on the bonds. If the legislature fails to appropriate the funds, the District is under no obligation for payment.

**School Improvement Bond Series 1998**

Repayment of the Principal Amount shall be made according to the following revised schedule until the full Principal Amount is repaid.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**School Improvement Bond, Series 1998 (Continued)**

In the event that the Authority elects to adjust the interest rates payable on this bond, the Authority may prepare and substitute a new payment schedule reflecting such adjustment, a copy of which shall be sent to the School District and to the Authority's Depository.

The revised schedule is as follows:

<b>Payment Dates</b>	<b>Amount of Principal Installment</b>	<b>Interest</b>	<b>Total Principal Installment and Interest Payable</b>
<b><u>Due on May 15</u></b>			
2011	\$ 8893.58	\$ 1331.75	\$ 10225.33
2012	9316.51	908.30	10224.81
2013	<u>9759.98</u>	<u>908.29</u>	<u>10668.27</u>
<b>Total</b>	<b>\$ <u>27970.07</u></b>	<b>\$ <u>3148.34</u></b>	<b>\$ <u>31118.41</u></b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

**School Improvement Bond, Series 1998 (Continued)**

Total Settlement Amount of \$ 291,224.00  
Bonded Settlement Amount of \$ 145,612.00

Annual Interest Rate is 4.761353%  
Average Life of bonds is 6.783 years

**Long-Term Employee Benefits**

Long-Term Sick Leave Payable	\$ 372429
Long-Term Retirement Incentive Payable	<u>183500</u>
Total Long-Term Employee Benefits Payable	\$ 555929

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 9 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

The School District contributes to the Michigan Public School Employees' Retirement System (MPERS), a cost-sharing multiple-employer defined benefit pension administered by the Michigan Department of Management and Budget, Office of Retirement Systems.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN**

MPERS provides retirement, survivor, and disability benefits to public school employees. Eligibility and benefit provisions are governed under Public Act 136 of 1945, re-codified and currently operating under the provisions of Public Act 300 of 1980, as amended. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. The annual report may be obtained by calling (517) 322-5103 or writing:

Department of Management and Budget  
Office of Retirement Systems  
P.O. Box 30673  
Lansing, Michigan 48909-8103

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN (CONTINUED)**

The School District is required by state statute to contribute 16.54% covered payroll from July 01, 2009 through September 30, 2009 increasing to 16.94% from October 01, 2009 through June 30, 2010. Contributions to MPSERS are determined on an actuarial basis using the entry age normal actuarial cost method. Contribution requirements of plan members including the School District are established and may be amended only by state statute.

The School District's contributions to MPSERS for the years ending June 30, 2010, 2009, and 2008, were \$701,085, \$686,584, and \$972,161, respectively.

Mandatory member contributions were phased out between 1974 and 1977, with the plan remaining noncontributory until January 1, 1987, when the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN (CONTINUED)**

The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990, when it was reduced to 3.9%. Members first hired January 1, 1990 or later and returning members who did not work between January 1, 1987 through December 31, 1989, contribute at the following graduated permanently fixed contribution rate: 3% of the first \$ 5,000; 3.6% of \$ 5,001 through \$15,000; 4.3% of all wages over \$ 15,000. Basic Plan members make no contributions. Contributions collected and remitted by the School District on behalf of MIP members for the years ending June 30, 2010, 2009, and 2008 were \$110,274, \$111,139, and \$169,303, respectively, equal to the required contributions for the year.

**NOTE 11 – POST EMPLOYMENT BENEFITS**

In addition to the pension benefits, MPSERS provides comprehensive group medical, hearing, dental and vision coverage for retirees and beneficiaries.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 11 – EMPLOYEE RETIREMENT SYSTEM-DEFINED BENEFIT PLAN (CONTINUED)**

A significant portion of the premium is paid by MPSERS with the balance deducted from the monthly pension of the retiree. The portion provided by MPSERS is factored into the pension contribution rate.

**NOTE 12 – RELATED PARTY TRANSACTIONS**

*Related parties* exist when there is a relationship that offers the potential for transactions at less than arm's length, favorable treatment, or the ability to influence the outcome of events differently from that which might result in the absence of that relationship.

Financial statements must include disclosure of material related party transactions, other than compensation arrangements, expense allowances and similar items in the ordinary course of business.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 12 – RELATED PARTY TRANSACTIONS (CONTINUED)**

However, disclosure of transactions that are eliminated in the preparation of combined financial statements is not required in those statements.

On this basis, there were no related party transactions reported in the financial statements.

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events have a material effect on the financial statements which requires adjustment or disclosure. They relate to events that provide additional evidence with respect to conditions that existed at the date of the balance sheet and events that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose subsequent to that date.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 13 – SUBSEQUENT EVENTS**

At fiscal year ended June 30, 2010, there were no subsequent events that would have a significant effect on the District's operations.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies.

Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectibility of any related receivable at June 30, 2010 may be impaired.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*JUNE 30, 2010*

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**REQUIRED SUPPLEMENTAL INFORMATION**

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTAL INFORMATION**

**BUDGETARY COMPARISON SCHEDULE – ALL GENERAL OPERATING FUNDS**

*YEAR ENDED JUNE 30, 2010*

	<b>ORIGINAL BUDGET</b>	<b>FINAL AMENDED BUDGET</b>	<b>ACTUAL</b>
<b><u>REVENUE</u></b>			
Local Sources	\$ 2,438,604	\$ 2,655,915	\$ 2,709,834
State Sources	5,330,114	4,773,352	4,788,014
Federal Sources	579,121	804,104	817,375
Interdistrict and Other Sources	171,000	358,009	371,115
<b>TOTAL REVENUE</b>	<b>\$ 8,518,839</b>	<b>\$ 8,591,380</b>	<b>\$ 8,686,338</b>
<b><u>EXPENDITURES - CURRENT</u></b>			
<b>Instruction :</b>			
Basic Programs	3,460,544	3,567,907	3,534,898
Added Needs	1,532,743	1,532,662	1,521,488
<b>Supporting Services :</b>			
Pupil	175,762	126,592	121,574
Instructional Staff	194,171	173,277	172,275
General Administration	264,754	303,000	293,434
School Administration	422,684	433,569	424,534
Business Services	317,747	278,700	273,530
Operation and Maintenance	957,766	987,076	962,540
Transportation	559,172	481,720	478,991
Other Supporting Services	-	7,676	7,664
Community Services	33,733	49,195	44,638
Intergovernmental Payments	26,000	31,115	31,110
Other	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,945,076</b>	<b>\$ 7,972,489</b>	<b>\$ 7,866,676</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating Transfers In		10,000	-
Operating Transfers (Out)	(216,975)	(125,582)	(100,133)
<b>NET CHANGE IN FUND BALANCE</b>	356,788	503,309	719,529
<b>FUND BALANCE - BEGINNING OF YEAR</b>	156,719	156,719	156,719
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 513,507</b>	<b>\$ 660,028</b>	<b>\$ 876,248</b>

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

**OTHER SUPPLEMENTAL INFORMATION**

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**OTHER SUPPLEMENTAL INFORMATION**

**COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS**

*JUNE 30, 2010*

	<b>Special Revenue Funds</b>		
	<b>Food Service</b>	<b>Athletics</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and Investments (Note 3 )	\$ 1,950	\$ 42,728	\$ 44,678
Accounts Receivable	14,626	-	14,626
Due from Other Funds	8,799	2,271	11,070
Inventories	4,081	-	4,081
<b>TOTAL ASSETS</b>	<b>\$ 29,456</b>	<b>\$ 44,999</b>	<b>\$ 74,455</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts Payable	-	3,385	3,385
Accrued Salaries and Benefits	9,152	-	9,152
Accrued Sales Tax	-	-	-
Deferred Revenue	4,650	-	4,650
Due to Other Funds	-	41,614	41,614
<b>TOTAL LIABILITIES</b>	<b>\$ 13,802</b>	<b>\$ 44,999</b>	<b>\$ 58,801</b>
 <b><u>FUND BALANCES</u></b>			
Reserved for Food Services	15,654	-	15,654
Reserved for Athletics	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>15,654</b>	<b>-</b>	<b>15,654</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 29,456</b>	<b>\$ 44,999</b>	<b>\$ 74,455</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**OTHER SUPPLEMENTAL INFORMATION**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**

*YEAR ENDED JUNE 30, 2010*

	<b>Special Revenue Funds</b>		
	<b>Food Service</b>	<b>Athletics</b>	<b>Total</b>
<b><u>REVENUE</u></b>			
Local Revenue	\$ 108,625	\$ 71,180	\$ 179,805
State Revenue	42,392	-	42,392
Federal Revenue	263,852	-	263,852
<b>TOTAL REVENUE</b>	<b>\$ 414,869</b>	<b>\$ 71,180</b>	<b>\$ 486,049</b>
<b><u>EXPENDITURES</u></b>			
<b>Current:</b>			
Salaries	118,055	68,492	186,547
FICA/Retirement	36,951	16,357	53,308
Insurance	64,807	2,027	66,834
Other Benefits	3,767	127	3,894
Purchased Services	26,424	56,408	82,832
Supplies and Materials	147,100	15,378	162,478
Capital Outlay	-	6,842	6,842
Other	2,111	5,682	7,793
<b>TOTAL EXPENDITURES</b>	<b>\$ 399,215</b>	<b>\$ 171,313</b>	<b>\$ 570,528</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	15,654	(100,133)	(84,479)
<b><u>Other Financing Sources (Uses)</u></b>			
Operating transfers in	-	100,133	100,133
Operating transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>100,133</b>	<b>100,133</b>
<b>Net Change in Fund Balances</b>	<b>15,654</b>	<b>-</b>	<b>15,654</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 15,654</b>	<b>\$ -</b>	<b>\$ 15,654</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**ALL GENERAL OPERATING FUNDS – COMBINING BALANCE SHEET**

*JUNE 30, 2010*

<b><u>ASSETS</u></b>	<b>GENERAL FUND</b>	<b>COMMUNITY SCHOOL FUND</b>	<b>TOTAL</b>
Cash and Deposits	\$ 892,931	\$ 103,171	\$ 996,102
Taxes Receivable	190,066	-	190,066
Accounts Receivable :			
Federal	190,244	-	190,244
State	860,607	-	860,607
Other	5,114	1,506	6,620
Due From Other Funds	85,409	-	85,409
Inventory	5,550	640	6,190
Overpayments/Refunds	-	-	-
Prepaid Expenses	35,774	-	35,774
<b>TOTAL ASSETS</b>	<b><u>\$ 2,265,695</u></b>	<b><u>\$ 105,317</u></b>	<b><u>\$ 2,371,012</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
<b><u>LIABILITIES</u></b>			
Accrued Taxes and Benefits	504,621	1,900	506,521
Accounts Payable	49,584	-	49,584
Salaries Payable	510,428	-	510,428
Deferred Revenue	-	-	-
Due To Other Funds	382,517	45,714	428,231
<b>TOTAL LIABILITIES</b>	<b>1,447,150</b>	<b>47,614</b>	<b>1,494,764</b>
<b><u>FUND EQUITY</u></b>			
Fund Balance, Unreserved	818,545	57,703	876,248
<b>TOTAL FUND EQUITY</b>	<b>818,545</b>	<b>57,703</b>	<b>876,248</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 2,265,695</u></b>	<b><u>\$ 105,317</u></b>	<b><u>\$ 2,371,012</u></b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**ALL GENERAL OPERATING FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

*JUNE 30, 2010*

<u>REVENUES</u>	<u>GENERAL FUND</u>	<u>COMMUNITY SCHOOL FUND</u>	<u>TOTAL</u>
<b>Local Sources</b>			
Current Tax Levy	\$ 2,479,206	\$ -	\$ 2,479,206
Other Local Revenue	191,252	39,376	230,628
<b>State Sources</b>			
State Aid, Unrestricted	4,236,491	-	4,236,491
Restricted Grants	543,541	-	543,541
Other State Revenue	-	7,982	7,982
<b>Federal Sources</b>			
Restricted - Received through State	685,949	-	685,949
Other Federal Revenue	131,426	-	131,426
<b>Intergovernmental</b>	371,115	-	371,115
 <b>TOTAL REVENUE</b>	 <b>8,638,980</b>	 <b>47,358</b>	 <b>8,686,338</b>
 <u>OTHER FINANCING SOURCES</u>			
Operating Transfer In	-	-	-
 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	 <b>8,638,980</b>	 <b>47,358</b>	 <b>8,686,338</b>
 <u>EXPENDITURES</u>			
<b>Educational</b>			
Instructional	5,051,383	5,003	5,056,386
Supporting Services	2,697,573	36,969	2,734,542
<b>Community Services</b>	17,723	26,915	44,638
 <b>TOTAL EXPENDITURES</b>	 <b>7,766,679</b>	 <b>68,887</b>	 <b>7,835,566</b>
 <u>OTHER FINANCING USES</u>			
Fund Modifications	100,133	-	100,133
Payments to Other Governmental Units	31,110	-	31,110
 <b>TOTAL OTHER FINANCING USES</b>	 <b>131,243</b>	 <b>-</b>	 <b>131,243</b>
 <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	 <b>7,897,922</b>	 <b>68,887</b>	 <b>7,966,809</b>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 741,058	 (21,529)	 719,529
 FUND BALANCE, JULY 1	 77,487	 79,232	 156,719
 <b>FUND BALANCE, JUNE 30</b>	 <b>\$ 818,545</b>	 <b>\$ 57,703</b>	 <b>\$ 876,248</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**ALL SPECIAL REVENUE FUNDS – COMBINING BALANCE SHEET**

*JUNE 30, 2010*

<u><b>ASSETS</b></u>	<u><b>FOOD SERVICE FUND</b></u>	<u><b>ATHLETIC FUND</b></u>	<u><b>TOTAL</b></u>
Cash	\$ 1,950	\$ 42,728	\$ 44,678
Accounts Receivable :			
Federal	4,339	-	4,339
State	3,733	-	3,733
Other	6,554	-	6,554
Inventory	4,081	-	4,081
Due from Other Funds	<u>8,799</u>	<u>2,271</u>	<u>11,070</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 29,456</u></u></b>	<b><u><u>\$ 44,999</u></u></b>	<b><u><u>\$ 74,455</u></u></b>
 <u><b>LIABILITIES AND FUND EQUITY</b></u>			
<u><b>LIABILITIES</b></u>			
Accounts Payable	-	3,385	3385
Accrued Salaries and Benefits	9,152	-	9152
Accrued Sales Tax	-	-	0
Due to Other Funds	-	41,614	41614
Deferred Revenue	<u>4,650</u>	<u>-</u>	<u>4650</u>
<b>TOTAL LIABILITIES</b>	<b>13,802</b>	<b>44,999</b>	<b>58801</b>
 <u><b>FUND EQUITY</b></u>			
Fund Balance, Reserved	<u>15,654</u>	<u>-</u>	<u>15,654</u>
<b>TOTAL FUND EQUITY</b>	<b><u><u>15,654</u></u></b>	<b><u><u>-</u></u></b>	<b><u><u>15,654</u></u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u><u>\$ 29,456</u></u></b>	<b><u><u>\$ 44,999</u></u></b>	<b><u><u>\$ 74,455</u></u></b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**ALL SPECIAL REVENUE FUNDS – COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE**

*FISCAL YEAR ENDED JUNE 30, 2010*

	<b>FOOD SERVICE FUND</b>	<b>ATHLETIC FUND</b>	<b>TOTAL</b>
<b><u>REVENUES</u></b>			
<b>Local Sources</b>			
Student Lunches / Breakfast	\$ 88,195	\$ -	\$ 88,195
Adult Lunches	3,673	-	3,673
Milk and Ala Carte Sales	8,093	-	8,093
General Admissions and Other	8,664	71,180	79,844
<b>Total Local Sources</b>	<b>108,625</b>	<b>71,180</b>	<b>179,805</b>
<b>State Sources</b>			
School Breakfast Program	18,653	-	18,653
School Lunch Program	23,739	-	23,739
<b>Total State Sources</b>	<b>42,392</b>	<b>-</b>	<b>42,392</b>
<b>Federal Sources</b>			
Restricted - Received through State	239,251	-	239,251
USDA Entitlement Commodities	23,103	-	23,103
USDA Bonus Commodities	1,498	-	1,498
<b>Total Federal Sources</b>	<b>263,852</b>	<b>-</b>	<b>263,852</b>
<b>TOTAL REVENUES</b>	<b>414,869</b>	<b>71,180</b>	<b>486,049</b>
<b><u>EXPENDITURES</u></b>			
Professional Salaries	-	52,050	52,050
Nonprofessional Salaries	118,055	16,442	134,497
FICA/Retirement	36,951	16,357	53,308
Insurance	64,807	2,027	66,834
Other Benefits	3,767	127	3,894
Purchased Services	26,424	56,408	82,832
Supplies and Materials	147,100	15,378	162,478
Capital Outlay	-	6,842	6,842
Other	2,111	5,682	7,793
<b>TOTAL EXPENDITURES</b>	<b>\$ 399,215</b>	<b>\$ 171,313</b>	<b>570,528</b>
Excess of Revenues Over (Under) Expenditures	15,654	(100,133)	(84,479)

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**ALL SPECIAL REVENUE FUNDS – COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
(CONTINUED)**

*FISCAL YEAR ENDED JUNE 30, 2010*

	<b>FOOD SERVICE FUND</b>	<b>ATHLETIC FUND</b>	<b>TOTAL</b>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	\$ -	\$ 100,133	\$ 100,133
Operating Transfers (Out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	<b>100,133</b>	<b>100,133</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	15,654	-	15,654
FUND BALANCE, JULY 1	-	-	-
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 15,654</b>	<b>\$ -</b>	<b>\$ 15,654</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND - COMPARATIVE BALANCE SHEET**

*JUNE 30, 2010 and 2009*

	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ 892,931	\$ 245,168
Accounts Receivable :		
Federal	190,244	447,860
State	860,607	639,825
Other	5,114	7,313
Taxes Receivable	190,066	158,854
Due From Other Funds	85,409	95,614
Inventory	5,550	6,125
Overpayments / Refunds	-	193
Prepaid Expenses	35,774	36,557
 <b>TOTAL ASSETS</b>	<b>\$ 2,265,695</b>	<b>\$ 1,637,509</b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accrued Taxes and Benefits	504,621	557,327
Accounts Payable	49,584	170,096
Salaries Payable	510,428	554,771
Due To Other Funds	382,517	277,828
Deferred Revenue	-	-
 <b>TOTAL LIABILITIES</b>	<b>\$ 1,447,150</b>	<b>\$ 1,560,022</b>
 <b><u>FUND EQUITY</u></b>		
Fund Balance, Unreserved & Undesignated	818,545	77,487
 <b>TOTAL FUND EQUITY</b>	<b>818,545</b>	<b>77,487</b>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 2,265,695</b>	<b>\$ 1,637,509</b>

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF REVENUES – ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2010

*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL YEAR ENDED 6/30/09</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>	
<b>REVENUES</b>				
<b>LOCAL SOURCES</b>				
Current Tax Levy	\$ 2,479,206	\$ 2,459,205	\$ 20,001	\$ 2,331,267
Other Taxes	71,412	71,000	412	1,523
Penalties and Interest on Dlg Taxes	9,596	6,460	3,136	1,028
Interest Income	16,706	14,000	2,706	10,735
Other Local Revenue	93,538	68,806	24,732	82,130
Internet	-	-	-	1,305
Driver Education Fees	-	-	-	15,700
Miscellaneous Sales	-	-	-	21,524
<b>TOTAL REVENUES FROM LOCAL SOURCES</b>	<b>2,670,458</b>	<b>2,619,471</b>	<b>50,987</b>	<b>2,465,212</b>
<b>STATE SOURCES</b>				
Foundation Allowance	4,236,491	4,112,999	123,492	4,622,047
At Risk	227,927	225,449	2,478	240,041
Special Education	159,692	273,898	(114,206)	260,166
Vocational Education	-	-	-	138
Isolated Districts	33,522	33,527	(5)	34,283
Michigan School Readiness	122,400	122,400	-	122,400
<b>TOTAL REVENUES FROM STATE SOURCES</b>	<b>4,780,032</b>	<b>4,768,273</b>	<b>11,759</b>	<b>5,279,075</b>
<b>FEDERAL SOURCES</b>				
Title I	263,933	263,933	-	292,411
Title I ARRA	38,460	38,760	(300)	-
Title II Part A	87,143	87,143	-	88,720
Title II Part D	5,050	5,050	-	2,423
USDA Grant	-	-	-	35,500
ARRA Ed Stabilization Fund	291,363	291,374	(11)	386,381
Schools and Roads Grant	117,844	117,844	-	124,448
Universal Service Funds	13,582	-	13,582	-
ATV Grant	-	-	-	1,740
<b>TOTAL REVENUES FROM FEDERAL SOURCES</b>	<b>817,375</b>	<b>804,104</b>	<b>13,271</b>	<b>931,623</b>
<b>TOTAL REVENUES</b>	<b>\$ 8,267,865</b>	<b>\$ 8,191,848</b>	<b>\$ 76,017</b>	<b>\$ 8,675,910</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND -SUPPLEMENTAL SCHEDULE OF REVENUES – ACTUAL COMPARED TO  
BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for Fiscal Year Ended June 30, 2009)

	FISCAL YEAR ENDED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/2009
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>OTHER FINANCING SOURCES</b>				
Operating Transfer In	\$ -	\$ 10,000	\$ (10,000)	\$ -
<b>Payments From Other</b>				
<b>Governmental Units :</b>				
<b>Federal Sources</b>				
DIISD ARRA Spec Ed				
Flowthrough	120,921	120,921	-	-
DIISD Flowthrough	28,440	28,440	-	30,968
DIISD Medicaid Outreach	22,476	15,000	7,476	25,867
MAISD Drug Free Schools	1,764	1,868	(104)	1,444
DIISD MiBLSI	11,414	10,281	1,133	-
Other-Federal	-	-	-	-
<b>State Sources</b>				
DIISD Voc Ed	26,446	26,446	-	29,491
DIISD Voc Tech	140,891	139,575	1,316	129,647
Other-State	-	-	-	-
<b>Other Sources</b>	18,763	15,478	3,285	10,109
<b>Total Payments From Other</b>				
<b>Governmental Units</b>	371,115	358,009	\$ 13,106	227,526
<b>TOTAL OTHER FINANCING SOURCES</b>	371,115	368,009	3,106	227,526
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 8,638,980	\$ 8,559,857	\$ 79,123	\$ 8,903,436

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**GENERAL FUND -SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2010

(With Comparative Totals for Fiscal Year Ended June 30, 2009)

INSTRUCTION	FISCAL YEAR ENDED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/2009
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>BASIC PROGRAMS</u></b>				
<b><u>Pre-K / Michigan Readiness</u></b>				
Professional Salaries	\$ 51,050	\$ -	\$ -	\$ 50,030
Nonprofessional Salaries	19,827			21,501
Insurance	19,098			15,979
FICA / Retirement	17,088	-	-	17,171
Purchased Services	707	-	-	309
Supplies and Materials	1,345			1,210
Capital Outlay	13,285			16,200
Other	-	-	-	-
<b>Total Pre-K / Michigan Readiness</b>	<b>122,400</b>	<b>122,400</b>	<b>-</b>	<b>122,400</b>
<b><u>Developmental Kindergarten</u></b>				
Professional Salaries	-	-	-	14,219
Nonprofessional Salaries	-	-	-	8
Insurance	-			13,525
FICA / Retirement	-	-	-	3,543
Supplies and Materials	-	-	-	544
<b>Total Developmental Kindergarten</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,839</b>
<b><u>Elementary</u></b>				
<b><u>Stambaugh Elementary</u></b>				
Professional Salaries	\$ 824,039		\$ -	\$ 914,327
Insurance	223,806			260,773
FICA / Retirement	244,120	-	-	281,103
Other Benefits	55,527			20,446
Purchased Services	21,644	-	-	18,440
Supplies and Materials	28,549			23,785
Other	870	-	-	255
<b>Total Stambaugh Elementary</b>	<b>1,398,555</b>	<b>1,413,841</b>	<b>15,286</b>	<b>1,519,129</b>
<b><u>Class Size Reduction</u></b>				
Professional Salaries	52,517	-	-	39,163
Nonprofessional Salaries	5,800	-	-	20,282
Insurance	14,558			14,987
FICA / Retirement	14,268	-	-	14,275
Purchased Services	-	-	-	1,759
<b>Total Class Size Reduction</b>	<b>87,143</b>	<b>87,143</b>	<b>-</b>	<b>90,466</b>
<b>Total Elementary</b>	<b>1,485,698</b>	<b>1,500,984</b>	<b>15,286</b>	<b>1,609,595</b>

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**GENERAL FUND – SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010

(With Comparative Totals for Fiscal Year Ended June 30, 2009)

<b>INSTRUCTION (continued)</b>	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL YEAR ENDED 6/30/2009</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE Favorable (Unfavorable)</b>	
<b><u>BASIC PROGRAMS</u></b>				
<b><u>Bates Upper Elementary</u></b>				
Professional Salaries	\$ 383,510	\$ -	\$ -	\$ -
Insurance	100,418			
FICA / Retirement	101,403			
Other Benefits	-			
Purchased Services	7,795			
Supplies and Materials	7,629			
Capital Outlay	-			
Other	623			-
<b>Total Bates Upper Elementary</b>	<b>601,378</b>	<b>607,750</b>	<b>6,372</b>	<b>-</b>
<b><u>Middle School</u></b>				
Professional Salaries	\$ 301,614		\$ -	\$ 613,800
Insurance	80,334			194,395
FICA / Retirement	72,980		-	155,409
Other Benefits	784			16,247
Purchased Services	5,205	-	-	18,239
Supplies and Materials	5,313			25,186
Other	-	-	-	672
<b>Total Middle School</b>	<b>\$ 466,230</b>	<b>\$ 469,091</b>	<b>\$ 2,861</b>	<b>\$ 1,023,948</b>
<b><u>High School</u></b>				
Professional Salaries	\$ 499,082	\$ -	\$ -	\$ 582,315
Insurance	131,121			156,390
FICA / Retirement	153,270	-	-	168,507
Other Benefits	15,367			16,954
Purchased Services	32,426	-	-	27,677
Supplies and Materials	19,830			45,017
Capital Outlay	4,019		-	-
Other	4,077	-	-	3,815
<b>Total High School</b>	<b>859,192</b>	<b>867,682</b>	<b>8,490</b>	<b>1,000,675</b>
<b>TOTAL BASIC PROGRAMS</b>	<b>\$ 3,534,898</b>	<b>\$ 3,567,907</b>	<b>\$ 33,009</b>	<b>\$ 3,788,457</b>
<b><u>ADDED NEEDS</u></b>				
<b><u>Special Education</u></b>				
Professional Salaries	\$ 217,035	\$ -	\$ -	\$ 385,952
Nonprofessional Salaries	5,579			17,253
Insurance	58,040	-	-	139,103
FICA / Retirement	85,086			127,670
Other Benefits	678			4,169
Purchased Services	80,716	-	-	61,786
Supplies and Materials	758			1,528
Other	138	-	-	264
<b>Total Special Education</b>	<b>448,030</b>	<b>449,158</b>	<b>1,128</b>	<b>737,725</b>

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**GENERAL FUND – SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET**

(CONTINUED)

FISCAL YEAR ENDED JUNE 30, 2010

(With Comparative Totals for Fiscal Year Ended June 30, 2009)

<b>INSTRUCTION (continued)</b>	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE Favorable (Unfavorable)</b>	<b>YEAR ENDED 6/30/2009</b>
<b>ADDED NEEDS</b>				
<b>ARRA Special Education Flowthrough</b>				
Professional Salaries	\$ 62,404	\$ -	\$ -	\$ -
Insurance	18,107			
FICA/Retirement	15,277	-	-	
Purchased Services	25,133	-	-	
<b>Total ARRA Spec. Ed. Flowthrough</b>	<b>120,921</b>	<b>120,921</b>	<b>-</b>	<b>-</b>
<b>ARRA Title I, Part A</b>				
Professional Salaries	11,543			
Insurance	4,107			
FICA/Retirement	2,811			
Purchased Services	19,940			
Other	59			
<b>Total ARRA Title I, Part A</b>	<b>38,460</b>	<b>38,723</b>	<b>263</b>	<b>-</b>
<b>Title I</b>				
Professional Salaries	\$ 89,934	\$ -	\$ -	\$ 127,331
Nonprofessional Salaries	53,133			41,112
Insurance	70,064	-	-	69,696
FICA / Retirement	34,550			40,350
Other Benefits	530	-	-	608
Purchased Services	14,018			13,787
Supplies and Materials	1,144			1,145
Other	560	-	-	589
<b>Total Title I</b>	<b>\$ 263,933</b>	<b>\$ 263,933</b>	<b>\$ -</b>	<b>\$ 294,618</b>
<b>Driver Education</b>				
Professional Salaries	\$ 129	\$ -	\$ -	\$ 10,922
Nonprofessional Salaries	-	-	-	270
Insurance	-			604
FICA/Retirement	32			2,709
Supplies and Materials	-	-	-	1,467
<b>Total Driver Education</b>	<b>161</b>	<b>161</b>	<b>-</b>	<b>15,972</b>
<b>Vocational Education</b>				
Professional Salaries	223,375	-	-	224,896
Nonprofessional Salaries	13,826			10,944
Insurance	65,430	-	-	74,780
FICA / Retirement	57,463			56,646
Purchased Services	7,022	-	-	19,661
Supplies and Materials	47,034			30,806
Capital Outlay	1,234			-
Other	1,200	-	-	2,954
<b>Total Vocational Education</b>	<b>\$ 416,584</b>	<b>\$ 424,610</b>	<b>\$ 8,026</b>	<b>\$ 420,687</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010

(With Comparative Totals for Fiscal Year Ended June 30, 2009)

	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL YEAR ENDED 6/30/2009</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE Favorable (Unfavorable)</b>	
<b><u>INSTRUCTION (continued)</u></b>				
<b><u>ADDED NEEDS</u></b>				
<b>At Risk</b>				
Professional Salaries	\$ 664	\$ -	\$ -	\$ 115,422
Nonprofessional Salaries	127,277			21,620
Insurance	54,114	-	-	58,971
FICA / Retirement	31,040			34,892
Purchased Services	14,643	-	-	14,550
Supplies and Materials	658	-	-	-
Other	-	-	-	-
<b>Total At Risk</b>	<b>228,396</b>	<b>228,691</b>	<b>295</b>	<b>245,455</b>
<b>TOTAL ADDED NEEDS</b>	<b>1,516,485</b>	<b>1,526,197</b>	<b>9,712</b>	<b>1,714,457</b>
<b>TOTAL INSTRUCTION</b>	<b>\$ 5,051,383</b>	<b>\$ 5,094,104</b>	<b>\$ 42,721</b>	<b>\$ 5,502,914</b>
<b><u>SUPPORTING SERVICES</u></b>				
<b><u>PUPIL SERVICES</u></b>				
<b>Guidance</b>				
Professional Salaries	\$ 12,792	\$ -	\$ -	\$ 36,194
Insurance	3,503			9,429
FICA / Retirement	3,051	-	-	17,873
Purchased Services	1,339	-	-	1,573
Supplies and Materials	1,423			1,402
Other	151	-	-	-
<b>Total Guidance</b>	<b>22,259</b>	<b>23,719</b>	<b>1,460</b>	<b>66,471</b>
<b>Health Services</b>				
Purchased Services	1,529			1,447
Other	300			-
<b>Total Health Services</b>	<b>\$ 1,829</b>	<b>\$ 2,000</b>	<b>\$ 171</b>	<b>\$ 1,447</b>
<b>Other Pupil Services</b>				
Professional Salaries	\$ 20,847	\$ -	\$ -	\$ 23,659
Nonprofessional Salaries	30,698			18,929
Insurance	26,591	-	-	32,560
FICA / Retirement	12,792			7,707
Purchased Services	659	-	-	1,809
Supplies and Materials	2,194			-
Capital Outlay	3,069			
Other	636	-	-	722
<b>Total Other Pupil Services</b>	<b>97,486</b>	<b>100,873</b>	<b>3,387</b>	<b>85,386</b>
<b>TOTAL PUPIL SERVICES</b>	<b>\$ 121,574</b>	<b>\$ 126,592</b>	<b>\$ 5,018</b>	<b>\$ 153,304</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010

(With Comparative Totals for Fiscal Year Ended June 30, 2009)

<b>SUPPORTING SERVICES (continued)</b>	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL YEAR ENDED 6/30/2009</b>
<b>INSTRUCTIONAL STAFF</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE Favorable (Unfavorable)</b>	<b>FISCAL YEAR ENDED 6/30/2009</b>
<b>Library</b>				
Nonprofessional Salaries	\$ 17,875	\$ -	\$ -	\$ 17,410
Insurance	14,089			13,576
FICA / Retirement	12,756	-	-	12,642
Purchased Services	6,788			-
Supplies and Materials	790	-	-	5,812
Other	90	-	-	84
	<b>\$ 52,388</b>	<b>\$ 53,272</b>	<b>\$ 884</b>	<b>\$ 49,524</b>
<b>Technology</b>				
Professional Salaries	39,000	-	-	12,946
Nonprofessional Salaries				5,836
Insurance	-	-	-	2,393
FICA / Retirement				4,542
Purchased Services	-	-	-	95,074
Supplies and Materials	64,763			21,206
Capital Outlay	5,350			29,388
Other	3,960	-	-	-
	<b>\$ 113,073</b>	<b>\$ 113,087</b>	<b>\$ 14</b>	<b>\$ 171,385</b>
<b>Title II D Tech Lit Challenge</b>				
Nonprofessional Salaries	\$ 1,800	\$ -	\$ -	\$ 2,048
FICA / Retirement	441			527
Capital Outlay	2,809	-	-	-
	<b>5,050</b>	<b>5,050</b>	<b>-</b>	<b>2,575</b>
<b>Professional Development</b>				
Professional Salaries	244	-	-	245
Supplies and Materials	970			787
Purchased Services	550	-	-	2,500
Other	-	-	-	344
	<b>1,764</b>	<b>1,868</b>	<b>104</b>	<b>3,876</b>
<b>TOTAL INSTRUCTIONAL STAFF</b>	<b>\$ 172,275</b>	<b>\$ 173,277</b>	<b>\$ 1,002</b>	<b>\$ 227,360</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010

*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

<u>SUPPORTING SERVICES (continued)</u>	FISCAL YEAR ENED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/2009
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>GENERAL ADMINISTRATION</u></b>				
<b>Board of Education</b>				
Nonprofessional Salaries	\$ 3,270	\$ -	\$ -	\$ 3,990
Insurance	17,611			22,347
Purchased Services	80,630			116,427
Supplies and Materials	579			680
Other	2,645	-	-	4,083
<b>Total Board of Education</b>	<b>104,735</b>	<b>112,869</b>	<b>8,134</b>	<b>147,527</b>
<b>Executive Administration</b>				
Professional Salaries	100,000	-	-	85,000
Nonprofessional Salaries	29,869			30,677
Insurance	17,330			30,770
FICA / Retirement	31,460	-	-	28,941
Other Benefits	8,562			12,750
Supplies and Materials	76			27
Capital Outlay	-			-
Other	1,402	-	-	676
<b>Total Executive Administration</b>	<b>188,699</b>	<b>190,131</b>	<b>1,432</b>	<b>188,841</b>
<b>TOTAL GENERAL ADMINISTRATION</b>	<b>\$ 293,434</b>	<b>\$ 303,000</b>	<b>\$ 9,566</b>	<b>\$ 336,368</b>
<b><u>SCHOOL ADMINISTRATION</u></b>				
<b>Office of the Principal</b>				
Professional Salaries	\$ 134,423	\$ -	\$ -	\$ 227,195
Nonprofessional Salaries	88,018			96,910
Insurance	69,244			88,131
FICA / Retirement	64,550	-	-	96,956
Other Benefits	23,792			4,662
Purchased Services	11,803			8,092
Supplies and Materials	2,032	-	-	10,987
Other	1,367	-	-	2,507
<b>Total Office of the Principal</b>	<b>395,229</b>	<b>403,916</b>	<b>8,687</b>	<b>535,440</b>
<b>TOTAL SCHOOL ADMINISTRATION</b>	<b>\$ 395,229</b>	<b>\$ 403,916</b>	<b>\$ 8,687</b>	<b>\$ 535,440</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010

*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	FISCAL YEAR ENDED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/2009
	ACTUAL	BUDGET	VARIANCE Favorable (Unfavorable)	
<b><u>SUPPORTING SERVICES (continued)</u></b>				
<b><u>BUSINESS SERVICES</u></b>				
<b>Fiscal Services</b>				
Professional Salaries	\$ 42,000	\$ -	\$ -	\$ 25,845
Nonprofessional Salaries	10,940	-	-	18,828
Insurance	20,146			18,961
FICA/Retirement	12,802			10,605
Other Benefits	-	-	-	17,978
Purchased Services	46,224			43,646
Supplies and Materials	9,211			14,214
Capital Outlay	-			-
Tax Chargebacks	113,894			52,137
Other	18,313	-	-	52,979
<b>Total Fiscal Services</b>	<b>273,530</b>	<b>278,700</b>	<b>5,170</b>	<b>255,193</b>
<b>TOTAL BUSINESS SERVICES</b>	<b>\$ 273,530</b>	<b>\$ 278,700</b>	<b>\$ 5,170</b>	<b>\$ 255,193</b>
<b><u>OPERATIONS AND MAINTENANCE</u></b>				
Nonprofessional Salaries	311,559	-	-	352,576
Insurance	148,878			174,094
FICA / Retirement	85,909	-	-	84,629
Other Benefits	40,721			21,959
Purchased Services	310,364			302,817
Supplies and Materials	47,147	-	-	28,643
Capital Outlay	17,382			11,350
Other	580	-	-	3,508
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	<b>\$ 962,540</b>	<b>\$ 987,076</b>	<b>\$ 24,536</b>	<b>\$ 979,576</b>
<b><u>PUPIL TRANSPORTATION</u></b>				
Nonprofessional Salaries	\$ 226,358	\$ -	\$ -	\$ 264,804
Insurance	105,577			134,853
FICA / Retirement	55,129			65,149
Other Benefits	12,900	-	-	8,520
Purchased Services	12,238			18,876
Supplies and Materials	66,329			64,089
Capital Outlay	-			-
Other	460	-	-	145
<b>TOTAL PUPIL TRANSPORTATION</b>	<b>478,991</b>	<b>481,720</b>	<b>2,729</b>	<b>556,436</b>
<b>TOTAL SUPPORTING SERVICES</b>	<b>\$ 2,697,573</b>	<b>\$ 2,754,281</b>	<b>\$ 56,708</b>	<b>\$ 3,043,677</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**GENERAL FUND - SUPPLEMENTAL SCHEDULE OF EXPENDITURES – ACTUAL  
COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010

*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL YEAR ENDED 6/30/2009</b>
<b>SUPPORTING SERVICES (continued)</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE Favorable (Unfavorable)</b>	
<b>COMMUNITY SERVICES</b>				
<b>Internet Services</b>				
Purchased Services	\$ 17,723	\$ -	\$ -	\$ 10,440
Other	-	-	-	-
<b>Total Internet Services</b>	<b>\$ 17,723</b>	<b>\$ 18,000</b>	<b>\$ 277</b>	<b>\$ 10,440</b>
<b>TOTAL COMMUNITY SERVICES</b>	<b>17,723</b>	<b>18,000</b>	<b>277</b>	<b>10,440</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,766,679</b>	<b>\$ 7,866,385</b>	<b>\$ 99,706</b>	<b>\$ 8,557,031</b>
<b>OTHER FINANCING USES</b>				
<b>Fund Modifications</b>				
Transfer to Food Service	\$ -	\$ 12,979	\$ 12,979	\$ 121,358
Transfer to Athletic Fund	100,133	102,603	2,470	95,031
Transfer to Debt Retirement Fund	-	-	-	35,500
<b>Total Fund Modifications</b>	<b>100,133</b>	<b>115,582</b>	<b>15,449</b>	<b>251,889</b>
<b>Payments to Other Governmental Units</b>				
DIISD - Special Education Chargeback	31,110	31,115	5	25,360
<b>Payments to Non-Governmental Funds</b>	-	-	-	-
				<b>25,360</b>
<b>TOTAL OTHER FINANCING USES</b>	<b>131,243</b>	<b>146,697</b>	<b>15,454</b>	<b>277,249</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 7,897,922</b>	<b>\$ 8,013,082</b>	<b>\$ 115,160</b>	<b>\$ 8,834,280</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**COMMUNITY SCHOOL FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2010 and 2009*

	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$103,171	\$ 124,317
Accounts Receivable :		
Federal	-	-
State	-	-
Other	1,506	822
Due from Other Funds	-	107
Inventory	640	640
<b>TOTAL ASSETS</b>	<b>\$105,317</b>	<b>\$ 125,886</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	-	506
Accrued Taxes	1,900	-
Due to Other Funds	45,714	46,148
Deferred Revenue	-	-
<b>TOTAL LIABILITIES</b>	<b>47,614</b>	<b>46,654</b>
<b><u>FUND EQUITY</u></b>		
Fund Balance - Unreserved	57,703	79,232
<b>TOTAL FUND EQUITY</b>	<b>57,703</b>	<b>79,232</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$105,317</b>	<b>\$ 125,886</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**COMMUNITY SCHOOL FUND - STATEMENT OF REVENUES – ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2010

*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	FISCAL YEAR ENDED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/09
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>REVENUES</b>				
<b>Local Sources</b>				
Tuition	\$ 2,815	\$ 2,870	\$ (55)	\$ 4,143
Interest	1,117	1,100	17	1,677
Other Income / Grants	31,211	28,620	2,591	50,689
Day Care Program	4,233	3,854	379	19,890
<b>Total Local Sources</b>	<b>39,376</b>	<b>36,444</b>	<b>2,932</b>	<b>76,399</b>
<b>State Sources</b>				
Restricted Grants -				
GED Testing	7,982	5,079	2,903	4,800
Child Care	-	-	-	100
<b>Total State Sources</b>	<b>7,982</b>	<b>5,079</b>	<b>2,903</b>	<b>4,900</b>
<b>Federal Sources</b>				
JTPA Nurses' Aid Grant	-	-	-	-
<b>Total Federal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL REVENUES</b>	<b>47,358</b>	<b>41,523</b>	<b>5,835</b>	<b>81,299</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In from Other Funds	-	-	-	-
Payments from Other Governmental Units -				
Local Sources	-	-	-	21,032
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,032</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 47,358</b>	<b>\$ 41,523</b>	<b>\$ 5,835</b>	<b>\$ 102,331</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**COMMUNITY SCHOOL FUND - STATEMENT OF EXPENDITURES – ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2010  
*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

<u>INSTRUCTION</u>	FISCAL YEAR ENDED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/09
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<u>Added Needs</u>				
<b>High School Completion/Enrichment</b>				
Nonprofessional Salaries	\$ 225	\$ -	\$ -	\$ 135
Purchased Services	4,051		-	1,221
FICA/Retirement	56			45
Supplies and Materials	581			891
Other	90	-	-	246
Total Alternative Education	<b>5,003</b>	<b>6,465</b>	<b>1,462</b>	<b>2,538</b>
<b>Total Added Needs</b>	<b>\$ 5,003</b>	<b>\$ 6,465</b>	<b>\$ 1,462</b>	<b>\$ 2,538</b>
<b>TOTAL INSTRUCTION</b>	<b>5,003</b>	<b>6,465</b>	<b>1,462</b>	<b>2,538</b>
<u>SUPPORTING SERVICES</u>				
<u>School Administration</u>				
Professional Salaries	\$ -	\$ -	\$ -	\$ 41,866
Nonprofessional Salaries	13,608			5,722
Insurance	11,312			19,773
FICA/Retirement	3,275	-	-	11,063
Other Benefits	297			340
Purchased Services	552			34,258
Supplies and Materials	225	-	-	2,304
Other	36	-	-	474
<b>Total School Administration</b>	<b>\$ 29,305</b>	<b>\$ 29,653</b>	<b>\$ 348</b>	<b>\$ 115,800</b>
<u>Daycare Program</u>				
Nonprofessional Salaries	\$ 37			\$ 15,269
FICA/Retirement	9			3,665
Insurance	-		-	(80)
Other Benefits	1,900	-	-	-
Purchased Services	5,448			-
Supplies and Materials	-			235
Other	270	-	-	402
<b>Total Daycare Program</b>	<b>7,664</b>	<b>7,676</b>	<b>12</b>	<b>19,491</b>
<b>TOTAL SUPPORTING SERVICES</b>	<b>\$ 36,969</b>	<b>\$ 37,329</b>	<b>\$ 360</b>	<b>\$ 135,291</b>

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**COMMUNITY SCHOOL FUND - STATEMENT OF EXPENDITURES – ACTUAL COMPARED  
TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for Fiscal Year Ended June 30, 2009)

	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL YEAR ENDED 6/30/09</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>	
<b>COMMUNITY SERVICES</b>				
<b>Recreation</b>				
Professional Salaries	\$ -	\$ -	\$ -	\$ 297
Nonprofessional Salaries	1,446			1,376
FICA/Retirement	324			382
Insurance	-			327
Purchased Services	10,290	-	-	6,446
Supplies and Materials	13,729			12,820
Other	1,126			682
<b>TOTAL COMMUNITY SERVICES</b>	<b>26,915</b>	<b>31,195</b>	<b>4,280</b>	<b>22,330</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 68,887</b>	<b>\$ 74,989</b>	<b>\$ 6,102</b>	<b>\$ 160,159</b>
<b>OTHER FINANCING USES</b>				
Transfers to Other Funds	-	10,000	10,000	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 68,887</b>	<b>\$ 84,989</b>	<b>\$ 16,102</b>	<b>\$ 160,159</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**FOOD SERVICE FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2010 and 2009*

	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Cash	\$ 1,950	\$ 16,881
Accounts Receivable		
Federal	4,339	3,848
State	3,733	3,521
Other	6,554	4,856
Inventory	4,081	7,844
Due from Other Funds	8,799	-
<b>TOTAL ASSETS</b>	<b>29,456</b>	<b>36,950</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	-	2,634
Due to Other Funds	-	19,303
Accrued Salaries and Benefits	9,152	10,364
Accrued Sales Tax	-	-
Deferred Revenue	4,650	4,649
<b>TOTAL LIABILITIES</b>	<b>13,802</b>	<b>36,950</b>
<b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	15,654	-
<b>TOTAL FUND EQUITY</b>	<b>15,654</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 29,456</b>	<b>\$ 36,950</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**FOOD SERVICE FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2010  
*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	FISCAL YEAR ENDED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/09
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>REVENUES</b>				
<b>Local Sources</b>				
Student Lunches / Breakfast	\$ 88,195	\$ 83,524	\$ 4,671	\$117,172
Adult Lunches	3,673	3,539	134	4,094
Milk and Ala Carte Sales	8,093	6,196	1,897	9,238
Other	8,664	8,590	74	5,017
<b>Total Local Sources</b>	<b>108,625</b>	<b>101,849</b>	<b>6,776</b>	<b>135,521</b>
<b>State Sources</b>				
School Breakfast Program	18,653	18,653	-	26,903
School Lunch Program	23,739	23,739	-	20,521
<b>Total State Sources</b>	<b>42,392</b>	<b>42,392</b>	<b>-</b>	<b>47,424</b>
<b>Federal Sources</b>				
Restricted - Received through State	239,251	234,910	4,341	233,789
USDA Entitlement Commodities	23,103	33,000	(9,897)	27,287
USDA Bonus Commodities	1,498	-	1,498	2,806
<b>Total Federal Sources</b>	<b>263,852</b>	<b>267,910</b>	<b>(4,058)</b>	<b>263,882</b>
<b>TOTAL REVENUES</b>	<b>414,869</b>	<b>412,151</b>	<b>2,718</b>	<b>446,827</b>
<b>Other Financing Sources</b>				
Transfer from General Fund	-	12,979	(12,979)	121,358
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 414,869</b>	<b>\$ 425,130</b>	<b>\$ (10,261)</b>	<b>\$568,185</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**FOOD SERVICE FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - ACTUAL COMPARED TO BUDGET  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010  
*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

(Continued)	FISCAL YEAR ENDED JUNE 30, 2010			FISCAL YEAR ENDED 6/30/09
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>EXPENDITURES</b>				
Nonprofessional Salaries	\$ 118,055	\$ 119,100	\$ 1,045	\$177,889
FICA/Retirement	36,951	37,555	604	48,954
Insurance	64,807	65,850	1,043	97,870
Other Benefits	3,767	3,850	83	6,190
Purchased Services	26,424	26,725	301	24,176
Supplies and Materials	147,100	169,050	21,950	210,719
Capital Outlay	-	-	-	-
Other	2,111	3,000	889	2,387
<b>TOTAL EXPENDITURES</b>	<b>\$ 399,215</b>	<b>\$ 425,130</b>	<b>\$ 25,915</b>	<b>\$568,185</b>
Excess of Revenues Over (Under) Expenditures	\$ 15,654	\$ -	\$ 15,654	\$ -
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	\$ -	\$ -	-	\$ -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	15,654	-	15,654	-
FUND BALANCE, JULY 1	-			-
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 15,654</b>			<b>\$ -</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**ATHLETIC FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2010 and 2009*

	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Cash	\$ 42,728	\$ 25,998
Due From Other Funds	2,271	3,744
<b>TOTAL ASSETS</b>	<b>\$ 44,999</b>	<b>\$ 29,742</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	3,385	92
Due to General Fund	41,614	29,650
<b>TOTAL LIABILITIES</b>	<b>44,999</b>	<b>29,742</b>
<b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	-	-
<b>TOTAL FUND EQUITY</b>	-	-
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 44,999</b>	<b>\$ 29,742</b>

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SPECIAL REVENUE FUND - ATHLETIC FUND - STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2010

*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	<b>FISCAL YEAR ENDED JUNE 30, 2010</b>			<b>FISCAL YEAR ENDED 6/30/09</b>
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>	
<b>REVENUES</b>				
Admissions	\$ 45,730	\$ 46,631	\$ (901)	\$ 46,723
Player Fees	6,215	6,185	30	7,345
Reimbursement-Cross Country	3,991	3,991	-	1,789
Reimbursement - Ski Team	2,934	2,884	50	4,552
Concessions	9,980	10,256	(276)	13,309
Interest Income	529	485	44	418
Other	1,801	1,152	649	1,225
<b>Total Revenues</b>	<b>71,180</b>	<b>71,584</b>	<b>(404)</b>	<b>75,361</b>
<b>EXPENDITURES</b>				
Professional Salaries	52,050	52,120	70	57,797
Nonprofessional Salaries	16,442	15,545	(897)	16,981
Insurance	2,027	2,048	21	488
FICA/Retirement	16,357	16,553	196	17,472
Other Benefits	127	150	23	136
Purchased Services	56,408	55,871	(537)	40,185
Supplies and Materials	15,378	17,150	1,772	28,778
Capital Outlay	6,842	7,000	158	-
Other	5,682	7,750	2,068	8,555
<b>TOTAL EXPENDITURES</b>	<b>171,313</b>	<b>174,187</b>	<b>2,874</b>	<b>170,392</b>
Excess of Revenues over (Under) Expenditures	(100,133)	(102,603)	2,470	(95,031)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	100,133	102,603	(2,470)	95,031
Operating Transfers (Out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>100,133</b>	<b>102,603</b>	<b>(2,470)</b>	<b>95,031</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-
FUND BALANCE, JULY 1	-	-	-	-
<b>FUND BALANCE, JUNE 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**CAPITAL PROJECTS FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2010 and 2009*

	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ 3,111	\$ 24,325
Taxes Receivable	8,836	6,651
Due from Other Funds	160,544	115,569
<b>TOTAL ASSETS</b>	<b>\$ 172,491</b>	<b>\$ 146,545</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	-	-
Due to Other Funds	-	-
<b>TOTAL LIABILITIES</b>	-	-
<b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	172,491	146,545
<b>TOTAL FUND EQUITY</b>	<b>172,491</b>	<b>146,545</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 172,491</b>	<b>\$ 146,545</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**CAPITAL PROJECTS FUND - STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - ACTUAL COMPARED TO BUDGET**

FISCAL YEAR ENDED JUNE 30, 2010  
*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	2010	2009
<b><u>REVENUES</u></b>		
Property Taxes	\$ 107,946	\$ 101,310
Other Taxes	654	599
Penalties / Interest on Taxes	424	12
Interest	83	483
<b>TOTAL REVENUES</b>	<b>\$ 109,107</b>	<b>\$ 102,404</b>
 <b><u>EXPENDITURES</u></b>		
Building and Renovation	42,858	66,541
Equipment	37,609	
Tax Refunds / Chargebacks	2,694	
Other	-	-
<b>TOTAL EXPENDITURES</b>	<b>83,161</b>	<b>66,541</b>
 Excess of Revenues Over (Under) Expenditures	 25,946	 35,863
 <b>OTHER FINANCING SOURCE (USES)</b>		
Operating Transfers In	-	35,500
Operating Transfers (Out)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>35,500</b>
 Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 25,946	 71,363
 FUND BALANCE, JULY 1	 146,545	 75,182
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 172,491</b>	<b>\$ 146,545</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**DEBT RETIREMENT FUND – COMPARATIVE BALANCE SHEET**

*JUNE 30, 2010 and 2009*

	<b>2010</b>	<b>2009</b>
<b><u>ASSETS</u></b>		
Cash and Deposits	\$ 32,377	\$ 315
Taxes Receivable	39,653	24,244
Due From General Fund	208,712	157,126
<b>TOTAL ASSETS</b>	<b>\$ 280,742</b>	<b>\$ 181,685</b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Due to Other Funds	4,100	4,100
<b>TOTAL LIABILITIES</b>	<b>4,100</b>	<b>4,100</b>
 <b><u>FUND EQUITY</u></b>		
Fund Balance, Reserved	276,642	177,585
<b>TOTAL FUND EQUITY</b>	<b>276,642</b>	<b>177,585</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 280,742</b>	<b>\$ 181,685</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**DEBT RETIREMENT FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE**

FISCAL YEAR ENDED JUNE 30, 2010

*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	2010	2009
<b><u>REVENUES</u></b>		
<b>Local Sources</b>		
Property Taxes	\$ 485,454	\$ 368,298
Other Taxes	2,713	2,265
Penalties and Interest on Taxes	1,704	22
Interest	295	2,110
Other	500	-
<b>Total Local Sources</b>	<b>\$ 490,666</b>	<b>\$ 372,695</b>
<b>State Sources</b>		
Durant	68,702	10,225
<b>Total State Sources</b>	<b>68,702</b>	<b>10,225</b>
<b>TOTAL REVENUES</b>	<b>\$ 559,368</b>	<b>\$ 382,920</b>
 <b><u>EXPENDITURES</u></b>		
<b>2007 Refunding Bonds</b>		
Principal	280,000	265,000
Interest	99,000	109,591
Fees	530	1,000
<b>Total 2007 Refunding Bonds</b>	<b>379,530</b>	<b>375,591</b>
<b>Durant</b>		
Principal	49,905	8,104
Interest	18,798	2,122
<b>Total Durant</b>	<b>\$ 68,703</b>	<b>\$ 10,226</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**DEBT RETIREMENT FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
(CONTINUED)**

FISCAL YEAR ENDED JUNE 30, 2010  
*(With Comparative Totals for Fiscal Year Ended June 30, 2009)*

	2010	2009
<b><u>EXPENDITURES (Continued)</u></b>		
<b>Other Expenditures</b>		
Tax Adjustments / Writeoffs	\$ 12,078	\$ 10
Total Other Expenditures	12,078	10
<b>TOTAL EXPENDITURES</b>	<b>\$ 460,311</b>	<b>\$ 385,827</b>
Excess of Revenues Over (Under) Expenditures	99,057	(2,907)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Bond Proceeds	-	-
Operating Transfers In (Out)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	99,057	(2,907)
FUND BALANCE, JULY 1	177,585	180,492
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 276,642</b>	<b>\$ 177,585</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**TRUST AND AGENCY FUND - STATEMENT OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE**

*FISCAL YEAR ENDED JUNE 30, 2010*

	<b>BALANCE JUNE 30, 2009</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>BALANCE JUNE 30, 2010</b>
<b><u>ASSETS</u></b>				
Cash, Deposits, and Investments	\$ 1,433,699	\$ 364,910	\$ 232,032	1,566,577
Accounts Receivable	7,065		7,065	-
Due from Other Funds	9,246	9,338	7,577	11,007
<b>TOTAL ASSETS</b>	<b>\$ 1,450,010</b>	<b>\$ 374,248</b>	<b>\$ 246,674</b>	<b>\$ 1,577,584</b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>				
<b><u>LIABILITIES</u></b>				
Due To Students - Activities Accounts	167,250	180,287	179,867	167,670
Due To Other Funds	4,377	4,951	6,531	2,797
<b>TOTAL LIABILITIES</b>	<b>\$ 171,627</b>	<b>\$ 185,238</b>	<b>\$ 186,398</b>	<b>\$ 170,467</b>
 <b><u>FUND EQUITY</u></b>				
Scholarship Accounts	1,278,383	189,010	60,276	1,407,117
<b>TOTAL FUND EQUITY</b>	<b>1,278,383</b>	<b>189,010</b>	<b>60,276</b>	<b>1,407,117</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,450,010</b>	<b>\$ 374,248</b>	<b>\$ 246,674</b>	<b>\$ 1,577,584</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
--

**TRUST AND AGENCY FUND - STATEMENT OF RECEIPTS AND DISBURSEMENTS**

*FISCAL YEAR ENDED JUNE 30, 2010*

	<b>BALANCE JUNE 30, 2009</b>	<b>RECEIPTS</b>	<b>DISBURSEMENTS</b>	<b>BALANCE JUNE 30, 2010</b>
<b><u>ASSETS</u></b>				
Cash and Deposits	\$ 161,855	\$ 175,900	\$ 178,821	\$ 158,934
Due from Other Funds	9,246	9,338	7,577	11,007
<b>TOTAL ASSETS</b>	<b>\$ 171,101</b>	<b>\$ 185,238</b>	<b>\$ 186,398</b>	<b>\$ 169,941</b>
<b><u>LIABILITIES</u></b>				
General Funds:				
Contingency Fund	1,470	-	-	1,470
Ace Tobacco Coalition	5	-	-	5
Ace Art Grant	9	-	-	9
All Building School Supply	940	500	212	1,228
Athletics Booster Club	800	1,826	800	1,826
Athletes in Action	135	2,040	1,355	820
Art Club	18	-	-	18
Band Fund	1,570	2,526	3,299	797
Bates General 5th / 6th	-	1,897	411	1,486
Border Wars	1,121	2,391	1,422	2,090
Boys Basketball	(38)	1,000	536	426
Business Club	793	7,054	6,770	1,077
Career Tech	356	-	-	356
Cheerleader Fund	1,349	1,755	2,561	543
Chess Club	16	-	-	16
Class of 1984	185	-	-	185
Class of 1992	17	-	-	17
Class of 1994	181	-	-	181
Class of 1997	80	-	-	80
Class of 1998	200	-	-	200
Class of 1999	1,102	-	-	1,102
Class of 2003	2,451	-	-	2,451
Class of 2009	2,831	-	2,000	831
Class of 2010	5,529	15,138	19,173	1,494
Class of 2011	4,043	9,142	6,732	6,453
Class of 2012	1,363	1,500	1,126	1,737
Class of 2013	282	2,177	1,687	772
Class of 2014	-	14,713	14,244	469
Combination Lock	849	-	-	849
Community School Recreation	4,313	-	2,015	2,298
Cross Country	(657)	4,648	3,991	-

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**TRUST AND AGENCY FUND - STATEMENT OF RECEIPTS AND DISBURSEMENTS  
(CONTINUED)**

*FISCAL YEAR ENDED JUNE 30, 2010*

	<b>BALANCE JUNE 30, 2009</b>	<b>RECEIPTS</b>	<b>DISBURSEMENTS</b>	<b>BALANCE JUNE 30, 2010</b>
Desk Top Publishing	\$ 1,273	\$ 582	\$ 942	\$ 913
DIISD - SS / Language Arts Grant	665	-	-	665
Disk Fund	53	-	-	53
Drama Club	155	-	-	155
Elementary Girls Basketball	2,593	325	500	2,418
Football	8,996	7,461	13,155	3,302
Football Camp	-	-	72	(72)
Forensics Club	163	-	-	163
Forest Club	852	-	482	370
Forest Club - Trout Unlimited	568	-	-	568
Girls Basketball	904	50	622	332
Girls Tennis	4,166	3,937	2,401	5,702
Girls Track	(401)	2,672	1,045	1,226
Golf Club	453	-	443	10
Health Careers Club	381	-	-	381
High School Bowl	229	48	65	212
Homework Club	500	-	216	284
Laurel Lake Bog Project	137	-	57	80
Library Fund	699	82	136	645
Majorettes	215	-	-	215
Maser Grant	(78)	-	-	(78)
Middle School - Interest	418	-	-	418
Middle School Accelerated Learning Program	227	-	249	(22)
Middle School Art	290	-	-	290
Middle School Band	457	-	132	325
Middle School Economics	2,567	-	-	2,567
Middle School Cheerleaders	513	35	314	234
Middle School Crush Grams	1,943	-	-	1,943
Middle School Drama	821	-	-	821
DIISD - 8th Grade Grant	855	-	-	855
Middle School Family Living	83	-	-	83
Middle School General Fund	1,243	664	1,474	433
Middle School Library	645	33	-	678
Middle School Library Book Fair	(348)	-	-	(348)
Middle School Lighting Equipment Fund	315	-	-	315
Middle School Mrs. Steinberg's Account	3	-	-	3
Middle School Playground	4,786	35	1,000	3,821
Middle School Red Ribbon Grant	150	-	-	150
Middle School Special Ed Account	4,862	128	455	4,535

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

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**TRUST AND AGENCY FUND - STATEMENT OF RECEIPTS AND DISBURSEMENTS  
(CONTINUED)**

*FISCAL YEAR ENDED JUNE 30, 2010*

	<b>BALANCE JUNE 30, 2009</b>	<b>RECEIPTS</b>	<b>DISBURSEMENTS</b>	<b>BALANCE JUNE 30, 2010</b>
Middle School Student Council	\$ 6,082	\$ -	\$ 200	\$ 5,882
Middle School Wykon Warehouse	540	31	50	521
Middle School Yearbook	732	-	-	732
Middle School Calculators	151	-	-	151
Middle School Newspaper	206	-	-	206
Middle School BB Tourney	2,805	42	1,451	1,396
Middle School Track	(107)	1,022	814	101
Stambaugh Elementary	11,838	3,525	2,554	12,809
National Honors Society	326	-	20	306
NOW Interest	8,694	731	586	8,839
Nutrition Grant	300	-	-	300
Pep Grant - Chad	58	-	-	58
Pom Danz	2,995	1,820	2,507	2,308
Project Graduation	1,688	4,711	3,626	2,773
Preschool	302	-	-	302
SADD	386	-	-	386
Skiing	1,414	16,612	16,795	1,231
Spanish Club	2,850	5,342	3,603	4,589
Special Education - Carne	73	-	73	-
Special Projects	271	245	440	76
Special Projects (2)	-	385	-	385
Stambaugh - 5th Grade	3,382	-	132	3,250
Stambaugh Accelerated Reader	7	-	-	7
Stambaugh Band Account	1,922	-	556	1,366
Stambaugh Destination	262	-	262	-
Stambaugh Destination - Ima (New)	103	262	-	365
Stambaugh Library	255	332	54	533
String Boosters	4,583	14,616	11,840	7,359
Student Council	10,318	1,831	512	11,637
Track	(747)	-	-	(747)
Tri-Paw Lodge	16,824	26,142	24,636	18,330
UP BB Coaches Clinic	631	-	-	631
Volleyball	2,711	2,245	1,435	3,521
Weight Room	200	-	-	200
Wrestling	216	-	-	216
Wykon Industries	259	209	-	468
Yearbook Fund	10,459	15,825	15,627	10,657
Young Authors	406	-	-	406
Youth BB Camp	189	-	-	189
Due to Athletic Fund	3,744	4,951	6,424	2,271
Due to Community Schools Fund	107	-	107	-
<b>TOTAL LIABILITIES</b>	<b>\$ 171,101</b>	<b>\$ 185,238</b>	<b>\$ 186,398</b>	<b>\$ 169,941</b>

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

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**PROPERTY TAX DATA**

*FOR THE YEAR ENDED JUNE 30, 2010*

<u>YEAR LEVIED</u>	<u>LEVY</u>	<u>COLLECTIONS AND ADJUSTMENTS</u>	<u>BALANCE JUNE 30, 2010</u>
<b>GENERAL FUND</b>			
2009-10	\$ 2,479,206	\$ 2,293,177	\$ 186,029
2008-09	2,331,267	2,329,317	1,950
2007-08	2,260,978	2,260,149	829
2006-07	2,187,002	2,186,767	235
2005-06	1,789,998	1,788,975	1,023
<b>TOTAL GENERAL FUND</b>	<b>\$ 11,048,451</b>	<b>\$ 10,858,385</b>	<b>\$ 190,066</b>
<b>DEBT RETIREMENT FUND</b>			
2009-10	\$ 485,454	\$ 446,517	\$ 38,937
2008-09	368,298	368,178	120
2007-08	471,801	471,531	270
2006-07	446,078	445,985	93
2005-06	447,826	447,593	233
<b>TOTAL DEBT RETIREMENT</b>	<b>\$ 2,219,457</b>	<b>\$ 2,179,804</b>	<b>\$ 39,653</b>
<b>SINKING FUND</b>			
2009-10	\$ 107,946	\$ 99,259	\$ 8,687
2008-09	101,310	101,269	41
2007-08	97,454	97,395	59
2006-07	92,766	92,766	-
2005-06	87,996	87,947	49
<b>TOTAL SINKING FUND</b>	<b>\$ 487,472</b>	<b>\$ 478,636</b>	<b>\$ 8,836</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 13,755,380</b>	<b>\$ 13,516,825</b>	<b>\$ 238,555</b>

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PREPARED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

# *DS Rostagno, CPA, P.C.*

*101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PREPARED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

BOARD OF EDUCATION  
**West Iron County Public School District**  
601 Garfield Avenue  
Iron River, Michigan 49903

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of **The West Iron County Public School District**, Iron River, Michigan, as of and for the year ended June 30, 2010, which collectively comprise **The West Iron County Public School District**, Iron River, Michigan's basic financial statements, and have issued our report thereon dated October 18, 2010. We conducted our audit 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 of America, and with the standards prescribed by the State Treasurer.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered **The West Iron County Public School District**, Iron River, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing opinions on the effectiveness of **The West Iron County Public School District**, Iron River, Michigan's internal control over financial reporting. Accordingly, we do not express opinions of the effectiveness of **The West Iron County Public School District**, Iron River, Michigan'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 and correct misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects **The West Iron County Public School District**, Iron River, Michigan'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 West Iron County Public School District**, Iron River, Michigan's financial statements that is more than inconsequential will not be prevented or detected by **The West Iron County Public School District**, Iron River, Michigan's internal control.

We consider the deficiencies described as (2010-1) and (2010-2) in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

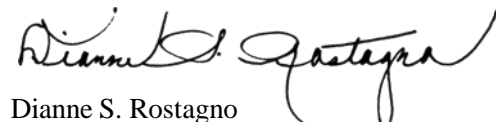
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether **The West Iron County Public School District**, Iron River, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted certain matters that we reported to the Board of Education of the West Iron County Public School District in a separate letter dated October 18, 2010.

The District's response to our findings is described in the accompanying Schedule of Findings and Responses. We did not audit the West Iron County Public School District's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, 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.

  
Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

October 18, 2010

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES**

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

*FOR THE YEAR ENDED JUNE 30, 2010*

**FEDERAL AWARD FINDINGS**

There were no matters to report.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2010**

**FINANCIAL STATEMENT FINDINGS**

**Significant Deficiencies**

**(2009-1) (2008-1)**

**Ability to Prepare Financial Statements and Related Note Disclosures**

Like other local units of government of similar size, limited financial summaries and abbreviated financial statements are made available for the Board members. The School District relies on auditors to draft its financial statements and related disclosures in accordance with generally accepted accounting principles. Board members review and accept the financial statements on behalf of the School District. The hiring of additional personnel to prepare the financial statements would not be cost effective.

**Recommendation and Response**

Members of the Board should remain involved in the financial reporting process to provide an oversight function. School District officials agree and will continue to use the auditor's assistance in drafting its financial statements and will remain involved in the financial reporting process.

**(2009-2) (2008-2)**

**Audit Adjustments**

The School District relies on its auditors to prepare year-end non-recurring adjusting journal entries to adjust its financial statements. Board members review and accept the adjusting entries on behalf of the District.

**Recommendation and Response**

Members of the Board should continue to review and approve non-recurring entries. School District officials agree and will continue to use the auditor's assistance in preparing year-end adjusting journal entries.

**OTHER MATTERS**

**(2009-1)**

**BUDGETS**

Public Act 621 of 1978, Section 17 (1), as amended, provides that a local unit shall not incur expenditures in excess of amounts appropriated.

During the prior fiscal year, the **West Iron County Public School District** had several expenditures in excess of the amounts appropriated.

**Resolution**

This has not been satisfactorily resolved.

**Recommendation and Response**

It is recommended that budgeted amounts be compared to actual expenditures and the budget amended accordingly. School officials agree and will monitor budgeted to actual expenses more closely.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

# *DS Rostagno, CPA, P.C.*

*101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042*

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
**West Iron County Public School**  
Iron River, Michigan 49935

### Compliance

We have audited the **West Iron County Public School District's** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplemental* that could have a direct and material effect on each of the **West Iron County Public School District**, Iron River, Michigan's major federal programs for the year ended June 30, 2010. The **West Iron County Public School District**, Iron River, Michigan's major federal programs are identified in the summary of auditor's 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 **West Iron County Public School District**, Iron River, Michigan's management. Our responsibility is to express opinions on the **West Iron County Public School District**, Iron River, Michigan'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 **West Iron County Public School District**, Iron River, Michigan'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 opinions. Our audit does not provide a legal determination on the **West Iron County Public School District**, Iron River, Michigan's compliance with those requirements.

In our opinions, the **West Iron County Public School District**, Iron River, Michigan complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

The management of the **West Iron County Public School District**, Iron River, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs.

Internal Control Over Compliance (Continued)

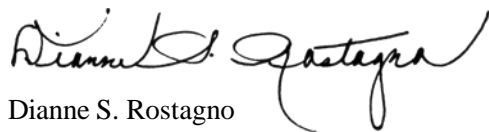
In planning and performing our audit, we considered the **West Iron County Public School District**, Iron River, Michigan's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinions on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing opinions on the effectiveness of internal control over compliance. Accordingly, we do not express opinions on the effectiveness of the **West Iron County Public School District**, Iron River, Michigan's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

The **West Iron County Public School District**, Iron River, Michigan's responses to the findings in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the **West Iron County Public School District**, Iron River, Michigan's responses, and, accordingly, we express no opinions on the responses.

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



Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

October 18, 2010

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*FISCAL YEAR ENDED JUNE 30, 2010*

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	ACCRUED (DEFERRED) REVENUE 7/1/2009	(MEMORANDUM ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	ACCRUED (DEFERRED) REVENUE 6/30/2010	ADJUST- MENTS
<b>US DEPT OF EDUCATION</b>								
<b>Passed Through MDE</b>								
Title I *								
#091530-0809	84.010	288,192	47,575	288,192	-	47,575	-	-
#101530-0910	84.010	\$ 263,933	\$ -	\$ -	\$ 263,933	\$ 198,846	\$ 65,087	\$ -
Total Title I *		552,125	47,575	288,192	263,933	246,421	65,087	-
ARRA Title I*								
#101535-0910	84.389	134,949	-	-	38,460	33,183	5,277	-
Total ARRA Title I		134,949	-	-	38,460	33,183	5,277	-
Title II-A								
Improving Teacher Quality								
#090520-0809	84.367A	88,720	13,904	88,720	-	13,904	-	-
#100520-0910	84.367A	87,143	-	-	87,143	65,019	22,124	-
Total Title II-A		175,863	13,904	88,720	87,143	78,923	22,124	-
ARRA Title II-D								
Enhancing Education Through Technology								
#104295-0910	84.386A	5,050	-	-	5,050	5,050	-	-
Total ARRA Title II-D		5,050	-	-	5,050	5,050	-	-
ARRA Education Stabilization Fund*								
#102525-0910	84.394	291,363	-	-	291,363	291,363	-	-
Total Ed Stabilization Fund		291,363	-	-	291,363	291,363	-	-
<b>Total Passed Through MDE</b>		<b>\$ 1,159,350</b>	<b>\$ 61,479</b>	<b>\$ 376,912</b>	<b>\$ 685,949</b>	<b>\$ 654,940</b>	<b>\$ 92,488</b>	<b>\$ -</b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*FISCAL YEAR ENDED JUNE 30, 2010*

<b>FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE GRANT NUMBER</b>	<b>FEDERAL CFDA NUMBER</b>	<b>APPROVED GRANT AWARD AMOUNT</b>	<b>ACCRUED (DEFERRED) REVENUE 7/1/2009</b>	<b>(MEMORANDUM ONLY) PRIOR YEAR EXPENDITURES</b>	<b>CURRENT YEAR EXPENDITURES</b>	<b>CURRENT YEAR RECEIPTS (CASH BASIS)</b>	<b>ACCRUED (DEFERRED) REVENUE 6/30/2010</b>	<b>ADJUST- MENTS</b>
<b>Passed Through ISD</b>								
<i>Dickinson-Iron ISD</i>								
IDEA Flowthrough	84.173A	\$ 238,440	\$ -	\$ -	\$ 28,440	\$ 28,440	\$ -	\$ -
Total IDEA Flowthrough		238,440	-	-	28,440	28,440	-	-
ARRA Special Ed Flowthrough	81.391A	120,921	-	-	120,921	120,921	-	-
Total ARRA Spec Ed Flowthrough		120,921	-	-	120,921	120,921	-	-
MiBLSI	84.027A	11,414	-	-	11,414	11,414	-	-
Total MiBLSI		11,414	-	-	11,414	11,414	-	-
PCG Medicaid Outreach	93.778	22,476	-	-	22,476	22,476	-	-
Total PCG Medicaid Outreach		22,476	-	-	22,476	22,476	-	-
<i>Marquette-Alger ISD</i>								
Safe and Drug Free Schools	84.186	1,764	-	-	1,764	-	1,764	-
Total Safe and Drug Free		1,764	-	-	1,764	-	1,764	-
<b>Total Passed Through ISD</b>		<b>395,015</b>	<b>-</b>	<b>-</b>	<b>185,015</b>	<b>183,251</b>	<b>1,764</b>	<b>-</b>
<b>TOTAL US DEPT OF EDUCATION</b>		<b>\$ 1,554,365</b>	<b>\$ 61,479</b>	<b>\$ 376,912</b>	<b>\$ 870,964</b>	<b>\$ 838,191</b>	<b>\$ 94,252</b>	<b>\$ -</b>
<b>US DEPT OF AGRICULTURE</b>								
<b>Passed Through MDE</b>								
<i>Natl School Lunch-Breakfast</i>								
#091970	10.553	\$ 7,129	\$ -	\$ -	\$ 7,129	\$ 7,129	\$ -	\$ -
#101970	10.553	47,298	-	-	47,298	47,298	-	-
<b>Total Natl School Lunch- Breakfast</b>		<b>54,427</b>	<b>-</b>	<b>-</b>	<b>54,427</b>	<b>54,427</b>	<b>-</b>	<b>-</b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*FISCAL YEAR ENDED JUNE 30, 2010*

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	ACCRUED (DEFERRED) REVENUE 7/1/2009	(MEMORANDUM ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	ACCRUED (DEFERRED) REVENUE 6/30/2010	ADJUST- MENTS
<b>US DEPT OF AGRICULTURE Passed Through MDE</b>								
<u>Section 4 Lunches</u>								
#091950	10.555	\$ 2,594	\$ -	\$ -	\$ 2,594	\$ 2,594	\$ -	\$ -
#101950	10.555	21,877	-	-	21,877	21,877	-	-
Total Section 4 Lunches		24,471	-	-	24,471	24,471	-	-
<u>Section 11 Free &amp; Reduced</u>								
#091960	10.555	\$ 16,091	\$ -	\$ -	\$ 16,091	\$ 16,091	\$ -	\$ -
#101960	10.555	135,039	-	-	135,039	135,039	-	-
Total Section 11 Free & Reduced		151,130	-	-	151,130	151,130	-	-
<u>Snack Program</u>								
#091980	10.555	98	-	-	98	98	-	-
#101980	10.555	840	-	-	840	840	-	-
Total Snack Program		938	-	-	938	938	-	-
<b>Total National School Lunch</b>		<b>176,539</b>	<b>-</b>	<b>-</b>	<b>176,539</b>	<b>176,539</b>	<b>-</b>	<b>-</b>
<u>Summer Food Service Program</u>								
#090900	10.559	7,053	3,848	3,848	3,205	7,053	-	-
#091900	10.559	741	-	-	741	741	-	-
#091900	10.559	4,339	-	-	4,339	-	4,339	(a)
<b>Total Summer Program</b>		<b>\$ 12,133</b>	<b>\$ 3,848</b>	<b>\$ 3,848</b>	<b>\$ 8,285</b>	<b>\$ 7,794</b>	<b>\$ 4,339</b>	<b>\$ -</b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*FISCAL YEAR ENDED JUNE 30, 2010*

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE GRANT NUMBER	FEDERAL CFDA NUMBER	APPROVED GRANT AWARD AMOUNT	ACCRUED (DEFERRED) REVENUE 7/1/2009	(MEMORANDUM ONLY) PRIOR YEAR EXPENDITURES	CURRENT YEAR EXPENDITURES	CURRENT YEAR RECEIPTS (CASH BASIS)	ACCRUED (DEFERRED) REVENUE 6/30/2010	ADJUST- MENTS
<b>US DEPT OF AGRICULTURE</b>								
Entitlement Commodities	10.550	\$ 23,103	\$ -	\$ -	\$ 23,103	\$ 23,103	\$ -	\$ -
Bonus Commodities	10.550	1,498	-	-	1,498	1,498	-	-
<b>Total Commodities</b>		<b>24,601</b>	<b>-</b>	<b>-</b>	<b>24,601</b>	<b>24,601</b>	<b>-</b>	<b>-</b>
<b>TOTAL US DEPT OF AGRICULTURE</b>		<b>267,700</b>	<b>3,848</b>	<b>3,848</b>	<b>263,852</b>	<b>263,361</b>	<b>4,339</b>	<b>-</b>
<b>US DEPT OF INTERIOR</b>								
Other Federal Assistance Passed Through County of Iron								
Schools and Roads Grant*	15.226	117,844	-	-	117,844	117,844	-	-
<b>TOTAL US DEPT OF INTERIOR</b>		<b>117,844</b>	<b>-</b>	<b>-</b>	<b>117,844</b>	<b>117,844</b>	<b>-</b>	<b>-</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>		<b>\$ 1,939,909</b>	<b>\$ 65,327</b>	<b>\$ 380,760</b>	<b>\$ 1,252,660</b>	<b>\$ 1,219,396</b>	<b>\$ 98,591</b>	<b>\$ -</b>

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS TO FINANCIAL STATEMENTS**

*FOR FISCAL YEAR ENDED JUNE 30, 2010*

- (a) Summer Food Service Program for Children (CFDA #10.559) on Form R-7120 does not include award for June, 2010 in the amount of \$4,339. This is reported as revenue and as accounts receivable in the financial statements. The 2008-09 Accounts Receivable of \$3,848 is shown on R-7120, but was reported in the financial statements as prior year revenue and accounts receivable.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO FINANCIAL STATEMENTS**

*FOR THE FISCAL YEAR ENDED JUNE 30, 2010*

(Continued)

Reconciliation

<u>Financial Revenue per Financial Statements:</u>			
General Operating Funds -		Federal Revenues on Schedule of Expenditures	
Federal Sources	\$ 817375	of Federal Awards	\$ 1252660
General Fund – Passed		Universal Service Funds	13582
Through ISD	185015		
Food Service Fund	263852		
Total Federal Revenue			
Reported by District	_____		_____
	\$ <u>1266242</u>		\$ <u>1266242</u>

The District received Universal Service Funds in the amount of \$13,582. Since these funds are not subject to single auditing reporting, they are not included in the Schedule of Expenditures of Federal Awards.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2010*

1. \*Designates Major Program
2. In accordance with OMB Circular A-133, since federal awards expended were greater than \$500,000 but less than \$10 million, Type A programs are those programs with expended funds of \$300,000 or more. Based on this threshold, there was one Type A program, Title I. The District did not qualify as a low risk auditee. Therefore, Title I was audited as a major program, as was the ARRA Education Stabilization Fund, and the Schools and Roads Grant, to satisfy the 50% coverage requirement.
3. Expenditures in this schedule are in agreement with amounts reported in the financial statements and the financial reports.
4. The amounts reported on the R7120 (Grants Section Auditions Report) and the MDE Cash Management Report reconcile with this schedule.
5. The amounts reported on the Recipient Entitlement Balance Report (PAL Report) agree with this schedule for USDA donated food commodities and are reported in the cash receipts column.
6. Expenditures include spoilage or pilferage.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2010*

**A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the West Iron County Public School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements on OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**B. FOOD DISTRIBUTION**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**C. MAJOR PROGRAMS**

Major programs were determined by a risk based approach, which includes consideration of current and prior audit expenses, oversight by federal agencies and pass-through entities, and inherent risk of the program in addition to the \$300,000 expenditure threshold. The District does not qualify as a low risk auditee, under the criteria specified in OMB Circular A-133, Section 530.

**D. FOOTNOTES**

Please see the federal statement footnotes for the significant accounting policies applied when preparing this schedule.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified?                              yes              X      no
- Significant deficiencies?                                      X      yes                      none reported

Noncompliance material to financial statements noted?              yes              X      no

***Federal Awards***

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs:    *Unqualified*

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program of Cluster</i>
84.010	Title I
84.389	ARRA Title I
84.394	AARA Education Stabilization Fund
15.226	Schools and Roads Grant

Dollar threshold used to distinguish between A and B programs:

  \$ 300000  

Auditee qualified as low-risk auditee?                              yes              X      no

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**Section II - Financial Statement Findings**

**MATERIAL WEAKNESSES**

There are no matters to report.

**SIGNIFICANT DEFICIENCIES**

**(2010-1) (2009-01)**

**Ability to Prepare Financial Statements and Related Note Disclosures**

***Problem:***

Like other local units of government of similar size, limited financial summaries and abbreviated financial statements are made available for the Board members. The School District relies on auditors to draft its financial statements and related disclosures in accordance with generally accepted accounting principles. Board members review and accept the financial statements on behalf of the School District. The hiring of additional personnel to prepare the financial statements would not be cost effective.

***Recommendation:***

Members of the Board should remain involved in the financial reporting process to provide an oversight function.

***Response:***

School District officials agree and will continue to use the auditor's assistance in drafting its financial statements and will remain involved in the financial reporting process.

**(2010-2) (2009-02)**

**Audit Adjustments**

***Problem:***

The School District relies on its auditors to prepare year-end non-recurring adjusting journal entries to adjust its financial statements. Board members review and accept the adjusting entries on behalf of the District.

***Recommendation:***

Members of the Board should continue to review and approve non-recurring entries.

***Response:***

School District officials agree and will continue to use the auditor's assistance in preparing year-end adjusting journal entries.

<b>WEST IRON COUNTY PUBLIC SCHOOL DISTRICT</b>
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**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2010**

**Section II – Financial Statement Findings  
(Continued)**

**OTHER MATTERS**

**(2010-1) (2009-1)**

**BUDGETS**

Public Act 621 of 1978, Section 17(1), as amended, provides that a local unit shall not incur expenditures in excess of amounts appropriated. In the past several fiscal years, the District has had several expenditures in excess of the amounts appropriated. These occurred during the current fiscal year as well.

**Recommendation/Response**

It was recommended that budget amounts be compared to actual expenditures, and the budget be amended accordingly. School officials agree, and will monitor budget and actual expenditures more closely, and will amend the budget as needed.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs  
(Continued)**

**For the Year Ended June 30, 2010**

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

There are no matters to report