

**GODFREY-LEE
PUBLIC SCHOOLS
Kent County, Michigan**

Comprehensive Annual Financial Report

For the year ended June 30, 2009

GODFREY-LEE PUBLIC SCHOOLS
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For the year ended June 30, 2009

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Federal Financial Assistance Programs Supplemental Information Issued Under Separate Cover

FINANCIAL SECTION

Hungerford, Aldrin,
Nichols & Carter, P.C.

CPAs AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

October 8, 2009

The Board of Education
Godfrey-Lee Public Schools

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Godfrey-Lee Public Schools (the "District") as of and for the year ended June 30, 2009, 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 elected officials and management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Godfrey-Lee Public Schools at June 30, 2009, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2009 on our consideration of Godfrey-Lee Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Godfrey-Lee Public Schools' basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hungerford, Aldwin, Nichols & Carter, P.C.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS



GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

As management of the Godfrey-Lee Public Schools ("the District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements and Supplemental Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Assets and the Statement of Activities, are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - ♦ *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
 - ♦ *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Basic Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data. Supplemental Information follows and includes combining and individual fund statements.

District-wide Statements

The district-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base and the condition of school buildings and other facilities.



GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities:* The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

Condensed District-Wide Financial Information

The Statement of Net Assets provides financial information on the District as a whole.

	<u>2009</u>	<u>2008</u>
Assets		
Current assets	\$6,160,294	\$5,709,686
Net capital assets	<u>17,554,813</u>	<u>17,860,155</u>
Total Assets	<u>23,715,107</u>	<u>23,569,841</u>
Liabilities		
Current liabilities	2,384,932	2,047,834
Long-term liabilities	<u>16,967,569</u>	<u>16,830,887</u>
Total Liabilities	<u>19,352,501</u>	<u>18,878,721</u>
Net Assets		
Invested in capital assets, net of related debt	1,260,889	1,022,784
Restricted	25,295	1,247
Unrestricted	<u>3,076,422</u>	<u>3,667,088</u>
Total Net Assets	<u>\$4,362,606</u>	<u>\$4,691,119</u>

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net assets for the year.



GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

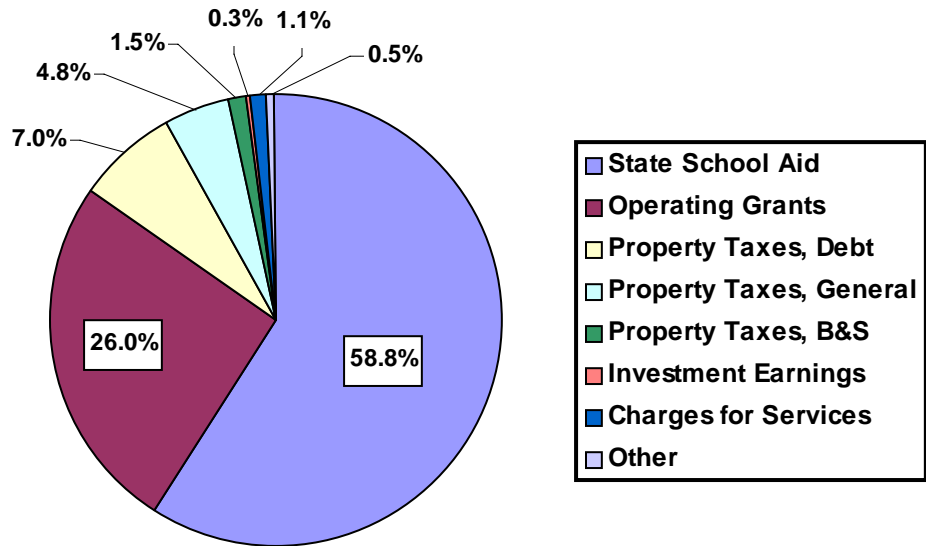
The Statement of Activities presents changes in net assets from operating results:

	<u>2009</u>	<u>2008</u>
Program Revenues		
Charges for services	\$ 199,401	\$ 172,316
Operating grants	4,808,986	3,823,782
General Revenues		
Property taxes	2,458,455	2,553,127
State school aid, unrestricted	10,871,879	11,419,220
Interest earnings	50,164	129,466
Loss on sale of capital assets	—	(10,466)
Other	90,173	98,989
Total Revenues	<u>18,479,058</u>	<u>18,186,434</u>
Expenses		
Instruction	11,355,110	10,613,005
Supporting services	5,491,200	5,018,083
Community services	58,815	54,057
Food service	773,885	793,684
Athletics	343,960	339,427
Other	48,998	49,578
Interest expense	735,603	746,502
Total Expenses	<u>18,807,571</u>	<u>17,614,336</u>
Increase (decrease) in net assets	(328,513)	572,098
Net Assets - Beginning of Year	<u>4,691,119</u>	<u>4,119,021</u>
Net Assets - End of Year	<u><u>\$4,362,606</u></u>	<u><u>\$4,691,119</u></u>

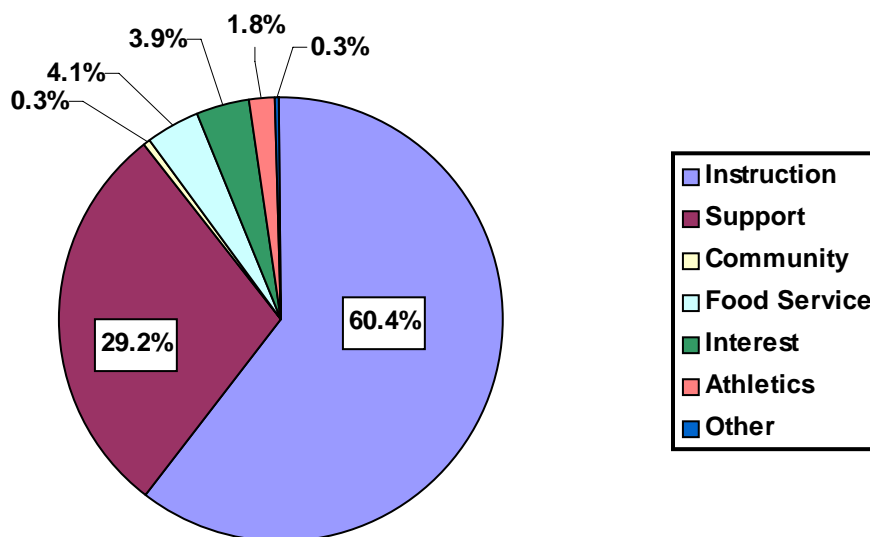


GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

Revenues by Source-All Funds



Expenses by Category-All Funds





GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

Financial Analysis of the District as a Whole

The District's financial position is the product of many factors. Growth during the year in grants was the primary contributor to an increase in revenues.

The District's total revenues increased by \$290,000 (1.6%) to \$18.5 million. Unrestricted State Aid accounted for 58.8% of the revenues, while property taxes amounted to 13.3% of the revenues. Another 26% came from state and federal aid for specific programs, including ARRA stabilization funds of \$613,120, and the remainder from miscellaneous sources.

The total cost of all programs and services increased by \$1.2 million (6.8%) to \$18.8 million. The District's expenses are predominantly related to instructional services which amount to 60.4% of the total. Salaries increased \$422,000 or 5.1% due to increased programs and contractual raises. Retirement and Fica/Medicare costs increased by 4.1% due to the increase in salaries.

Total expenses surpassed revenues, decreasing net assets by \$328,513 on the Statement of Activities.

The recent reduction of the District's net assets can be attributed mostly to a planned use of funds to enhance programs throughout the district. The demographics of the District's neighborhood also is a factor that contributes to increasing counts for free lunch students, which helps the District qualify for greater categorical assistance for at-risk students at all levels.

- Budgets for 2008-09 were created on no change in student fall count from the prior year which produced a 25/75 blend of 1,680.11 full-time equivalent students for budget purposes. Actual blended count for the year was 1,648.81, which brought an decrease in revenue over original budgeted amounts. The decrease in budgeted State school aid was due to a combination of fewer students, an increase in the actual amount of the foundation allowance over the original budgeted amount and a reduction to the foundation allowance by the State of Michigan made after the school year ended. The ARRA stabilization funds were used to cover the unexpected reduction to the foundation allowance.
- Categoricals and other grants were budgeted at prior year amounts but most increased slightly from the previous year. The District staff worked very hard to identify as many free lunch qualifiers as possible which resulted in increases in some categoricals. Of particular note in this regard was an increase in Act 18 County Special Education Millage of \$46,418 and an increase in Federal Title funds of \$136,304. Also noteworthy was the additional Federal funding of TEAM 21 programs in the elementary buildings in the amount of \$143,232.
- Collaboration with the surrounding districts continued to occur to help reduce expenditures in many areas. The six school districts in the southwest region of Kent County continued to work on ways to combine services where possible. All six districts joined the effort to transport special education and technical center students together and to work on combined trips where possible in other areas. There are also collaborative efforts working to reduce costs on bus maintenance, storage and fuel related costs.
- The \$18.8 million of governmental activities was financed with \$2.5 million in property taxes and \$10.9 million of unrestricted state aid based on the statewide education aid formula. State and Federal grant funding totaled over \$3.6 million.



GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

- The District increased its utilization of the Universal Service Fund to get rebates on services related to voice and data communication. This now includes telephone service, cellular phone service and internet connectivity.
- The administration will work with other districts to continue collaboration efforts for 2009-10. It is also the intent of the District to improve on the use of the Universal Service Fund program with hopes to expand into the area of equipment rebates for data infrastructure.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District utilizes two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information following the governmental funds' statements explain the relationship (or differences) between them.
- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as Student Activities Funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Godfrey-Lee Public School's funds are described as follows:

Major Funds

General Fund

The General Fund is the primary operating fund. The General Fund had total revenues of \$16,049,295, total expenditures of \$16,357,254, and total other financing uses of \$243,653. It ended the fiscal year with a fund balance of \$3,112,208, down from \$3,663,820 as of June 30, 2008 for a decrease of \$551,612.



GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

2009 Construction Fund

The 2009 Construction Fund issued construction bonds of \$875,000 during the year and expended \$82,603 in bond issue costs and architect fees, leaving a fund balance of \$798,620 at June 30, 2009 with which to complete building projects, including manufacturing and installation of a new modular building for additional classrooms for 5th and 6th grade at Lee Middle School.

Nonmajor Funds

Special Revenue Funds

The District operates two Special Revenue Funds, the Food Service and Athletic Funds. Total revenues and other financing sources (inter-fund transfers) of the Special Revenue Funds were \$1,073,303, with total expenditures of \$1,096,186. The ending fund balances were \$133,739 for Food Service and \$4 for Athletics.

Debt Service Funds

The District operates five Debt Service Funds. Total revenues were \$1,325,826, with total financing sources (loan proceeds) of \$91,171 and total expenditures of \$1,416,946. The ending fund balance in the Debt Service Funds was \$103,885.

Capital Projects Fund

The District operates a nonmajor Capital Project Fund, the Building and Site Sinking Fund. This fund had total revenues of \$277,456 and total expenditures of \$248,644 resulting in a fund balance of \$29,194 at June 30, 2009, up from \$382 at June 30, 2008.

Fiduciary Funds

The Student Activities Fund is operated as a Trust and Agency Fund of the District. The assets of this fund are being held for the benefit of the District's students. Balance on hand at June 30, 2009 total \$66,199.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget two times. These budget amendments fall into two categories:

- Changes made in the fall to account for the final student enrollment that determines how much foundation grant state school aid will be received during the fiscal year and other grant related revenue changes.
- Expenditure changes due to updated staffing from the June budget estimate, classroom expenditure needs, technology upgrades and others.

Although the District's final budget for the General Fund anticipated that expenses would exceed revenues by \$681,716, the actual results for the year show a \$551,612 decrease in fund balance which is \$130,104 better than projected.

- Actual revenues were \$82,457 less than expected mainly due to Federal funds being carried over to the next school year.
- Actual expenditures were \$212,825 less than expected mainly due to unspent line items in specific budgets due to a spending freeze by the board in April and unspent Federal funds.



GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

Capital Asset and Debt Administration

Capital Assets

By the end of 2009, the District had \$23,779,286 invested in a broad range of capital assets, including school buildings, athletic facilities, computer equipment and software, and administrative offices. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.)

The District's fiscal year 2009-10 budget projects spending another \$260,000 for capital projects principally in the areas of:

- Infrastructure repair and renovation including window replacement at Lee High School
- Purchase and/or renovation of building(s)

At June 30, 2009, the District's investment in capital assets (net of accumulated depreciation) was \$17,554,813. Capital asset purchases totaled \$308,479 for the fiscal year with accumulated depreciation increasing \$613,821, leaving a net decrease in the book value of capital assets of \$305,342.

Land	\$ 618,754
Construction in progress	41,454
Land improvements	836,893
Buildings and additions	15,663,589
Furniture and equipment	256,098
Vehicles	59,555
Assets under capital leases	<u>78,470</u>
Net Capital Assets	<u>\$ 17,554,813</u>

Long-Term Debt

At year end, the District had \$17.9 million in general obligation bonds and other long-term debt outstanding.

- The District issued construction bonds during the year totaling \$875,000.
- The District continued to pay down its debt from the 2003, 2005 and 2006 bond issues, Durant bonds and capital lease agreements.
- The District borrowed \$91,171 from the State School Bond Loan Program to supplement local tax levies for bond debt service payments this year.

The District's bond rating for General Obligation, Unlimited Tax debt is "Aaa/Aa2". The District's other obligations include staff related retirement incentives, capital leases payable and school bond loan fund. There is more detailed information about long-term liabilities in the Notes to Basic Financial Statements.



GODFREY-LEE PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2009

Factors Bearing on the District's Future

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

- The District's proximity between Grand Rapids and Wyoming makes it a totally market driven district which must have the breadth of program and updated infrastructure to compete in this age of choice in schools. The Fall 2009 pupil counts are indicating a slight increase in students for the 2009-2010 school year by approximately 30 students.
- The District and bargaining units negotiated a three-year agreement expiring at the end of the 2010-2011 school year. The current contract provides fully paid health insurance utilizing MESSA Choices II PPO as the standard plan with the option to contribute to the cost of MESSA SuperCare I. Recent changes to laws regulating the bidding and procurement of health insurance may change the way insurance is provided to the bargaining units.
- The No Child Left Behind Legislation and its effect on districts with large minority populations will impact the ability to show adequate yearly progress and contribute to increased budgetary stress.
- As of late September, 2009, the State of Michigan had not adopted a budget for the School Aid Fund for the 2009-2010 school year. A possible reduction to the foundation allowance of \$218 for the District is being considered resulting in a loss of approximately \$354,000 to the District.
- Cost increases exceeding the general rate of inflation continue to be expected for the district relative to health care and pension contribution obligations in 2009-10 and beyond. These costs represent a significant portion of the District's budget and their rate of increase is a concern to management. Surges in prices of energy commodities such as diesel, gasoline and natural gas have abated and prices have even declined recently. If this trend is sustained, it may provide some relief from the rate of growth in overall operating costs going forward.

The State of Michigan continues in an economic slump that has been in place for the past seven (7) years. At this time that slump appears to be on the verge of worsening. The Big 3 automakers are major employers and taxpayers in Michigan. Some or all of the Big 3 face the threat of bankruptcy, or are in bankruptcy, if current sales trends for them do not improve. State school aid funding and property and sales tax collections that help to subsidize the State school aid fund for K-12 schools are sensitive to trends in economic growth in Michigan. Weak economic performance in Michigan generally means little or no growth in the State foundation grant (State school aid) to K-12 schools. A reduction to the District's foundation allowance is currently proposed totaling a \$350,000 reduction to revenue. The persistent weakness of the state economy along with an across the board weakening of real estate values in Michigan is a growing concern. The outlook for further increases in per pupil funding in the future and the State's ability to fund them are more questionable now than at any time in recent memory. Growth in property tax valuations or assessments is expected to be noticeably less than historical rates of increase or may even be flat in some cases next year. Delinquency rates on property taxes are also increasing. These factors may lead to less or even reduced property tax collections by the State and local school districts.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Godfrey-Lee Public Schools, 1324 Burton St. SW, Wyoming, MI, 49509. Contact by e-mail: rclaxton@godfrey-lee.org.

BASIC FINANCIAL STATEMENTS

GODFREY-LEE PUBLIC SCHOOLS
Statement of Net Assets
June 30, 2009

	Governmental Activities
Assets	
Current Assets	
Cash	\$ 600
Cash equivalents, deposits and investments (Note B)	2,613,861
Taxes receivable (Note C)	1,059
Accounts receivable	21,028
Due from other governmental units (Note C)	2,742,321
Accrued interest receivable	4,728
Inventory	8,014
Prepaid expenses	85,841
Unamortized bond costs	682,842
Total Current Assets	6,160,294
Noncurrent Assets	
Capital assets (Note E)	23,779,286
Less accumulated depreciation	(6,224,473)
Total Noncurrent Assets	17,554,813
Total Assets	23,715,107
Liabilities	
Current Liabilities	
Accounts payable	94,038
Due to other governmental units	399,615
Accrued interest payable	109,175
Salaries payable	805,090
Current portion of long term obligations	977,014
Total Current Liabilities	2,384,932
Noncurrent Liabilities (Note F)	
General obligation bonds payable	15,185,000
Durant non-plaintiff bonds payable	167,203
State school bond loan payable	2,387,026
Capital leases payable	35,607
Early retirement incentive	41,400
Accumulated sick leave	128,347
Current portion of long term obligations	(977,014)
Total Noncurrent Liabilities	16,967,569
Total Liabilities	19,352,501
Net Assets	
Invested in capital assets, net of related debt	1,260,889
Restricted for:	
Debt service	(4,046)
Capital projects	29,341
Unrestricted	3,076,422
Total Net Assets	\$ 4,362,606

See accompanying notes to basic financial statements.

GODFREY-LEE PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 11,355,110	\$ 10,605	\$ 3,909,193	\$ (7,435,312)
Supporting services	5,491,200	60,978	176,616	(5,253,606)
Community services	58,815	-	-	(58,815)
Food service	773,885	106,186	701,222	33,523
Athletics	343,960	21,632	-	(322,328)
Other	48,998	-	-	(48,998)
Interest on long-term debt	735,603	-	21,955	(713,648)
Total Governmental Activities	\$ 18,807,571	\$ 199,401	\$ 4,808,986	(13,799,184)
General Revenues				
Taxes:				
Property taxes, levied for general operations				892,956
Property taxes, levied for debt service				1,291,104
Property taxes, levied for capital improvements				274,395
State school aid, unrestricted				10,871,879
Interest and investment earnings				50,164
Other				90,173
Total General Revenues				13,470,671
Change in Net Assets				(328,513)
Net Assets - Beginning of Year				4,691,119
Net Assets - End of Year				\$ 4,362,606

See accompanying notes to basic financial statements.

GODFREY-LEE PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2009

	General	2009 Construction	Nonmajor	Total
Assets				
Cash	\$ 350	\$ -	\$ 250	\$ 600
Cash equivalents, deposits and investments (Note B)	1,517,455	825,568	270,838	2,613,861
Receivables:				
Taxes (Note C)	218	-	841	1,059
Accounts	21,028	-	-	21,028
Due from other funds (Note D)	-	100	2,010	2,110
Due from other governmental units (Note C)	2,728,467	-	13,854	2,742,321
Accrued interest receivable	2,109	2,619	-	4,728
Inventory	-	-	8,014	8,014
Prepaid expenditures	85,841	-	-	85,841
Total Assets	\$ 4,355,468	\$ 828,287	\$ 295,807	\$ 5,479,562
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 36,327	\$ 29,667	\$ 28,044	\$ 94,038
Due to other funds (Note D)	2,010	-	100	2,110
Due to other governmental units	399,615	-	-	399,615
Salaries payable	805,090	-	-	805,090
Deferred revenue	218	-	841	1,059
Total Liabilities	1,243,260	29,667	28,985	1,301,912
Fund Balances				
Reserved for:				
Debt service	-	-	103,885	103,885
Capital outlay	-	798,620	29,194	827,814
Unreserved:				
Undesignated, reported in:				
General fund	3,112,208	-	-	3,112,208
Special revenue funds	-	-	133,743	133,743
Total Fund Balances	3,112,208	798,620	266,822	4,177,650
Total Liabilities and Fund Balances	\$ 4,355,468	\$ 828,287	\$ 295,807	\$ 5,479,562

See accompanying notes to basic financial statements.

GODFREY-LEE PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2009

Total governmental fund balances		\$ 4,177,650
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$23,779,286 and accumulated depreciation is \$6,224,473.		17,554,813
Net bond premium and refunding and issuance costs are not expensed but are amortized over the life of the new bond issue.		682,842
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$(15,185,000)	
Durant non-plaintiff bonds	(167,203)	
State school bond loan	(2,387,026)	
Capital leases	(35,607)	
Early retirement incentive	(41,400)	
Accumulated sick leave	(128,347)	(17,944,583)
Accrued interest is not included as a liability in governmental funds.		(109,175)
Deferred revenue recognized as revenue in the full accrual statements:		
Property taxes		1,059
Total net assets - governmental activities		\$ 4,362,606

See accompanying notes to basic financial statements.

GODFREY-LEE PUBLIC SCHOOLS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2009

	General	2009 Construction	Nonmajor	Total
Revenues				
Local sources	\$ 1,093,607	\$ 2,619	\$ 1,709,755	\$2,805,981
State sources	12,178,850	-	76,668	12,255,518
Federal sources	1,664,305	-	646,509	2,310,814
Interdistrict sources	1,112,533	-	-	1,112,533
Total Revenues	16,049,295	2,619	2,432,932	18,484,846
Expenditures				
Current:				
Instruction	10,947,745	-	-	10,947,745
Supporting services	5,363,753	-	-	5,363,753
Community services	37,623	-	-	37,623
Food service	-	-	830,803	830,803
Athletics	-	-	265,383	265,383
Capital outlay	1,250	82,603	235,852	319,705
Debt service:				
Principal repayment	-	-	787,400	787,400
Interest and fiscal charges	-	-	629,546	629,546
Capital lease payments	-	-	12,792	12,792
Interdistrict	6,883	-	-	6,883
Total Expenditures	16,357,254	82,603	2,761,776	19,201,633
Excess (Deficiency) of Revenues Over Expenditures	(307,959)	(79,984)	(328,844)	(716,787)
Other Financing Sources (Uses)				
Bonds issued	-	875,000	-	875,000
Bond premium	-	3,604	-	3,604
Loan proceeds	-	-	91,171	91,171
Transfers in	-	-	243,653	243,653
Transfers out	(243,653)	-	-	(243,653)
Total Other Financing Sources (Uses)	(243,653)	878,604	334,824	969,775
Net Change in Fund Balances	(551,612)	798,620	5,980	252,988
Fund Balances, Beginning of Year	3,663,820	-	260,842	3,924,662
Fund Balances, End of Year	\$ 3,112,208	\$ 798,620	\$ 266,822	\$ 4,177,650

See accompanying notes to basic financial statements.

GODFREY-LEE PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2009

Net change in fund balances - total governmental funds		\$ 252,988
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:</p>		
Capital outlays	308,479	
Depreciation expense	<u>(613,821)</u>	(305,342)
<p>As some delinquent personal property taxes will not be collected for several years after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead considered deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities.</p>		
		(5,788)
<p>Net bond refunding costs are amortized over the life of the new bond issue on the Statement of Activities.</p>		
		(11,453)
<p>Proceeds from the sale of bonds or loans are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Assets.</p>		
		(1,070,825)
<p>Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities:</p>		
Repayment of bonds	770,000	
Repayment of Durant non-plaintiff bonds	17,400	
Repayment of capital leases	<u>39,104</u>	826,504
<p>Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.</p>		
		(1,403)
<p>In the Statement of Net Assets, accumulated sick leave is measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits earned (\$46,692) exceeded the amounts used/paid (\$33,498).</p>		
		<u>(13,194)</u>
Total changes in net assets - governmental activities		<u><u>\$ (328,513)</u></u>

See accompanying notes to basic financial statements.

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 1,050,671	\$ 1,089,776	\$ 1,093,607	\$ 3,831
State sources	12,779,169	12,199,789	12,178,850	(20,939)
Federal sources	852,497	1,743,962	1,664,305	(79,657)
Interdistrict sources	1,190,000	1,098,225	1,112,533	14,308
Total Revenues	<u>15,872,337</u>	<u>16,131,752</u>	<u>16,049,295</u>	<u>(82,457)</u>
Expenditures				
Current:				
Instruction:				
Basic programs	7,842,251	8,105,295	8,074,679	30,616
Added needs	2,682,134	2,778,531	2,671,613	106,918
Adult education	199,378	200,496	201,453	(957)
Supporting services:				
Pupil services	1,172,041	1,170,385	1,156,188	14,197
Instructional staff services	745,949	737,164	728,774	8,390
General administrative services	420,649	524,139	520,899	3,240
School administrative services	647,311	692,379	679,339	13,040
Business services	278,422	280,087	281,951	(1,864)
Operation and maintenance services	1,150,468	1,154,135	1,137,207	16,928
Pupil transportation services	366,401	427,879	420,701	7,178
Central services	427,537	448,536	438,694	9,842
Community services	61,042	42,920	37,623	5,297
Interdistrict	500	6,883	6,883	-
Capital outlay	-	1,250	1,250	-
Total Expenditures	<u>15,994,083</u>	<u>16,570,079</u>	<u>16,357,254</u>	<u>212,825</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(121,746)</u>	<u>(438,327)</u>	<u>(307,959)</u>	<u>130,368</u>
Other Financing Sources (Uses)				
Transfers out	(234,158)	(243,389)	(243,653)	(264)
Net Change in Fund Balances	(355,904)	(681,716)	(551,612)	130,104
Fund Balances, Beginning of Year	<u>3,663,820</u>	<u>3,663,820</u>	<u>3,663,820</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 3,307,916</u></u>	<u><u>\$ 2,982,104</u></u>	<u><u>\$ 3,112,208</u></u>	<u><u>\$ 130,104</u></u>

See accompanying notes to basic financial statements.

GODFREY-LEE PUBLIC SCHOOLS
Fiduciary Fund
Statement of Fiduciary Assets and Liabilities
June 30, 2009

Assets

Cash equivalents, deposits and investments (Note B)	<u>\$ 66,199</u>
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Liabilities

Due to student groups	<u>\$ 66,199</u>
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See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Note A – Summary of Significant Accounting Policies

Godfrey-Lee Public Schools was organized under the School Code of the State of Michigan and services a population of approximately 1,652 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, pre-school programs, athletic activities, special education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of Godfrey-Lee Public Schools (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District’s significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District’s financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

District-wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The Statement of Net Assets is presented on the classified basis and is reported on the full accrual, economic resource basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District’s net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 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. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund and the 2009 Construction Capital Projects Fund are the District's major funds. Non-major funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided in separate schedules.

Revenues are recognized when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred, if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, state aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Deferred revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The State portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with state law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

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

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service and Athletics Special Revenue Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. For capital project activities funded with sinking fund millage, the District has complied with the applicable provisions of Section 1212 (I) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Fiduciary Fund net assets and results of operations are not included in the district-wide financial statements. Fiduciary funds are reported using the economic resources measurement focus.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District presently maintains a Student Activities Fund to record the transactions of student groups for school and school related purposes. The funds are segregated and held in trust for the students.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the district-wide and fiduciary fund financial statements to the extent that those standards do not conflict with, or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Godfrey-Lee Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year-end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Godfrey-Lee Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Business Manager to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value, based on quoted market prices, or estimated fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

7. Inventory

Inventories are valued at cost (first-in, first-out). Inventories of the Food Service Fund consist of food, unused commodities and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund.

8. Capital Assets

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

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

Land improvements, buildings and improvements, vehicles and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10-20 years
Buildings and improvements	40-50 years
Vehicles	5-10 years
Furniture and equipment	3-10 years

9. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

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

10. Early Retirement Incentive/Accumulated Sick Leave

Early retirement incentive and accumulated sick leave at June 30, 2009 have been computed and recorded in the district-wide financial statements of the District. Eligible District employees who select early retirement are entitled to a termination leave payment based on their age and years of service. Employees who leave the District are also entitled to reimbursement for a portion of their unused sick days. At June 30, 2009, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for early retirement incentive and accumulated sick leave amounted to \$41,400 and \$128,347, respectively.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

11. Fund Equity

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

12. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

13. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents, Deposits and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district in Michigan.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Balances at June 30, 2009 related to cash equivalents, deposits and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Assets:	
Governmental activities	\$2,613,861
Fiduciary Funds:	
Agency Fund	66,199
	\$2,680,060

Cash Equivalents and Deposits

Depositories actively used by the District during the year are detailed as follows:

1. National City Bank
2. Mercantile Bank

Cash equivalents consist of bank and credit union public funds checking, savings and money market accounts. Deposits consist of certificates of deposit.

June 30, 2009 balances are detailed as follows:

Cash equivalents	\$ 1,158,092
Deposits	588,686
	\$ 1,746,778

Custodial Credit Risk Related to Cash Equivalents and Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District cash equivalents and deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents and deposits was \$1,746,778 and the bank balance was \$3,222,460. Of the bank balance, \$604,031 was covered by federal depository insurance and \$2,618,429 was uninsured.

Investments

As of June 30, 2009, the District had the following investments:

	Carrying Amount	Bank Balances
Surplus Funds Investment Pool Accounts:		
National City Bank Investment Sweep Account	\$ 933,282	\$ 933,282

The National City Bank Investment Sweep Account is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the State School Code. The pool is not regulated or registered with the Securities and Exchange Commission and reported the same value of the pool shares as the fair value of the District's investments at June 30, 2009. The pooled investment fund is not rated.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy minimizes custodial credit risk by limiting investments to the types of securities allowed by law. At June 30, 2009, the District had no investments that were subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy (and State law) requires that commercial paper be rated within the two highest classifications established by not less than two standard rating services at the time of purchase. Mutual fund investments must have a par share value intended to maintain a net asset value of at least \$1.00 per share.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The District's investment policy states "The purpose of the investments is to maximize the returns on the District's excess cash balances consistent with safety of those monies and with the desired liquidity of the investments." The District's investment policy also states that maturities do not exceed two (2) years from the date of purchase and that investment contracts are awarded using the District's bidding procedure.

Concentration of Credit Risk

The District's investment policy addresses concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by allowing up to one hundred percent of the available reserves to be invested in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest.

Foreign Currency Risk

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

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts. The amount of 2008 ad valorem State Education Taxes generated within the Godfrey-Lee Public School District, and paid to the State of Michigan, totaled \$806,114.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February, 2008 and September, 2008. The 2008-09 "Foundation Allowance" for Godfrey-Lee Public Schools was \$7,474 for 1,649 "Full Time Equivalent" students, generating \$12,075,258 in state aid payments to the District of which \$1,683,522 was paid to the District in July and August, 2009 and included as "Due From Other Governmental Units" at June 30, 2009.

Property taxes for the District are levied July 1 (the tax lien date) by the City of Wyoming, and are due 75 days after the levy date. The taxes are then collected by the City and remitted to the District. The County of Kent, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30. Delinquent personal property taxes receivable are detailed as follows:

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Tax Year	General	Debt Service	Building And Site	Total
2008	\$ 125	\$ 645	\$ 137	\$ 907
2007	93	49	10	152
	\$ 218	\$ 694	\$ 147	\$ 1,059

Taxes receivable are offset by deferred revenue in the General, Debt Service and Building and Site Funds of the District. Taxes uncollected after three years from the date of levy are written off the books of the District.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Godfrey-Lee Public Schools electors had previously approved an operating millage extension, the 18 mill non-homestead property tax was levied in the District for 2008.

The District levied 9.4 mills in 2008 for debt service purposes and 1.9976 mills for the building and site (sinking) fund, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage" nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the MBT, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under IFT); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

Note D – Interfund Receivables/Payables and Transfers

Amounts due from/to other funds, representing short-term interfund receivables and payables for year end expenditure reimbursements at June 30, 2009, are detailed as follows:

	Due From	Due To
General Fund:		
Special Revenue Funds:		
Athletics Fund	\$ —	\$ 2,010

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

	Due From	Due To
Special Revenue Funds:		
Athletics Fund:		
General Fund	2,010	—
Debt Service Funds:		
2009 Debt Fund:		
2009 Construction Fund	—	100
Capital Projects Funds:		
2009 Construction Fund:		
2009 Debt Service Fund	100	—
Total All Funds	\$ 2,110	\$ 2,110

The General Fund transferred \$243,653 to the Athletics Special Revenue Fund, as budgeted by the Board of Education, to support the District's athletic programs.

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balances July 1, 2008	Additions	Deductions	Balances June 30, 2009
Capital assets not depreciated:				
Land	\$ 618,754	\$ —	\$ —	\$ 618,754
Construction in progress	—	41,454	—	41,454
Capital assets being depreciated:				
Land improvements	1,703,516	—	—	1,703,516
Buildings and additions	19,506,496	199,697	—	19,706,193
Furniture and equipment	1,200,089	67,328	—	1,267,417
Vehicles	268,727	—	—	268,727
Equipment under capital leases	173,225	—	—	173,225
Totals at historical cost	23,470,807	\$ 308,479	\$ —	23,779,286
Less accumulated depreciation for:				
Land improvements	\$ 784,898	\$ 81,725	\$ —	\$ 866,623
Buildings and additions	3,623,676	418,928	—	4,042,604
Furniture and equipment	930,316	81,003	—	1,011,319
Vehicles	199,586	9,586	—	209,172
Assets under capital leases	72,176	22,579	—	94,755
Total accumulated depreciation	5,610,652	\$ 613,821	\$ —	6,224,473
Net Capital Assets	\$ 17,860,155			\$ 17,554,813

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 424,900
Supporting services	62,364
Community services	20,812
Food service	27,168
Athletics	<u>78,577</u>
	<u>\$ 613,821</u>

Note F – Long-term Debt

Amounts available and to be provided for outstanding long-term debt at June 30, 2009 are summarized as follows:

	Bond Issues	State School Bond Loan	Capital Leases	Early Retirement/ Incentive Accumulated Sick Leave	Total
Amounts Available For Retirement Of Long-term Debt					
Debt Service Funds	\$ 103,885	\$ —	\$ —	\$ —	\$ 103,885
Amounts To Be Provided For Retirement Of Long-term Debt					
State of Michigan	167,203	—	—	—	167,203
General Fund	—	—	35,607	169,747	205,354
Debt Service Funds	<u>15,081,115</u>	<u>2,387,026</u>	<u>—</u>	<u>—</u>	<u>17,468,141</u>
Total Amounts Available And To Be Provided	<u>\$ 15,352,203</u>	<u>\$ 2,387,026</u>	<u>\$ 35,607</u>	<u>\$ 169,747</u>	<u>\$ 17,944,583</u>

Changes in long-term debt for the year ended June 30, 2009 are summarized as follows:

	Debt Outstanding July 1, 2008	Debt Added	Debt Retired	Debt Outstanding June 30, 2009
General obligation bonds:				
March 26, 2003	\$ 925,000	\$ —	\$ 195,000	\$ 730,000
March 10, 2005	10,960,000	—	505,000	10,455,000
February 1, 2006	3,195,000	—	70,000	3,125,000
May 11, 2009	—	875,000	—	875,000
Durant non-plaintiff bonds:				
November 13, 1998	184,603	—	17,400	167,203
State school bond loan	2,191,201	195,825	—	2,387,026
Capital leases	74,711	—	39,104	35,607
Early retirement incentive	42,200	4,760	5,560	41,400
Accumulated sick leave	<u>114,353</u>	<u>41,932</u>	<u>27,938</u>	<u>128,347</u>
	<u>\$ 17,687,068</u>	<u>\$ 1,117,517</u>	<u>\$ 860,002</u>	<u>\$ 17,944,583</u>

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Long-term debt outstanding at June 30, 2009 is comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$1,860M Building and Site March 26, 2003: Principal maturities from \$175M to \$190M	May 1, 2013	3.00 – 3.35	\$ 730,000	\$ 190,000
\$11,505M General Obligation Refunding March 10, 2005: Principal maturities from \$530M to \$590M	May 1, 2027	3.75 – 4.625	10,455,000	530,000
\$3,325M Building and Site February 1, 2006: Principal maturities from \$65M to \$1,035M	May 1, 2030	4.00 – 4.25	3,125,000	70,000
\$875M General Obligation Refunding May 11, 2009: Principal maturities from \$25M to \$60M	May 1, 2029	3.50 – 5.00	875,000	25,000
Durant Non-plaintiff Bonds				
\$312,641 School Improvement November 13, 1998: Principal maturities from \$19,095 to \$107,150	May 15, 2013	4.761353	167,203	107,150
Capital Leases				
\$55,400 Equipment August 4, 2005	Aug. 12, 2009	7.75	11,872	11,872
\$49,863 Equipment August 4, 2005	July 4, 2009	9.00	1,254	1,254
\$12,442 Equipment August 5, 2005	July 4, 2009	7.80	635	635
\$8,756 Equipment January 6, 2006	Dec. 6, 2009	9.70	1,748	1,748
\$24,295 Equipment October 31, 2007	Oct. 31, 2012	N/A	16,197	4,859
\$4,970 Equipment May 8, 2008	April 8, 2013	N/A	3,901	996
Other Obligations				
State school bond loan			2,387,026	—
Early retirement incentive			41,400	5,500
Accumulated sick leave			128,347	28,000
			<u>\$17,944,583</u>	<u>\$ 977,014</u>

The District is required to obtain loans from the Michigan School Bond Loan Fund (the “Fund”) for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year the District borrowed \$91,171 from the Fund and \$104,654 of accrued interest was added to the District’s liability to the Fund. At June 30, 2009, the District owed the Fund a total of \$2,387,026.

The annual requirements to pay principal and interest on long-term bonds, note and capital leases outstanding are as follows:

Year Ending June 30	Principal	Interest	Total
2010	\$ 943,514	\$ 679,487	\$ 1,623,001
2011	859,950	613,139	1,473,089
2012	880,858	582,290	1,463,148
2013	898,488	548,523	1,447,011
2014	725,000	513,277	1,238,277

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Year Ending June 30	Principal	Interest	Total
2015	\$ 740,000	\$ 479,041	\$ 1,219,041
2016	740,000	444,277	1,184,277
2017	750,000	414,766	1,164,766
2018	755,000	384,825	1,139,825
2019	770,000	353,748	1,123,748
2020	785,000	322,150	1,107,150
2021	790,000	289,141	1,079,141
2022	815,000	255,148	1,070,148
2023	820,000	219,811	1,039,811
2024	825,000	183,688	1,008,688
2025	835,000	147,326	982,326
2026	840,000	110,564	950,564
2027	850,000	72,199	922,199
2028	275,000	33,412	308,412
2029	275,000	21,275	296,275
2030	215,000	9,138	224,138
	<u>\$15,387,810</u>	<u>\$ 6,677,225</u>	<u>\$22,065,035</u>

Note G – Retirement Plan

Substantially all District employees participate in the Michigan Public School Employees' Retirement System (MPERS), a state-wide, cost sharing, multiple employer defined benefit public employee retirement system governed by the State of Michigan. The District's payroll for employees covered by MPERS for the year ended June 30, 2009 was \$8,638,471. A Basic Plan member may retire at age 55 with 30 or more years of credited service or at age 60 with 10 or more years of credited service. The annual retirement benefit, payable monthly for life, is equal to 1½ percent of a member's final average compensation multiplied by his/her number of years of credited service. Final average compensation is the employee's average salary over the last 5 years of credited service. Vested employees may retire at or after age 55 with 15 years of service and receive reduced retirement benefits.

Prior to January 1, 1990, participating employees could elect coverage under either the noncontributory Basic Plan or the contributory Member Investment Plan-Fixed (MIP-Fixed). Effective January 1, 1990, all new employees are automatically enrolled in the MIP-Graded Plan. Participants in the MIP-Fixed or MIP-Graded Plans receive benefits in addition to those available under the Basic Plan. The contribution rate for MIP-Fixed participants is 3.9% of salary. The contribution rate for MIP-Graded participants is a graduated rate based on total wages: calculated at 3% of the first \$5,000; 3.6% of the next \$10,000; and 4.3% of all wages over \$15,000. All MIP members may retire at any age with 30 years of service; at age 60 with 10 years of service; or at age 60 with 5 years of service (with stipulations). Benefits are based on a final average compensation period of 5 years for Basic Plan participants and 3 years for Member Investment Plan participants.

School districts in the State of Michigan are required to contribute at a rate, annually determined by the State of Michigan, of covered employees' compensation to the MPERS plan. The contribution rate was 10.17% for the fiscal year ended September 30, 2008 and 9.99% for the fiscal year beginning October 1, 2008. The District's contributions to the plan for the fiscal years ended June 30, 2009, 2008 and 2007 were \$1,430,693, \$1,389,439 and \$1,495,517, respectively.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

The “actuarial accrued liability” is a standardized disclosure method of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the MPSERS’ funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employee retirement systems and employers.

The MPSERS does not make separate measurements of assets and actuarial accrued liability for individual schools, instead using the aggregate actuarial cost method. The actuarial accrued liability at September 30, 2007 (the latest reporting date available expressed as \$ in millions) for retirement benefits for the MPSERS as a whole, determined through an actuarial valuation performed as of that date, was \$51,107. Net assets available for retirement benefits on that date were \$45,335 leaving an unfunded actuarial accrued liability of \$5,772. The total unfunded actuarial accrued liability decreased by \$370 from September 30, 2006 to September 30, 2007. At September 30, 2007 the funded ratio of actuarial accrued liability was 88.7%; covered payroll totaled \$9,851, and unfunded actuarial accrued liability was 58.6% of covered payroll.

Post-employment benefits for health, dental, and vision insurance are available at retirement through the MPSERS. Retirees contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental and vision coverage. Required contributions for post-employment health care benefits were 6.55% of covered payroll for the years ended September 30, 2007 through 2009. At September 30, 2007, the actuarial accrued liability for post-employment insurance benefits for the MPSERS as a whole (expressed as \$ in millions) was \$25,733. The MPSERS net assets available for these benefits were \$776 leaving an unfunded actuarial accrued liability of \$24,957. At September 30, 2007 the funded ratio of actuarial liability was 3.0%; covered payroll totaled \$9,851, and unfunded actuarial liability was 253.3% of covered payroll.

Ten year historical trend information showing the MPSERS’ progress in accumulating sufficient assets to pay benefits when due is presented in the September 30, 2008 Annual Report of the MPSERS, which may be obtained by contacting the System at P.O. Box 30171, Lansing, Michigan 48909-7671.

Note H – Risk Management and Benefits

The District is a member of the West Michigan Risk Management Trust, a self-insurance program with districts pooling together to insure property, liability and auto exposure. Premiums from members of the Trust are determined through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$250,000 and \$1,175,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$1,000 per occurrence deductible for property losses is maintained. The District paid \$40,529 in premiums to the Trust for the year ended June 30, 2009.

The District is also a member of the West Michigan Workers’ Compensation Fund, a self-insurance program with districts pooling together to insure workers’ compensation and employers’ liability exposures. The Fund pays the first \$400,000 of any workers’ compensation or employers’ liability loss out of a \$2,122,000 loss fund collected from members. Excess insurance has been purchased to cover claims exceeding those amounts. As of June 30, 2009, there were no material pending claims against the District. The District paid \$51,641 in premiums to the Fund for the year ended June 30, 2009.

GODFREY-LEE PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2009

Health, life and other employee insurance is provided by private insurance carriers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note J – Stewardship, Compliance and Accountability

The following District funds had actual expenditures exceed final budgeted expenditures for the year ended June 30, 2009, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
Adult education	\$ 200,496	\$ 201,453	\$ 957
Business services	280,087	281,951	1,864
Transfers out	243,389	243,653	264
Special Revenue Funds:			
Food service	821,868	830,803	8,935
Athletics	264,956	265,383	427

SUPPLEMENTAL INFORMATION

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GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2009 and 2008

	2009	2008
Assets		
Cash	\$ 350	\$ 350
Cash equivalents, deposits and investments	1,517,455	2,130,688
Receivables:		
Taxes	218	3,195
Accounts	21,028	13,313
Due from other funds	-	50
Due from other governmental units	2,728,467	2,532,967
Accrued interest receivable	2,109	2,995
Prepaid expenditures	85,841	42,671
	\$ 4,355,468	\$ 4,726,229
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 36,327	\$ 35,087
Due to other funds	2,010	4,025
Due to other governmental units	399,615	307,599
Salaries payable	805,090	709,318
Deferred revenue	218	6,380
	1,243,260	1,062,409
Fund Balances		
Unreserved:		
Undesignated	3,112,208	3,663,820
	\$ 4,355,468	\$ 4,726,229

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2009 and 2008

	2009	2008
Local sources:		
Property taxes:		
Current property taxes	\$ 884,241	\$ 972,459
Delinquent property taxes	2,519	4,490
Other taxes	-	11,207
Interest on delinquent taxes	9,173	11,799
	<u>895,933</u>	<u>999,955</u>
Interest earnings:		
Interest on deposits and investments	35,918	93,707
Other local revenue:		
Tuition	10,605	9,740
Universal service credit	60,978	50,949
Rental of school facilities	994	1,958
Donations	5,300	7,520
Sale of assets	1,105	-
Reimbursements	-	8,692
Refunds of expenditures	25,624	36,151
Miscellaneous	57,150	44,668
	<u>161,756</u>	<u>159,678</u>
Total local sources	1,093,607	1,253,340
State sources:		
State aid	11,998,591	12,582,191
Special education - transportation	27,333	59,388
Special education - itinerants	147,283	166,445
SPLASH	5,643	-
	<u>12,178,850</u>	<u>12,808,024</u>
Total state sources	12,178,850	12,808,024
Federal sources:		
ARRA Stabilization funds	613,120	-
Title I	398,496	294,982
Title IIA	89,115	78,613
Title IID	6,559	2,318
Title III	70,768	85,119
Title V	768	3,625
Adult basic education	35,000	35,000
I.D.E.A. program	299,024	281,823
Drug free schools	5,619	3,776
Medicaid - school based	1,266	2,240
Team 21 grant	144,570	-
	<u>1,664,305</u>	<u>787,496</u>
Total federal sources	1,664,305	787,496
Interdistrict sources:		
Special education - tuition	5,161	-
Special education - county	1,036,418	986,394
Vocational education	17,701	24,341
Durant settlement reimbursements	-	6,471
Medicaid fee for service	53,253	57,946
	<u>1,112,533</u>	<u>1,075,152</u>
Total interdistrict sources	1,112,533	1,075,152
Total Revenues	<u><u>\$ 16,049,295</u></u>	<u><u>\$ 15,924,012</u></u>

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2009 and 2008

	2009	2008
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 2,361,497	\$ 2,113,492
Employee benefits	1,142,670	1,017,182
Purchased services	125,872	113,697
Supplies	156,597	154,225
Capital outlay	77,412	7,016
Miscellaneous	657	1,360
	<u>3,864,705</u>	<u>3,406,972</u>
Middle school:		
Salaries	886,087	1,014,862
Employee benefits	459,201	466,993
Purchased services	22,620	30,691
Supplies	41,465	44,882
Capital outlay	71,388	2,700
Miscellaneous	590	292
	<u>1,481,351</u>	<u>1,560,420</u>
High school:		
Salaries	1,405,175	1,267,381
Employee benefits	730,804	648,717
Purchased services	58,790	68,231
Supplies	117,139	165,015
Capital outlay	56,323	11,953
Miscellaneous	2,753	538
	<u>2,370,984</u>	<u>2,161,835</u>
Preschool:		
Salaries	231,260	203,803
Employee benefits	112,176	95,084
Purchased services	8,412	43,026
Supplies	3,452	11,925
Capital outlay	-	2,165
Miscellaneous	2,339	1,626
	<u>357,639</u>	<u>357,629</u>
Total basic programs	<u>8,074,679</u>	<u>7,486,856</u>
Added needs:		
Special education:		
Salaries	798,645	730,359
Employee benefits	369,613	329,988
Purchased services	57,349	37,889
Supplies	3,321	3,297
Capital outlay	-	5,789
Payments to other districts	318,046	313,441
	<u>1,546,974</u>	<u>1,420,763</u>
Compensatory education:		
Salaries	874,244	839,595
Employee benefits	178,841	173,157
Purchased services	10,159	5,815
Supplies	49,762	25,405

(Continued)

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2009 and 2008

	2009	2008
Compensatory education: (Continued)		
Capital outlay	\$ 768	\$ -
Miscellaneous	458	9,389
	<u>1,114,232</u>	<u>1,053,361</u>
Vocational education:		
Salaries	995	1,700
Employee benefits	245	425
Purchased services	864	393
Supplies	5,214	9,789
Capital outlay	3,089	-
	<u>10,407</u>	<u>12,307</u>
Total added needs	2,671,613	2,486,431
Adult education services:		
Basic:		
Salaries	117,359	152,536
Employee benefits	79,253	98,361
Purchased services	2,307	5,557
Supplies	1,683	3,976
Miscellaneous	851	984
Total adult education services	<u>201,453</u>	<u>261,414</u>
Total instruction	10,947,745	10,234,701
Supporting services:		
Pupil services:		
Attendance services:		
Salaries	75,660	75,660
Employee benefits	40,126	37,621
	<u>115,786</u>	<u>113,281</u>
Guidance services:		
Salaries	231,040	236,107
Employee benefits	101,676	120,028
Supplies	4,501	3,689
Capital outlay	-	515
	<u>337,217</u>	<u>360,339</u>
Health services:		
Purchased services	41,517	37,636
Supplies	88	163
Payments to other districts	17,347	16,590
	<u>58,952</u>	<u>54,389</u>
Psychological services:		
Purchased services	140	10
Supplies	357	1,161
Capital outlay	-	1,018
Payments to other districts	70,209	62,158
	<u>70,706</u>	<u>64,347</u>
Speech pathology services:		
Purchased services	163	126
Supplies	1,103	768
Payments to other districts	205,898	209,140
	<u>207,164</u>	<u>210,034</u>

(Continued)

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2009 and 2008

	2009	2008
Social worker services:		
Purchased services	\$ 365	\$ 221
Supplies	298	304
Payments to other districts	93,080	86,921
	<u>93,743</u>	<u>87,446</u>
Teacher consultant services:		
Salaries	16,219	-
Employee benefits	5,716	-
Purchased services	13	-
Supplies	25	122
Payments to other districts	109,649	107,586
	<u>131,622</u>	<u>107,708</u>
Other pupil services:		
Salaries	100,683	105,998
Employee benefits	28,088	29,516
Purchased services	12,227	12,909
	<u>140,998</u>	<u>148,423</u>
Total pupil services	1,156,188	1,145,967
Instructional staff services:		
Improvement of instruction:		
Salaries	123,166	114,469
Employee benefits	69,716	64,797
Purchased services	26,030	13,270
Supplies	37,376	19,261
Capital outlay	399	150
Miscellaneous	1,865	1,554
	<u>258,552</u>	<u>213,501</u>
Educational media services:		
Salaries	81,220	78,273
Employee benefits	35,009	34,740
Supplies	6,278	10,138
Miscellaneous	726	331
	<u>123,233</u>	<u>123,482</u>
Educational television:		
Supplies	1,147	1,170
Capital outlay	166	-
Miscellaneous	2,031	1,823
	<u>3,344</u>	<u>2,993</u>
Supervision and direction of instruction:		
Salaries	198,262	203,855
Employee benefits	96,643	93,140
Purchased services	2,174	3,501
Supplies	176	666
Miscellaneous	79	63
	<u>297,334</u>	<u>301,225</u>
Academic student assessment:		
Salaries	10,000	-
Employee benefits	788	-
Purchased services	23,200	-
	<u>33,988</u>	<u>-</u>

(Continued)

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2009 and 2008

	2009	2008
Shared time services:		
Salaries	\$ 10,659	\$ 5,000
Employee benefits	1,664	1,207
	<u>12,323</u>	<u>6,207</u>
Total instructional staff services	728,774	647,408
General administrative services:		
Board of education:		
Salaries	5,579	5,654
Employee benefits	428	435
Purchased services	70,152	50,223
Miscellaneous	17,311	12,645
	<u>93,470</u>	<u>68,957</u>
Executive administration:		
Salaries	241,930	174,775
Employee benefits	94,227	66,928
Purchased services	83,429	84,251
Supplies	3,157	2,383
Capital outlay	594	27,369
Miscellaneous	4,092	3,575
	<u>427,429</u>	<u>359,281</u>
Total general administrative services	520,899	428,238
School administrative services:		
Office of the principal:		
Salaries	402,683	380,281
Employee benefits	224,736	212,837
Purchased services	42,849	42,507
Supplies	4,721	6,608
Capital outlay	2,097	54
Miscellaneous	2,253	1,507
	<u>679,339</u>	<u>643,794</u>
Total school administrative services	679,339	643,794
Business services:		
Fiscal services:		
Salaries	161,112	149,827
Employee benefits	79,958	82,021
Purchased services	11,834	11,928
Supplies	2,961	2,417
Capital outlay	4,705	1,854
Miscellaneous	493	616
	<u>261,063</u>	<u>248,663</u>
Other business services:		
Purchased services	12,577	11,691
Miscellaneous	8,311	24,633
	<u>20,888</u>	<u>36,324</u>
Total business services	281,951	284,987

(Continued)

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2009 and 2008

	2009	2008
Operation and maintenance services:		
Operation and maintenance:		
Salaries	\$ 235,858	\$ 351,348
Employee benefits	151,178	212,199
Purchased services	447,344	257,836
Supplies	296,363	310,482
Capital outlay	4,530	7,819
Miscellaneous	1,934	1,338
Total operation and maintenance services	1,137,207	1,141,022
Pupil transportation services:		
Pupil transportation:		
Salaries	59,827	50,460
Employee benefits	43,611	36,494
Purchased services	28,386	32,244
Supplies	13,154	17,929
Miscellaneous	2,216	600
Payments to other districts	273,507	216,175
Total pupil transportation services	420,701	353,902
Central services:		
Staff/personnel services:		
Miscellaneous	-	11,333
Technology services:		
Salaries	161,578	108,927
Employee benefits	99,686	61,962
Purchased services	99,102	109,072
Supplies	23,561	5,723
Capital outlay	29,617	42,702
Miscellaneous	150	24
Total technology services	413,694	328,410
Other central services:		
Employee benefits	25,000	15,000
Total central services	438,694	354,743
Total supporting services	5,363,753	5,000,061
Community services:		
Community activities:		
Salaries	18,032	18,294
Employee benefits	4,417	4,551
Purchased services	4,747	2,300
Supplies	3,772	11,611
Miscellaneous	187	278
Total community activities	31,155	37,034
Welfare activities:		
Purchased services	550	-

(Continued)

GODFREY-LEE PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Bilingual interpreters:		
Salaries	\$ 4,756	\$ -
Employee benefits	1,162	-
	<u>5,918</u>	<u>-</u>
Total community services	37,623	37,034
Capital outlay:		
Facilities acquisition	1,250	-
Interdistrict:		
Sub-grantee payments	<u>6,883</u>	<u>13,787</u>
Total Expenditures	<u><u>\$ 16,357,254</u></u>	<u><u>\$ 15,285,583</u></u>

NONMAJOR FUNDS

GODFREY-LEE PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2009

Assets	Special Revenue		2003
	Food Service	Athletics	
Cash	\$ -	\$ 250	\$ -
Cash equivalents, deposits and investments	131,831	40	21,474
Taxes receivable	-	-	114
Due from other funds	-	2,010	-
Due from other governmental units	13,854	-	-
Inventory	8,014	-	-
Total Assets	\$ 153,699	\$ 2,300	\$ 21,588
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 19,960	\$ 2,296	\$ -
Due to other funds	-	-	-
Deferred revenue	-	-	114
Total Liabilities	19,960	2,296	114
Fund Balances			
Reserved for debt service	-	-	21,474
Reserved for capital outlay	-	-	-
Unreserved:			
Undesignated	133,739	4	-
Total Fund Balances	133,739	4	21,474
Total Liabilities and Fund Balances	\$ 153,699	\$ 2,300	\$ 21,588

Debt Service				Capital Projects	Total
2005-A	2005-B	2009	Durant	Building and Site	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250
68,568	13,943	-	-	34,982	270,838
482	98	-	-	147	841
-	-	-	-	-	2,010
-	-	-	-	-	13,854
-	-	-	-	-	8,014
<u>\$ 69,050</u>	<u>\$ 14,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,129</u>	<u>\$ 295,807</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,788	\$ 28,044
-	-	100	-	-	100
482	98	-	-	147	841
<u>482</u>	<u>98</u>	<u>100</u>	<u>-</u>	<u>5,935</u>	<u>28,985</u>
68,568	13,943	(100)	-	-	103,885
-	-	-	-	29,194	29,194
-	-	-	-	-	133,743
<u>68,568</u>	<u>13,943</u>	<u>(100)</u>	<u>-</u>	<u>29,194</u>	<u>266,822</u>
<u>\$ 69,050</u>	<u>\$ 14,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,129</u>	<u>\$ 295,807</u>

GODFREY-LEE PUBLIC SCHOOLS
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2009

	Special Revenue		2003
	Food Service	Athletics	
Revenues			
Local sources:			
Property taxes	\$ -	\$ -	\$ 213,275
Interest earnings	610	-	2,873
Sales and admissions	106,186	21,395	-
Other local sources	-	237	-
Total local sources	106,796	21,632	216,148
State sources	54,713	-	-
Federal sources	646,509	-	-
Total Revenues	808,018	21,632	216,148
Expenditures			
Current:			
Food service	830,803	-	-
Athletics	-	265,383	-
Capital outlay	-	-	-
Debt service:			
Principal repayment	-	-	195,000
Interest and fiscal charges	-	-	28,857
Capital lease payments	-	-	-
Total Expenditures	830,803	265,383	223,857
Excess (Deficiency) of Revenues Over Expenditures	(22,785)	(243,751)	(7,709)
Other Financing Sources			
Loan proceeds	-	-	-
Transfers in	-	243,653	-
Total Other Financing Sources	-	243,653	-
Net Change in Fund Balances	(22,785)	(98)	(7,709)
Fund Balances, Beginning of Year	156,524	102	29,183
Fund Balances, End of Year	\$ 133,739	\$ 4	\$ 21,474

Debt Service				Capital Projects	Total
2005-A	2005-B	2009	Durant	Building and Site	
\$ 897,637	\$ 182,536	\$ -	\$ -	\$ 274,862	\$ 1,568,310
6,391	1,159	-	-	594	11,627
-	-	-	-	-	127,581
-	-	-	-	2,000	2,237
904,028	183,695	-	-	277,456	1,709,755
-	-	-	21,955	-	76,668
-	-	-	-	-	646,509
904,028	183,695	-	21,955	277,456	2,432,932
-	-	-	-	-	830,803
-	-	-	-	-	265,383
-	-	-	-	235,852	235,852
505,000	70,000	-	17,400	-	787,400
468,585	127,449	100	4,555	-	629,546
-	-	-	-	12,792	12,792
973,585	197,449	100	21,955	248,644	2,761,776
(69,557)	(13,754)	(100)	-	28,812	(328,844)
75,657	15,514	-	-	-	91,171
-	-	-	-	-	243,653
75,657	15,514	-	-	-	334,824
6,100	1,760	(100)	-	28,812	5,980
62,468	12,183	-	-	382	260,842
\$ 68,568	\$ 13,943	\$ (100)	\$ -	\$ 29,194	\$ 266,822

GODFREY-LEE PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 112,059	\$ 106,796	\$ (5,263)
State sources	52,388	54,713	2,325
Federal sources	651,059	646,509	(4,550)
Total Revenues	<u>815,506</u>	<u>808,018</u>	<u>(7,488)</u>
Expenditures			
Current:			
Food service	821,868	830,803	(8,935)
Net Change in Fund Balances	(6,362)	(22,785)	(16,423)
Fund Balances, Beginning of Year	<u>156,524</u>	<u>156,524</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 150,162</u></u>	<u><u>\$ 133,739</u></u>	<u><u>\$ (16,423)</u></u>

GODFREY-LEE PUBLIC SCHOOLS
Athletics Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	<u>\$ 21,567</u>	<u>\$ 21,632</u>	<u>\$ 65</u>
Expenditures			
Current:			
Athletics	<u>264,956</u>	<u>265,383</u>	<u>(427)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(243,389)</u>	<u>(243,751)</u>	<u>(362)</u>
Other Financing Sources			
Transfers in	<u>243,389</u>	<u>243,653</u>	<u>264</u>
Net Change in Fund Balances	<u>-</u>	<u>(98)</u>	<u>(98)</u>
Fund Balances, Beginning of Year	<u>102</u>	<u>102</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 102</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ (98)</u></u>

SPECIAL REVENUE FUNDS

Food Service—to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

Athletics—to account for activity receipts and General Fund contributions used in administering the athletic program of the District.

GODFREY-LEE PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2009 and 2008

	2009	2008
Assets		
Cash	\$ -	\$ 290
Cash equivalents, deposits and investments	131,831	155,384
Accounts receivable	-	400
Due from other governmental units	13,854	14,411
Inventory	8,014	10,176
Prepaid expenditures	-	225
	\$ 153,699	\$ 180,886
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 19,960	\$ 24,362
 Fund Balances		
Unreserved:		
Undesignated	133,739	156,524
	\$ 153,699	\$ 180,886

GODFREY-LEE PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2009 and 2008

	2009	2008
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	\$ 610	\$ 6,822
Sales and admissions:		
Children's lunches	42,691	48,283
Adult lunches	2,139	1,729
Ala carte	20,363	17,689
Banquets	6,612	3,880
Other	34,381	15,600
	<u>106,186</u>	<u>87,181</u>
Total local sources	106,796	94,003
State sources	54,713	40,337
Federal sources	646,509	531,993
	<u>808,018</u>	<u>666,333</u>
Total Revenues		
Expenditures		
Current:		
Food service:		
Purchased services	329,981	285,633
Supplies	387,181	386,432
Capital outlay	84,243	74,430
Miscellaneous	29,398	20,200
	<u>830,803</u>	<u>766,695</u>
Total Expenditures	830,803	766,695
Net Change in Fund Balances	(22,785)	(100,362)
Fund Balances, Beginning of Year	<u>156,524</u>	<u>256,886</u>
Fund Balances, End of Year	<u><u>\$ 133,739</u></u>	<u><u>\$ 156,524</u></u>

GODFREY-LEE PUBLIC SCHOOLS
Athletics Special Revenue Fund
Comparative Balance Sheet
June 30, 2009 and 2008

	2009	2008
Assets		
Cash	\$ 250	\$ 400
Cash equivalents, deposits and investments	40	8
Due from other funds	2,010	4,025
Total Assets	\$ 2,300	\$ 4,433
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 2,296	\$ 4,331
Fund Balances		
Unreserved:		
Undesignated	4	102
Total Liabilities and Fund Balances	\$ 2,300	\$ 4,433

GODFREY-LEE PUBLIC SCHOOLS
Athletics Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2009 and 2008

	2009	2008
Revenues		
Local sources:		
Sales and admissions:		
Gate receipts	\$ 21,395	\$ 24,127
Other local sources:		
Other revenue	237	319
Total Revenues	21,632	24,446
Expenditures		
Current:		
Athletics:		
Salaries	59,196	77,982
Employee benefits	14,502	18,941
Purchased services	160,469	119,122
Supplies	1,730	1,862
Capital outlay	21,939	33,005
Miscellaneous	7,547	5,922
Total Expenditures	265,383	256,834
Excess (Deficiency) of Revenues Over Expenditures	(243,751)	(232,388)
Other Financing Sources		
Transfers in	243,653	229,002
Net Change in Fund Balances	(98)	(3,386)
Fund Balances, Beginning of Year	102	3,488
Fund Balances, End of Year	\$ 4	\$ 102

DEBT SERVICE FUNDS

Debt Service Funds—to accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

GODFREY-LEE PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2009

	<u>2003</u>	<u>2005-A</u>	<u>2005-B</u>
Assets			
Cash equivalents, deposits and investments	\$ 21,474	\$ 68,568	\$ 13,943
Taxes receivables	114	482	98
Total Assets	<u>\$ 21,588</u>	<u>\$ 69,050</u>	<u>\$ 14,041</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Deferred revenue	114	482	98
Total Liabilities	<u>114</u>	<u>482</u>	<u>98</u>
Fund Balances			
Reserved for debt service	<u>21,474</u>	<u>68,568</u>	<u>13,943</u>
Total Liabilities and Fund Balances	<u>\$ 21,588</u>	<u>\$ 69,050</u>	<u>\$ 14,041</u>

2009	Durant	Totals	
		2009	2008
\$ -	\$ -	\$ 103,985	\$ 103,834
-	-	694	3,038
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,679</u>	<u>\$ 106,872</u>
\$ 100	\$ -	\$ 100	\$ -
-	-	694	3,038
<u>100</u>	<u>-</u>	<u>794</u>	<u>3,038</u>
(100)	-	103,885	103,834
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,679</u>	<u>\$ 106,872</u>

GODFREY-LEE PUBLIC SCHOOLS
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2009

	<u>2003</u>	<u>2005-A</u>	<u>2005-B</u>
Revenues			
Local sources:			
Property taxes:			
Current property taxes	\$ 208,133	\$ 875,996	\$ 178,135
Industrial facilities taxes	2,489	10,476	2,131
Delinquent property taxes	163	687	140
Other taxes	840	3,536	719
Interest on delinquent taxes	1,650	6,942	1,411
	<u>213,275</u>	<u>897,637</u>	<u>182,536</u>
Interest earnings:			
Interest on deposits and investments	2,873	6,391	1,159
Total local sources	<u>216,148</u>	<u>904,028</u>	<u>183,695</u>
State sources:			
State aid	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>216,148</u>	<u>904,028</u>	<u>183,695</u>
Expenditures			
Debt service:			
Principal repayment	195,000	505,000	70,000
Interest and fiscal charges:			
Interest expense	28,603	468,306	127,222
Paying agent fees	254	252	227
Tax refunds	-	27	-
	<u>-</u>	<u>27</u>	<u>-</u>
Total Expenditures	<u>223,857</u>	<u>973,585</u>	<u>197,449</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,709)</u>	<u>(69,557)</u>	<u>(13,754)</u>
Other Financing Sources (Uses)			
Loan proceeds	-	75,657	15,514
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>75,657</u>	<u>15,514</u>
Net Change in Fund Balances	<u>(7,709)</u>	<u>6,100</u>	<u>1,760</u>
Fund Balances, Beginning of Year	<u>29,183</u>	<u>62,468</u>	<u>12,183</u>
Fund Balances, End of Year	<u>\$ 21,474</u>	<u>\$ 68,568</u>	<u>\$ 13,943</u>

2009	Durant	Totals	
		2009	2008
\$ -	\$ -	\$ 1,262,264	\$ 1,251,521
-	-	15,096	16,543
-	-	990	2,837
-	-	5,095	8,983
-	-	10,003	12,065
-	-	1,293,448	1,291,949
-	-	10,423	23,751
-	-	1,303,871	1,315,700
-	21,955	21,955	-
-	21,955	1,325,826	1,315,700
-	17,400	787,400	740,000
-	4,555	628,686	647,181
100	-	833	716
-	-	27	8,952
100	21,955	1,416,946	1,396,849
(100)	-	(91,120)	(81,149)
-	-	91,171	83,358
-	-	-	24,067
-	-	-	(24,067)
-	-	91,171	83,358
(100)	-	51	2,209
-	-	103,834	101,625
\$ (100)	\$ -	\$ 103,885	\$ 103,834

CAPITAL PROJECTS FUNDS

Building and Site—to account for property tax revenues and interest earnings used to finance building improvements projects.

2009 Construction—to account for bond proceeds used to finance building construction and improvement projects.

GODFREY-LEE PUBLIC SCHOOLS
Building and Site Capital Projects Fund
Comparative Balance Sheet
June 30, 2009 and 2008

	2009	2008
Assets		
Cash equivalents, deposits and investments	\$ 34,982	\$ 382
Taxes receivable	147	614
Total Assets	\$ 35,129	\$ 996
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 5,788	\$ -
Deferred revenue	147	614
Total Liabilities	5,935	614
Fund Balances		
Reserved for capital outlay	29,194	382
Total Liabilities and Fund Balances	\$ 35,129	\$ 996

GODFREY-LEE PUBLIC SCHOOLS
Building and Site Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2009 and 2008

	2009	2008
Revenues		
Local sources:		
Property taxes:		
Current property taxes	\$ 268,235	\$ 264,555
Industrial facilities taxes	3,208	3,497
Delinquent property taxes	210	544
Other property taxes	1,083	1,955
Interest on delinquent taxes	2,126	2,550
Total property taxes	<u>274,862</u>	<u>273,101</u>
Interest earnings:		
Interest on deposits and investments	594	3,448
Other local sources:		
Refunds of expenditures	<u>2,000</u>	<u>30,100</u>
Total Revenues	<u>277,456</u>	<u>306,649</u>
Expenditures		
Capital outlay:		
Facilities acquisition:		
Building improvements	235,797	351,756
Tax refunds	-	2,728
Miscellaneous	55	67
	<u>235,852</u>	<u>354,551</u>
Debt service:		
Capital lease payments	<u>12,792</u>	<u>12,792</u>
Total Expenditures	<u>248,644</u>	<u>367,343</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>28,812</u>	<u>(60,694)</u>
Other Financing Sources		
Transfers in	<u>-</u>	<u>1,000</u>
Net Change in Fund Balances	28,812	(59,694)
Fund Balances, Beginning of Year	<u>382</u>	<u>60,076</u>
Fund Balances, End of Year	<u><u>\$ 29,194</u></u>	<u><u>\$ 382</u></u>

GODFREY-LEE PUBLIC SCHOOLS
2009 Construction Capital Projects Fund
Comparative Balance Sheet
June 30, 2009 and 2008

	2009	2008
Assets		
Cash equivalents, deposits and investments	\$ 825,568	\$ -
Due from other funds	100	-
Accrued interest receivable	2,619	-
Total Assets	\$ 828,287	\$ -
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 29,667	\$ -
Fund Balances		
Reserved for capital outlay	798,620	-
Total Liabilities and Fund Balances	\$ 828,287	\$ -

GODFREY-LEE PUBLIC SCHOOLS
2009 Construction Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2009 and 2008

	2009	2008
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	\$ 2,619	\$ -
Expenditures		
Capital outlay:		
Architect and engineering	39,667	-
Buildings and improvements	1,695	-
Bond issuance costs	20,664	-
Underwriter's discount	20,485	-
Miscellaneous	92	-
Total Expenditures	82,603	-
Excess (Deficiency) of Revenues Over Expenditures	(79,984)	-
Other Financing Sources		
Bonds issued	875,000	-
Bond premium	3,604	-
Total Other Financing Sources	878,604	-
Net Change in Fund Balances	798,620	-
Fund Balances, Beginning of Year	-	-
Fund Balances, End of Year	\$ 798,620	\$ -

AGENCY FUND

Student Activities—to account for the collection and disbursements of monies used by the school activity clubs and groups.

GODFREY-LEE PUBLIC SCHOOLS
Student Activities Agency Fund
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2009

	<u>Balances</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2009</u>
Assets				
Cash equivalents, deposits and investments	<u>\$ 61,661</u>	<u>\$ 152,211</u>	<u>\$ 147,673</u>	<u>\$ 66,199</u>
Liabilities				
Due to student groups	<u>\$ 61,661</u>	<u>\$ 152,211</u>	<u>\$ 147,673</u>	<u>\$ 66,199</u>

OTHER INFORMATION

GODFREY-LEE PUBLIC SCHOOLS
Summary of 2008 Taxes Levied and Collected
For the year ended June 30, 2009

	City of Wyoming
Taxable Valuations	
Operating	\$ 51,130,313
Debt Service/Building and Site	134,352,304
Rates (Mills)	
General Fund	18.0000
2003 Debt Service Fund	1.5500
2005-A Debt Service Fund	6.5235
2005-B Debt Service Fund	1.3265
Building and Site Fund	1.9976
	29.3976
Taxes Levied 2008 Rolls	
General Fund	\$ 884,366
2003 Debt Service Fund	208,239
2005-A Debt Service Fund	876,444
2005-B Debt Service Fund	178,226
Building and Site Fund	268,372
	2,415,647
Taxes Uncollected 2008 Rolls	
General Fund	125
2003 Debt Service Fund	106
2005-A Debt Service Fund	448
2005-B Debt Service Fund	91
Building and Site Fund	137
	907
Taxes Collected 2008 Rolls	
General Fund	884,241
2003 Debt Service Fund	208,133
2005-A Debt Service Fund	875,996
2005-B Debt Service Fund	178,135
Building and Site Fund	268,235
	2,414,740
Delinquent Taxes Collected	
General Fund	1,888
2003 Debt Service Fund	163
2005-A Debt Service Fund	687
2005-B Debt Service Fund	68
Building and Site Fund	210
	3,016

(Continued)

GODFREY-LEE PUBLIC SCHOOLS
Summary of 2008 Taxes Levied and Collected
For the year ended June 30, 2009

	City of Wyoming
Total Taxes Collected	
General Fund	\$ 886,129
2003 Debt Service Fund	208,296
2005-A Debt Service Fund	876,683
2005-B Debt Service Fund	178,203
Building and Site Fund	268,445
	\$ 2,417,756
 Taxes Uncollected – June 30, 2009	
General Fund:	
2008	\$ 125
2007	93
	218
2003 Debt Service Fund:	
2008	106
2007	8
	114
2005-A Debt Service Fund:	
2008	448
2007	34
	482
2005-B Debt Service Fund:	
2008	91
2007	7
	98
Building and Site Fund:	
2008	137
2007	10
	147
 Total Taxes Uncollected	 \$ 1,059