

Columbia School District

Financial Report
With Supplemental Information

Year Ended June 30, 2011

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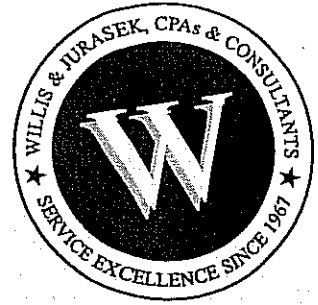
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Independent Auditors' Report

Board of Education
Columbia School District
Brooklyn, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbia School District, as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Columbia School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Columbia School District as of June 30, 2011, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated September 22, 2011, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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Board of Education
Columbia School District

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Columbia School District's financial statements as a whole. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Willis & Jurasek, P.C.

Willis & Jurasek, P.C.

September 22, 2011

Columbia School District
Management's Discussion and Analysis
Year Ended June 30, 2011

Columbia School District is a K-12 school district located in Brooklyn, Michigan (covering portions of Jackson, Hillsdale, Lenawee and Washtenaw Counties). As administration of Columbia School 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, 2011.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$4,685,681 (net assets). Of this amount, \$580,782 (unrestricted net assets) may be used to meet the District's ongoing obligations to taxpayers, students, and creditors.
- The District's total net assets decreased by \$71,439. The increase represents management's control over expenses through their budgetary process.
- As of the close of the current fiscal year, the District's aggregated fund balance for the District's governmental funds was \$994,614 or 6.4 percent of the total expenditures of these funds.
- The General Fund had a net change in fund balance of \$47,377. At the end of the year, the total fund balance for the general fund was \$759,379 or 5.4 percent of the total General Fund expenditures.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District financially as a whole. The District-Wide Financial Statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The financial statements then proceed to provide an increasingly detailed look at specific financial activities included in the fund financial statements. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements provide information about the School District's most significant fund – the General Fund.

Reporting the District as a Whole

The Statement of Net Assets and Statement of Activities – One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School District's financial statements, report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by private-sector corporations. However, the School District's goal is to provide services to our students, not to generate profits, as private-sector corporations do. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

The Statement of Net Assets and Statement of Activities present information about the following:

Governmental Activities – All of the District's basic services are considered to be governmental activities, including instruction, support services, community services, athletics, food services, and transfers to other local districts. Property taxes, intergovernmental revenues (unrestricted and restricted State Aid), and charges for services finance most of these activities.

Columbia School District
Management's Discussion and Analysis
Year Ended June 30, 2011

These two statements report the District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, political conditions at the State Capitol, student enrollment growth, birth rates, and facility conditions in arriving at their conclusion regarding the overall health of the District.

The district-wide financial statements can be found on pages 1- 2 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements – The fund financial statements provide detailed information about the most significant funds – not the District as a whole. The fund financial statements begin on page 3 and provide detailed information about the most significant funds. The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." The District's two types of funds: governmental funds and fiduciary funds use different accounting approaches as further discussed in the notes to the financial statements.

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

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

The basic governmental fund financial statements can be found on pages 3 and 5 of this report.

Fiduciary Funds – The District is the fiduciary for various student group activities and a scholarship fund. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets.

The basic fiduciary fund financial statements can be found on pages 7 and 8 of this report.

Additional Information – The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 – 18 of this report.

Columbia School District
Management's Discussion and Analysis
Year Ended June 30, 2011

Government-Wide Financial Analysis

The government-wide financial analysis focuses on the net assets and changes in net assets of the District's governmental activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

The following is a summary of the School District's net assets as of June 30, 2011 and 2010:

	Governmental Activities	
	2011	2010
Current assets	\$ 2,401,191	\$ 2,460,453
Non-current assets	<u>6,629,200</u>	<u>7,536,843</u>
Total assets	<u>9,030,391</u>	<u>9,997,296</u>
Current liabilities	1,406,577	1,524,775
Non-current liabilities	<u>2,938,133</u>	<u>3,715,403</u>
Total liabilities	<u>4,344,710</u>	<u>5,240,178</u>
Net assets:		
Invested in capital assets – net of related debt	4,004,202	4,135,740
Restricted	100,697	102,603
Unrestricted	<u>580,782</u>	<u>518,775</u>
Total net assets	<u>\$ 4,685,681</u>	<u>\$ 4,757,118</u>

The above analysis focuses on the net assets. The change in net assets of the School District's governmental activities is discussed below. The net assets differ from fund balances and a reconciliation appears on page 4.

By far the largest portion of the District's net assets reflects its investment in capital assets (i.e. land, buildings, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets of \$100,697 represent resources that are subject to external restrictions on how they may be used. In the case of the School District, these included amounts restricted for debt service. The remaining balance of \$580,782, which is *unrestricted* net assets, may be used to meet the District's ongoing obligations to citizens and creditors.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities which shows the changes in net assets for fiscal year 2011.

Columbia School District
Management's Discussion and Analysis
Year Ended June 30, 2011

The following is a summary of the change in net assets for the years ended June 30, 2011 and 2010:

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 609,075	\$ 606,782
Operating grants	2,763,190	2,685,544
General revenues:		
Property taxes – general purposes	4,290,194	4,322,378
Property taxes – debt service	801,461	820,576
Grants and state aid	6,933,586	7,395,741
Other	<u>210,612</u>	<u>199,539</u>
Total revenues	<u>15,608,118</u>	<u>16,030,560</u>
Functions/Program Expenses:		
Instruction	9,270,381	8,813,255
Support services	5,169,656	5,169,378
Community services	290,918	270,861
Food service activities	587,755	599,324
Athletic activities	-	395,305
Interest	138,510	130,414
Depreciation (unallocated)	<u>222,337</u>	<u>221,237</u>
Total expenses	<u>15,679,557</u>	<u>15,599,774</u>
Increase in net assets	<u>\$ (71,439)</u>	<u>\$ 430,786</u>

The District's net assets decreased by \$71,439 during the current fiscal year. The increase in net assets differs from the change in fund balances and a reconciliation appears on page 6.

The net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State Aid constitute the vast majority of the School District's operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

General Fund Budgeting and Operating Highlights

The School District's budgets are prepared according to Michigan Law. The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. The most significant budgeted funds are the General Fund and the nonmajor governmental fund for Food Service.

As a matter of practice, the District amends its budget formally in October and again in June. However, during the course of the year, the Board of Education is appraised as to any significant factors contributing to a change from the adopted budget. The June 2011 budget amendment was the final budget for the fiscal year. A schedule showing the School District's General Fund original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

The General Fund actual revenues and other financing sources were \$14,213,259 That amount is below the amended budget estimate of \$14,231,416. The \$18,157 variance was due in part to less than projected students in the blended State aid calculation.

Columbia School District
Management's Discussion and Analysis
Year Ended June 30, 2011

The actual expenditures and other financing uses of the General Fund were \$14,165,882, which is below the amended budget estimate of \$14,641,208. The \$475,326 variance (3.3%) was due in part to spending cuts implemented in the last part of the school year.

The General Fund had total revenues of \$14,213,259 and total expenditures of \$14,165,882 with a net change in fund balance of \$47,377 and an ending fund balance of \$759,379. The current year net change was due to a variety of budget adjustments including more employees (administrators) on Contract Ed; retired teachers weren't replaced; cautious spending in all departments; plus major replacement and purchase of new equipment was deferred until the financial climate improves.

Capital Asset and Debt Administration

Capital Assets – At the end of the fiscal year 2011, the School District had \$14,612,240 invested in land and buildings, furniture and equipment, vehicles and buses. Of this amount, \$7,983,040 in depreciation has been taken over the years. We currently have a net book value of \$6,629,200.

	Governmental Activities	
	2011	2010
Land	\$ 23,700	\$ 23,700
Buildings and improvements	12,823,319	13,857,931
Furniture and equipment	962,652	962,652
Buses	802,569	855,160
Total capital assets	<u>14,612,240</u>	<u>15,699,443</u>
Less accumulated depreciation	<u>7,983,040</u>	<u>8,162,600</u>
Net capital assets	<u>\$ 6,629,200</u>	<u>\$ 7,536,843</u>

The District closed an elementary building at the end of the fiscal year, resulting in a reduction to the carrying value down to its estimated salvage value.

Long-Term Debt – At June 30, 2011, the District had total bonded debt of \$2,624,998, of which \$56,680 is Durant Resolution Bonds that are a legal obligation of the School District, but an annual State of Michigan appropriation is the only revenue source making the annual debt service payments on the bonds. If the legislature fails to appropriate the bonds, the District is under no obligation for payment.

	Governmental Activities	
	2011	2010
2002 Debt Fund Bonds	-	\$ 120,000
2009 Debt Refunding Bonds	1,745,000	2,325,000
2005 Energy Bonds	815,000	880,000
Durant Resolution Bonds	56,680	65,013
Bond premium and refunding charges	8,318	11,090
Total	<u>\$ 2,624,998</u>	<u>\$ 3,401,103</u>

The District's bonded debt and loans outstanding decreased by \$776,105 during the current fiscal year.

Columbia School District
Management's Discussion and Analysis
Year Ended June 30, 2011

State statutes limit the amount of general obligation debt that a school district may issue to 15 percent of its total assessed valuation (State Equalized Value). The current outstanding general obligation debt for Columbia School District is significantly below the current debt limitation.

Additional information on the District's long-term debt can be found in Note 7 starting on page 16 of this report.

Economic Factors

On March 15, 1994, the electors of the State of Michigan approved a ballot proposition to amend the State Constitution of 1963, in part, to increase the State sales tax from 4% to 6% as part of a complex plan to restructure the source of funding of public education (K-12) in order to reduce reliance on local property taxes for school operating purposes and to equalize the per pupil finance resource disparities among school districts. The State Aid package passed by the Legislature as part of the school finance reform legislation instituted a per pupil foundation guarantee beginning in fiscal year 1994-1995. The Legislature has appropriated funds to establish a foundation guarantee in 2005-2006 of \$6,875 per pupil for Columbia School District, based upon the District's 1993-1994 revenue. In following years, the foundation guarantee may be adjusted by an index based upon the change in revenues to the State School Aid Fund and change in the total number of pupils statewide, and the spread between the high and low pupil guarantee will be reduced. The foundation guarantee consists of the locally raised property taxes plus State Aid. The source of revenues for the State's contribution to the foundation allowance is derived from a mix of taxing sources, including but not limited to, a statewide property tax of six mills on all property (homestead and non-homestead) (reduced to five mills in 2003 only), a State sales and use tax, a real estate transfer tax and a cigarette tax. Given the uncertain financial climate in the State, our State Aid payments could be reduced during the year if the State does not receive enough revenue to support enacted State School Aid budgets, which has happened in the past.

Requests for Information

This financial report is designed to provide a general overview of the Columbia School District finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

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Columbia School District
Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets:	
Cash and investments	\$ 954,861
Receivables	17,378
Due from other governmental units	1,419,624
Inventories	9,328
Capital assets:	
Cost of capital assets	14,612,240
Less: accumulated depreciation	(7,983,040)
Net capital assets	6,629,200
Total assets	9,030,391
 Liabilities:	
Accounts payable and accrued expenses	1,406,577
Long-term liabilities:	
Due within one year:	
Bonds, capital leases and contracts	656,500
Accrued interest	18,135
Compensated absences	29,500
Due in more than one year:	
Bonds, capital leases and contracts	1,968,498
Compensated absences	265,500
Total liabilities	4,344,710
 Net Assets:	
Invested in capital assets, net of related debt	4,004,202
Restricted for:	
Debt service	100,697
Unrestricted	580,782
Total net assets	\$ 4,685,681

Columbia School District
Statement of Activities
Year Ended June 30, 2011

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Governmental</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Activities</u>
		<u>Services</u>	<u>Grants and</u>	<u>Net (Expenses)</u>
			<u>Contributions</u>	<u>Revenues and</u>
				<u>Change in</u>
				<u>Net Assets</u>
Primary Government				
Governmental activities:				
Instruction	\$ 9,270,381	\$ -	\$ 2,397,761	\$ (6,872,620)
Support services	5,169,656	67,386	-	(5,102,270)
Food service activities	587,755	227,235	355,848	(4,672)
Community services	290,918	314,454	-	23,536
Interest on long-term debt	138,510	-	9,581	(128,929)
Depreciation (unallocated)	222,337	-	-	(222,337)
Total governmental activities	<u>\$ 15,679,557</u>	<u>\$ 609,075</u>	<u>\$ 2,763,190</u>	<u>(12,307,292)</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				4,290,194
Property taxes, levied for debt service				801,461
State aid not restricted to specific purposes				6,738,230
Federal grants not restricted to specific purposes				195,356
Unrestricted investment earnings				3,258
Other				207,354
Total general revenues				<u>12,235,853</u>
Change in Net Assets				(71,439)
Net Assets - Beginning of Year				<u>4,757,120</u>
Net Assets - End of Year				<u>\$ 4,685,681</u>

Columbia School District
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and investments	\$ 745,883	\$ 208,978	\$ 954,861
Due from other funds	449	-	449
Receivable from other governments	1,419,624	-	1,419,624
Other receivables	-	17,378	17,378
Inventories	-	9,328	9,328
Total assets	<u>\$ 2,165,956</u>	<u>\$ 235,684</u>	<u>\$ 2,401,640</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 74,319	\$ -	\$ 74,319
Due to other funds	-	449	449
Salaries payable	837,660	-	837,660
Accrued expenditures	494,598	-	494,598
Total liabilities	<u>1,406,577</u>	<u>449</u>	<u>1,407,026</u>
 Fund Balances:			
Nonspendable:			
Inventories	-	9,328	9,328
Restricted:			
Food services	-	107,075	107,075
Debt service	-	118,832	118,832
Unassigned	759,379	-	759,379
Total fund balances	<u>759,379</u>	<u>235,235</u>	<u>994,614</u>
Total liabilities and fund balances	<u>\$ 2,165,956</u>	<u>\$ 235,684</u>	<u>\$ 2,401,640</u>

Columbia School District
Reconciliation of the Balance Sheet of
Governmental Funds to the Net Assets
June 30, 2011

Total Fund Balances - Governmental Funds \$ 994,614

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds 6,629,200

Long-term liabilities (bonds payable and compensated absences) not due and payable in the current period and not reported in the funds (2,938,133)

Total Net Assets - Governmental Activities \$ 4,685,681

Columbia School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2011

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Local sources	\$ 4,881,909	\$ 1,029,430	\$ 5,911,339
State sources	7,485,549	40,460	7,526,009
Federal sources	1,079,960	359,229	1,439,189
Interdistrict and other	765,841	-	765,841
Total revenues	<u>14,213,259</u>	<u>1,429,119</u>	<u>15,642,378</u>
Expenditures:			
Instruction	8,681,250	-	8,681,250
Support services	5,094,486	-	5,094,486
Community services	289,213	-	289,213
Food service activities	-	622,015	622,015
Debt service	100,933	819,647	920,580
Capital outlay	-	-	-
Total expenditures	<u>14,165,882</u>	<u>1,441,662</u>	<u>15,607,544</u>
Net Change in Fund Balance	47,377	(12,543)	34,834
Fund Balances - Beginning of Year	<u>712,002</u>	<u>247,778</u>	<u>959,780</u>
Fund Balances - End of Year	<u>\$ 759,379</u>	<u>\$ 235,235</u>	<u>\$ 994,614</u>

Columbia School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$ 34,834

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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

The amount by which depreciation -\$907,643 exceeded capital expenditures \$0 in the current period. (907,643)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.

801,370

Change in Net Assets of Governmental Activities \$ (71,439)

Columbia School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Private Purpose Trust Fund	Agency Fund
Assets:		
Cash and cash equivalents	\$ 38,269	\$ 194,131
Liabilities:		
Due to student groups	-	\$ 194,131
Net Assets:		
Held in trust for benefits and other purposes	\$ 38,269	

Columbia School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2011

	Private Purpose Trust Funds
Additions:	
Interest	\$ 97
Contributions	-
Total additions	97
Deductions:	
Scholarships awarded	97
Total deductions	97
Change in Net Assets	-
Net Assets - Beginning of Year	38,269
Net Assets - End of Year	\$ 38,269

Columbia School District
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of Columbia School District (the "School District" or "District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the School District.

Reporting Entity

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

District-Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Columbia School District
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

The School District reports the following major governmental funds:

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

Additionally, the government reports the following fund types:

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. The Special Revenue Fund maintained by the District is the Food Service Fund.

Debt Funds – Debt Funds are used to record tax, interest, and other revenue for payment of principal and other expenditures and the disbursements thereof on a particular bond issue. The District maintains the 2002 Debt, the 2009 Refunding Debt, and the Durant Debt Funds.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent. Fiduciary Fund net assets and results of operations are not included in the district-wide statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. The District presently maintains a Student Activities Fund to record the transactions of student and parent groups for school-related purposes. The funds are segregated and held in trust for the students and parents. The District also maintains a Trust Fund, the Disbrow Scholarship Fund, to record the segregated monies restricted for scholarships and the related transactions for distributions of awards.

Assets, Liabilities, and Net Assets or Equity

Deposits and Investments – Cash and cash equivalents include cash on hand, demand deposits, and certificates of deposit.

Columbia School District
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Deposits and Investments (Continued) - The District reports its investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the District intends to hold the investment until maturity. Accordingly, investments in bankers' acceptances and commercial paper are recorded at amortized cost.

State statutes authorize the District to invest in bonds, and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Property Taxes – Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2011, the District levied the following amounts per \$1,000 of assessed valuation:

General Fund – Non-principal residence	18.000 mills
General Fund – Commercial personal property	6 mills
Debt Funds – all taxable values	1.36 mills

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

Property tax and other trade receivables are shown net of an allowance for uncollectible amounts. The District has determined the uncollectible amounts are immaterial and no provision has been recorded.

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 revenue in accordance with State law and accounting principles generally accepted in the United States of America.

The District also receives revenue from the State to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain categorical funds require an accounting to the State of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year, are recorded as deferred revenue. Other categorical funding is recognized when the appropriation is received.

Columbia School District
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Inventories and Prepaid Items – Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both district-wide and fund financial statements.

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure type assets.

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

Buildings and improvements	20 - 50 years
Buses and other vehicles	10 years
Furniture and equipment	7 -10 years

Compensated Absences - The liability for compensated absences reported in the district-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-Term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity – The District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with this guidance, fund balances of governmental funds are now categorized according to five defined categories of fund balance. These categories consist of nonspendable amounts which are legally or contractually required to be maintained intact, restricted amounts that are constrained for specific purposes set by external parties or law, committed amounts that are constraints set by the highest decision making authority and may only be removed by those individuals, assigned amounts that have an intended but no formal specific purpose, and unassigned amounts which are the residual of the other categories and have no specific purpose.

It is the District's policy to generally use fund balance in order according to the hierarchy of fund balance categories, from restricted down to unassigned.

Columbia School District
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Use of Estimates – The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Note 2 – Stewardship, Compliance, and Accountability

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the *Uniform Budgeting and Accounting Act* (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations for the General Fund, if any, are noted in the required supplementary information section.
4. The Superintendent is authorized to transfer budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
5. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
6. The budget was amended during the year with supplemental appropriations, the last one approved prior to fiscal year-end. The District does not consider these amendments to be significant.

Columbia School District
Notes to Financial Statements

Note 3 – Deposits and Investments

At year-end, the School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total
Cash and investments	<u>\$954,861</u>	<u>\$232,400</u>	<u>\$ 1,187,261</u>

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

Deposits (checking and savings accounts, certificates of deposit)	\$ 483,149
Investments in bank school cash investment fund	<u>704,112</u>
Total	<u>\$1,187,261</u>

Investment and Deposit Risk

Interest Rate Risk – State law limits the allowable investments and the maturities of some of the allowable investments. The School's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investment in the bank school cash investment fund had an average maturity of less than one year.

Credit Risk – State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The School's investments policy does not have specific limits in excess of State law on investment credit risk. The District's investment in the bank school cash investment fund was rated A-1 by Standard & Poor's, F-1 by Fitch Ratings and P-1 by Moody's Investors Service.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned. The School has not adopted and State law does not require a policy for deposit custodial credit risk. As of year-end, \$299,142 of the School's bank balance of \$925,854 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 – Receivables

Receivables at June 30, 2011, consist of the following:

Other governmental units (primarily Michigan Department of Education)	\$1,419,624
Other	<u>17,378</u>
	<u>\$1,437,002</u>

Columbia School District
Notes to Financial Statements

Note 5 – Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Year-End Balance</u>
Assets not being depreciated – land	\$ 23,700	\$ -	\$ -	\$ 23,700
Capital assets being depreciated:				
Buildings and improvements	13,857,931	-	1,034,612	12,823,319
Buses and other vehicles	962,652	-	-	962,652
Furniture and equipment	<u>855,160</u>	<u>-</u>	<u>52,591</u>	<u>802,569</u>
Subtotal	<u>15,675,743</u>	<u>-</u>	<u>1,087,203</u>	<u>14,588,540</u>
Accumulated depreciation:				
Buildings and improvements	6,675,432	855,778	1,034,612	6,496,598
Buses and other vehicles	926,373	15,518	-	941,891
Furniture and equipment	<u>560,795</u>	<u>36,347</u>	<u>52,591</u>	<u>544,551</u>
Subtotal	<u>8,162,600</u>	<u>907,643</u>	<u>1,087,203</u>	<u>7,983,040</u>
Net capital assets being depreciated	<u>7,513,143</u>	<u>(907,643)</u>	<u>-</u>	<u>6,605,500</u>
Net capital assets	<u>\$ 7,536,843</u>	<u>\$ (907,643)</u>	<u>\$ -</u>	<u>\$ 6,629,200</u>

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

Governmental Activities:

Instruction	\$ 624,131
Support services	59,470
Community services	1,705
Unallocated	<u>222,337</u>
	<u>\$ 907,643</u>

The District closed an elementary building at the end of the fiscal year, resulting in a reduction to the carrying value down to its estimated salvage value.

Note 6 – Interfund Balances

Interfund Transfers:

At fiscal year-end, the Food Service Fund owed the General Fund \$449 for reimbursement of miscellaneous expenditures.

Columbia School District
Notes to Financial Statements

Note 7 – Long-Term Debt

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

Long-term obligation activity can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 3,325,000	\$ -	\$ 765,000	\$ 2,560,000	\$ 645,000
Durant debt	65,013	-	8,333	56,680	8,729
Bond premium	74,842	-	18,710	56,132	18,710
Deferred bond refunding	(63,752)	-	(15,938)	(47,814)	(15,939)
Compensated absences	<u>314,300</u>	<u>-</u>	<u>19,300</u>	<u>295,000</u>	<u>29,500</u>
Total governmental activities	<u>\$ 3,715,403</u>	<u>\$ -</u>	<u>\$ 795,405</u>	<u>\$ 2,919,998</u>	<u>\$ 686,000</u>

Annual debt service requirements to maturity on the above bonded debt obligations are as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 653,729	\$ 109,659	\$ 763,388
2013	702,951	93,695	796,646
2014	655,000	45,293	700,293
2015	75,000	24,893	99,893
2016	80,000	21,893	101,893
2017-2021	<u>450,000</u>	<u>57,858</u>	<u>507,858</u>
Total	<u>\$ 2,616,680</u>	<u>\$ 353,291</u>	<u>\$ 2,969,971</u>

General obligation bonds and loans consist of:

\$1,110,000 serial bonds due in annual installments of \$65,000 to \$95,000 through May 1, 2021; interest at 3.9% to 4.25%	\$ 815,000
\$2,805,000 serial bonds due in annual installments of \$580,000 to \$585,000 through May 1, 2014; interest at 3.0% to 5.0%	1,745,000
\$136,436 Durant Non-Plaintiff serial bonds due in annual installments of \$8,729 to \$47,951 through May 15, 2013; interest at 4.70%	<u>56,680</u>
Subtotal bonded debt	2,616,680
Less: deferred amount on bond refunding	(47,814)
Add: premium on bond refunding	<u>56,132</u>
Total bonded debt	<u>\$ 2,624,998</u>

Columbia School District
Notes to Financial Statements

Note 7 – Long-Term Debt (Continued)

Durant Non-Plaintiff Bond – Included in Governmental Activities General Obligation Bonds is the Durant Non-Plaintiff Bond. Annual total payments (principal and interest) of \$9,580 to \$64,373 associated with this bond are funded by the State of Michigan via specifically appropriated State Aid and will not require any District debt levy or utilization of any other District financial resources.

Note 8 – Federal and State Grants

The District has received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

Note 9 – Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims and for claims relating to workers' compensation, general liability, and property/casualty claims. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

Note 10 – Defined Benefit Pension Plan and Post-Employment Benefits

Plan Description – The District participates in the Michigan Public School Employees' Retirement System (MPSERS), a state-wide, cost-sharing, multiple-employer defined benefit public employee retirement plan governed by the State of Michigan and administered by the twelve-member board of the MPSERS. The MPSERS provides retirement, survivor and disability benefits and postretirement benefits options for health, dental and vision coverage for substantially all employees of the District. The MPSERS was established by Public Act 136 of 1945 and operates under the provisions of Public Act 300 of 1980, as amended. The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to Michigan Public School Employees Retirement System, P.O. Box 30171, Lansing, MI 48909-7671 or by calling (517) 322-5103.

Funding Policy – Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990 contribute a permanently fixed rate of 3.9% of gross wages. The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990 when it was reduced to 3.9%. Members first hired January 1, 1990 through June 30, 2008 and returning members who did not work between January 1, 1987 and December 31, 1989 contribute at the following graduated permanently fixed contribution rates: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; and 4.3% of all wages over \$15,000. Members hired July 1, 2008 and thereafter contribute to Member Investment Plan Plus (MIPP) at the rate of 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; and 6.4% of all wages over \$15,000.

Basic Plan members make no contributions. For a limited period ending December 31, 1992, an active Basic Plan member could enroll in the MIP by paying the contributions that would have been made had enrollment occurred initially on January 1, 1987 or on the date of hire, plus interest. MIP contributions at the rate of 3.9% of gross wages begin at enrollment. Actuarial rate interest is posted to member accounts on July 1st on all MIP monies on deposit for 12 months. If a member leaves MPSERS service and no pension is payable, the member's accumulated contribution plus interest, in any, are refundable.

Columbia School District
Notes to Financial Statements

Note 10 – Defined Benefit Pension Plan and Post-Employment Benefits (Continued)

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of MPSERS who became a member of MPSERS after June 30, 2010 is a Pension Plus member. The Pension Plus Plan pairs a guaranteed retirement income (defined benefit pension) with a flexible and transferable retirement savings (defined contribution) account.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rate totals 16.94 percent for the period from July 1, 2010 through September 30, 2010 and increased to 19.41% for the base plan and 17.91% for pension plus members effective for the period October 1, 2010 through October 31, 2010. The rate increased to 20.66% for basic plan members and 19.16% for pension plus members for the period November 1, 2010 through June 30, 2011. In addition, the District is required to match 50% up to 1% of the employee contributions in the pension plus plan. The contribution requirements of plan members and the District are established and may be amended by the MPSERS Board of Trustees. The School District's contributions to the MPSERS plan for the years ended June 30, 2011, 2010, and 2009 were approximately \$1,390,000, \$1,320,000, and \$1,290,000, respectively. The District is not responsible for the payment of retirement benefits which is the responsibility of the State of Michigan.

Post-Employment Benefits – Retirees have the option of health coverage, which is currently funded on a cash disbursement basis. The System has contracted to provide the comprehensive group medical, hearing, dental and vision coverages for retirees and beneficiaries. A significant portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. Public Act 75 of 2010 requires each actively employed member of MPSERS after June 30, 2010 to contribute 3% (or 1.5%) of their compensation to offset employer contributions for health care benefits of current retirees. For the school fiscal year that began July 1, 2010, members who were employed by a reporting unit and were paid less than \$18,000 in the prior school fiscal year and members who were hired on or after July 1, 2010, with a starting salary less than \$18,000 are required to contribute 1.5% of the member's compensation. For each school fiscal year that begins on or after July 1, 2011, members shall contribute 3% of compensation into the health care funding account.

Note 11 – Restatement of Beginning Fund Balance

To comply with new guidance that became effective during the current year, the Athletics Fund, which was previously reported as a special revenue fund, has been combined with the General Fund. Beginning fund balance of the General Fund was increased by \$1,042 to include the fund balance of the Athletics Fund as of July, 1, 2010.

Required Supplemental Information

Columbia School District
 Budgetary Comparison Schedule - General Fund
 Year Ended June 30, 2011

	Budgeted Amounts		Actual
	Original	Final	
Revenues:			
Local sources	\$ 4,707,400	\$ 4,878,707	\$ 4,881,909
State sources	8,099,303	7,497,833	7,485,549
Federal sources	496,202	1,116,478	1,079,960
Interdistrict and other	801,250	738,398	765,841
Total revenues	14,104,155	14,231,416	14,213,259
Expenditures:			
Instruction:			
Basic programs	6,706,433	6,771,331	6,866,140
Added needs	1,765,763	1,983,947	1,815,110
Support services:			
Pupil	497,218	437,749	427,881
Instructional staff	835,147	785,713	762,293
General administration	385,772	367,823	353,890
School administration	906,409	794,968	790,002
Business	221,823	217,501	202,135
Operation & maintenance	1,653,649	1,561,556	1,344,121
Pupil transportation	696,950	826,212	759,188
Central services	69,246	67,377	67,156
Athletic activities	373,275	423,910	387,820
Community services:			
Community recreation	110,548	123,318	119,387
Community activities	7,181	9,494	4,902
Care of children	166,241	169,364	164,924
Debt service	100,945	100,945	100,933
Capital outlay	-	-	-
Total expenditures	14,496,600	14,641,208	14,165,882
Revenues Over (Under) Expenditures	(392,445)	(409,792)	47,377
Other Financing Sources (Uses)			
Transfers out	(95,200)	-	-
Total other financing sources (uses)	(95,200)	-	-
Net Changes in Fund Balances	(487,645)	(409,792)	47,377
Fund Balances - Beginning of Year	712,002	712,002	712,002
Fund Balances - End of Year	\$ 224,357	\$ 302,210	\$ 759,379

Other Supplemental Information

Columbia School District
Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

<u>Assets</u>	Food Service Fund	2002 Debt Service	2009 Refunding Debt	Durant Debt	Total Nonmajor Governmental Funds
Cash and investments	\$ 90,146	\$ 30,854	\$ 87,978	\$ -	\$ 208,978
Other receivables	17,378	-	-	-	17,378
Inventories	9,328	-	-	-	9,328
Total assets	<u>\$ 116,852</u>	<u>\$ 30,854</u>	<u>\$ 87,978</u>	<u>-</u>	<u>\$ 235,684</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	-	-	-	-	-
Due to other funds	449	-	-	-	449
Total liabilities	<u>449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449</u>
Fund balances:					
Nonspendable - inventories	9,328	-	-	-	9,328
Restricted	107,075	30,854	87,978	-	225,907
Total fund balances	<u>116,403</u>	<u>30,854</u>	<u>87,978</u>	<u>-</u>	<u>235,235</u>
Total liabilities and fund balances	<u>\$ 116,852</u>	<u>\$ 30,854</u>	<u>\$ 87,978</u>	<u>\$ -</u>	<u>\$ 235,684</u>

Columbia School District
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2011

	Food Service Fund	2002 Debt Service	2009 Refunding Debt	Durant Debt	Total Nonmajor Governmental Funds
Revenues:					
Local sources	\$ 227,235	\$ 129,771	\$ 672,424	-	\$ 1,029,430
State sources	30,879	-	-	9,581	40,460
Federal sources	359,229	-	-	-	359,229
Interdistrict and other	-	-	-	-	-
Total revenues	<u>617,343</u>	<u>129,771</u>	<u>672,424</u>	<u>9,581</u>	<u>1,429,119</u>
Expenditures:					
Food service activities	622,015	-	-	-	622,015
Debt service	-	124,883	685,183	9,581	819,647
Capital outlay	-	-	-	-	-
Total expenditures	<u>622,015</u>	<u>124,883</u>	<u>685,183</u>	<u>9,581</u>	<u>1,441,662</u>
Revenues Over (Under) Expenditures	<u>(4,672)</u>	<u>4,888</u>	<u>(12,759)</u>	<u>-</u>	<u>(12,543)</u>
Net Changes in Fund Balances	<u>(4,672)</u>	<u>4,888</u>	<u>(12,759)</u>	<u>-</u>	<u>(12,543)</u>
Fund Balances - Beginning of Year	<u>121,075</u>	<u>25,966</u>	<u>100,737</u>	<u>-</u>	<u>247,778</u>
Fund Balances - End of Year	<u>\$ 116,403</u>	<u>\$ 30,854</u>	<u>\$ 87,978</u>	<u>\$ -</u>	<u>\$ 235,235</u>

Columbia School District
Schedule of Bonded Indebtedness
June 30, 2011

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	Fiscal Year Interest Requirements	Fiscal Year Principal Requirements	Bonds Outstanding June 30, 2011
2005 Energy Bonds	August 1, 2005	\$ 1,110,000	3.900%	5/1/2012	33,158	\$ 65,000	65,000
			3.900%	5/1/2013	30,623	70,000	70,000
			4.000%	5/1/2014	27,893	75,000	75,000
			4.000%	5/1/2015	24,893	75,000	75,000
			4.000%	5/1/2016	21,893	80,000	80,000
			4.000%	5/1/2017	18,693	85,000	85,000
			4.100%	5/1/2018	15,293	85,000	85,000
			4.200%	5/1/2019	11,808	90,000	90,000
			4.200%	5/1/2020	8,028	95,000	95,000
			4.250%	5/1/2021	4,038	95,000	95,000
							<u>\$ 815,000</u>

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	Fiscal Year Interest Requirements	Fiscal Year Principal Requirements	Bonds Outstanding June 30, 2011
2009 Refunding Bonds	September 23, 2009	\$ 2,805,000	5.000%	5/1/2012	\$ 75,650	\$ 580,000	\$ 580,000
			5.000%	5/1/2013	46,650	585,000	585,000
			3.000%	5/1/2014	17,400	580,000	580,000
							<u>\$ 1,745,000</u>

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	Fiscal Year Interest Requirements	Fiscal Year Principal Requirements	Bonds Outstanding June 30, 2011
Durant Bonds	September 14, 1998	\$ 136,436	4.70%	5/15/2012	\$ 851	\$ 8,729	\$ 8,729
			4.70%	5/15/2013	16,422	47,951	47,951
							<u>\$ 56,680</u>