

Vicksburg Community Schools

Financial Statements

Year Ended June 30, 2009



BDO Seidman, LLP
Accountants and Consultants



Vicksburg Community Schools

Financial Statements

Year Ended June 30, 2009

Vicksburg Community Schools

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Independent Auditors' Report

Board of Education
Vicksburg Community Schools
Vicksburg, Michigan

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit (cash basis), each major fund, and the aggregate remaining fund information of Vicksburg Community 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 accompanying table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the financial statements of the Vicksburg Community Schools Foundation, the discretely presented component unit, were prepared on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit (cash basis), the major funds, and the aggregate remaining fund information of the District, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America and on the basis of accounting described in Note 1.



In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 on Pages 5 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BDO Seidman, LLP

Certified Public Accountants

October 30, 2009

Vicksburg Community Schools

Management's Discussion and Analysis

This section of the Vicksburg Community Schools (the District's) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader understands the District's finances as a whole. The *District-wide Financial Statements* provide information about the activities of the whole district, presenting both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the District's operations in more detail than the district-wide financial statements by providing information about the District's most significant funds – the General Fund and the Building and Site Fund, with all other funds presented in one column as non-major funds. The remaining statement, the Statement of Fiduciary Assets and Liabilities, presents financial information about the activities for which the District acts solely as an agent for the benefit of students and parents.

Reporting the District as a Whole – District-wide Financial Statements

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

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

Vicksburg Community Schools

Management's Discussion and Analysis (Continued)

The Statement of Net Assets and the Statement of Activities report the governmental activities for the District, which encompass all of the District's services, including instruction, supporting services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

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

The District's fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by state law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes (the Food Service, Athletics, and Auditorium Funds are examples) or to show it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the District use the following accounting approach:

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

The District as Trustee – Reporting the District's Fiduciary Responsibilities

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

Vicksburg Community Schools

Management's Discussion and Analysis (Continued)

The District as a Whole

Recall that the Statement of Net Assets provided the perspective of the District as a whole. The following provides a summary of the District's net assets as of June 30, 2009 and 2008:

<i>June 30,</i>	<i>Governmental Activities</i>	
	<i>2009</i>	<i>2008</i>
Assets:		
Current assets	\$ 8,303,090	\$ 6,930,450
Capital assets, net	26,247,899	27,027,208
Bond issue costs, net of amortization	374,998	416,665
Total Assets	34,925,987	34,374,323
Liabilities:		
Current liabilities	6,559,907	4,696,178
Noncurrent liabilities	24,258,868	25,838,366
Total Liabilities	30,818,775	30,534,544
Net Assets (Deficit):		
Invested in capital assets - net of related debt	221,754	(242,316)
Restricted	420,971	421,544
Unrestricted	3,464,487	3,660,551
Total Net Assets	\$ 4,107,212	\$ 3,839,779

The above analysis focuses on the net assets. The change in net assets of the District's governmental activities is discussed below. The District's net assets totaled \$4,107,212 at June 30, 2009. Capital assets, net of related debt totaling a surplus of \$221,754, compares the original cost, less depreciation of the District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service becomes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation limiting the District's ability to use those net assets for day-to-day operations. The remaining amount of net assets of \$3,464,487 was unrestricted.

The \$3.5 million in unrestricted net assets of governmental activities represents the *accumulated* results of all past years' operations. The unrestricted net assets balance enables the District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year-to-year.

Vicksburg Community Schools

Management's Discussion and Analysis (Continued)

The results of this year's operations for the District as a whole are reported in the Statement of Activities, which shows the changes in net assets for fiscal years 2009 and 2008:

<i>June 30,</i>	<i>Governmental Activities</i>	
	<i>2009</i>	<i>2008</i>
Revenue:		
Program revenue:		
Charges for services	\$ 1,016,085	\$ 1,085,077
Federal grants and entitlements	792,027	637,562
State categoricals	987,027	932,062
Other operating grants	997,319	1,037,951
General revenue:		
Property taxes	4,743,160	4,701,215
State foundation allowance	16,118,303	17,431,167
Unrestricted federal - ARRA	960,769	-
Other	287,331	415,227
Total Revenue	25,902,021	26,240,261
Functions/Program Expenses:		
Instruction	12,492,706	12,408,458
Support services	8,570,002	8,320,675
Community services	280,115	276,257
Food services	991,062	900,542
Athletics	571,236	500,545
Auditorium	26,033	13,565
Intergovernmental transfers	145,579	120,779
Interest on long-term debt	1,433,016	1,526,699
Depreciation	1,124,839	1,024,956
Total Expenses	25,634,588	25,092,476
Increase in Net Assets	267,433	1,147,785
Net Assets, beginning of year	3,839,779	2,691,994
Net Assets, end of year	\$ 4,107,212	\$ 3,839,779

As reported in the Statement of Activities, the cost of all of our *governmental* activities this year was \$25.6 million. Certain activities were partially funded from those who benefited from the programs with charges for services of \$1,016,085 or by other governments and organizations that subsidized certain programs with grants and contributions of \$2,776,373. We paid for the remaining "public benefit" portion of our governmental activities with \$4,743,160 in taxes, \$16,118,303 in unrestricted state aid, \$960,769 in unrestricted federal – ARRA, and with our other revenues such as interest and general entitlements.

Vicksburg Community Schools

Management's Discussion and Analysis (Continued)

The District experienced an increase in net assets of \$267,433 during fiscal 2009.

As discussed above, the net cost shows the financial burden placed on the state and the District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the board of education and the administration must annually evaluate the needs of the District and balance those needs with state-prescribed available unrestricted resources.

The District's Funds

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

As the District completed this year, the governmental funds reported a combined fund balance of \$4,198,400, which is a decrease of \$281,700 from last year.

In the General Fund, our principal operating fund, the fund balance decreased by \$852,213 to \$1,829,993. The decrease was primarily due to a decline in our enrollment combined with increases in certain costs, including employee compensation. This decrease was consistent with the District's budget.

The fund balance of the General Fund is available to fund costs related to allowable school operating purposes.

Our Special Revenue Funds decreased fund balance by \$36,766 to \$323,516, primarily as a result of operating costs in all three of our Special Revenue Funds.

Combined, the Debt Service Funds showed a decrease of \$68,771. Millage rates are determined annually to ensure the District accumulates sufficient resources to pay annual bond issue-related debt service. Durant bond obligations are funded by annual state appropriation, and no fund balance exists at year-end. The fund balances of the Debt Service Funds are reserved since they may only be used to pay debt service obligations.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted shortly before year-end. A schedule showing the District's original and final budget amounts compared to amounts actually paid and received is provided with the basic financial statements.

Vicksburg Community Schools

Management's Discussion and Analysis (Continued)

There were revisions made to the 2008-2009 General Fund original budget. Budgeted revenues were decreased by \$104,310 and budgeted expenditures and other financing uses were increased by \$325,063, as a result of various revisions in the normal course of business.

The amount of transfers to other funds established in the amended budget was \$765,562 and represents support provided by the General Fund to other functions.

Budgeted General Fund revenues exceeded the actual results by \$129,726, which represents a variance of approximately 0.6%. Actual General Fund expenditures were \$294,529 below the amended budget, which represents a variance of approximately 1.3%.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2009, the District had \$40,851,384 invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of \$779,309, or 2.9% from last year.

<i>June 30,</i>	<i>2009</i>	<i>2008</i>
Land	\$ 147,402	\$ 147,402
Buildings and building improvements	34,364,962	34,275,831
Buses and other vehicles	1,969,099	1,734,202
Furniture and equipment	4,369,921	4,355,915
	40,851,384	40,513,350
Less accumulated depreciation	14,603,485	13,486,142
Net Capital Assets	\$ 26,247,899	\$ 27,027,208

This year's additions of \$347,404 related primarily to the purchase of school buses and other equipment. Detailed information about capital assets can be found in Note 5 to the financial statements.

Debt

At the end of this year, the District had \$26,401,143 in bonds outstanding versus \$27,686,189 in the previous year—a decrease of 4.6%. Those bonds consisted of the following:

<i>June 30,</i>	<i>2009</i>	<i>2008</i>
General obligation bonds	\$ 18,875,309	\$ 20,618,329
Durant non-plaintiff bonds	162,056	178,920
	19,037,365	20,797,249
Accrued interest on capital appreciation bonds	7,363,778	6,888,940
	\$ 26,401,143	\$ 27,686,189

Vicksburg Community Schools

Management's Discussion and Analysis (Concluded)

The District's general obligation bond rating is AA-. The state limits the amount of general obligation debt that schools can issue to 15% of the assessed value of all taxable property within the District's boundaries. If the District issues "Qualified Debt," i.e., debt backed by the state of Michigan, such obligations are not subject to this debt limit. The District's outstanding unqualified general obligation debt of \$26,401,143 is significantly below the statutorily imposed limit, which is approximately \$95,000,000.

Detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the District's 2009-2010 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation allowance revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2010 fiscal year is calculated based on 25% and 75% of the February 2009 and September 2009 student counts, respectively. The 2009-2010 budget was adopted in June 2009, based on an estimate of students that would be enrolled in September 2009. Approximately 89% of total General Fund revenue is derived from the foundation allowance. Under state law, the District cannot assess additional property tax revenue for general operations. As a result, district funding is heavily dependent on the state's ability to fund local school operations. Based on the actual student count for September 2009, the actual blended pupil count for 2009-2010 is approximately 90 students above the assumption used in developing the budget.

Since the District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the state's ability to collect revenues to fund its appropriation to school districts. The state periodically holds a revenue-estimating conference to estimate revenues. If a future revenue estimating conference determines that revenues will not be sufficient to fund the school aid appropriation, the legislature must revise the appropriation or a pro-ration of state aid will occur. No revenue contingency has been included in the District's preliminary 2009-2010 budget.

Contacting the District's Financial Management

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

Business Office
Vicksburg Community Schools
301 S. Kalamazoo Avenue
Vicksburg, Michigan 49097

Vicksburg Community Schools

District-Wide Financial Statements Statement of Net Assets

<i>June 30, 2009</i>	<u>Primary Government</u>	<u>Discretely Presented Component Unit - Cash Basis Vicksburg Community Schools Foundation</u>
Assets:		
Cash and investments (Note 3)	\$ 4,847,550	\$ 57,641
Accounts receivable	3,409,743	-
Beneficial interest held in assets by the Kalamazoo Community Foundation - Restricted	-	482,822
Due from other governmental unit	-	1,384
Prepaid expenses	8,959	-
Inventories	36,838	-
Total Current Assets	8,303,090	541,847
Noncurrent Assets:		
Bond issue costs, net of amortization	374,998	-
Capital assets, net of accumulated depreciation (Note 5)	26,247,899	-
Total Noncurrent Assets	26,622,897	-
Total Assets	34,925,987	541,847
Liabilities		
Current Liabilities:		
Accounts payable	850,973	-
Notes payable	1,500,000	-
Accrued payroll liabilities	1,741,339	-
Accrued interest	221,366	-
Unearned revenue	12,378	-
Current portion of long-term debt (Note 6)	2,233,851	-
Total Current Liabilities	6,559,907	-
Noncurrent Liabilities - Long-term debt (Note 6)	24,258,868	-
Total Liabilities	30,818,775	-
Net Assets:		
Invested in capital assets, net of related debt	221,754	-
Restricted for Vicksburg Community Schools Foundation	-	541,847
Restricted for debt service	420,971	-
Unrestricted	3,464,487	-
Total Net Assets	\$ 4,107,212	\$ 541,847

See accompanying notes to financial statements.

Vicksburg Community Schools

District-Wide Financial Statements Statement of Activities

<i>Year ended June 30, 2009</i>	<i>Expenses</i>	<i>Program Revenues</i>		<i>Net (Expenses) Revenue and Changes in Net Assets</i>	
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Total</i>	<i>Discretely Presented Component Unit - Cash Basis</i>
Functions/Programs:					
Primary government -					
Governmental activities:					
Instruction	\$12,492,706	\$ 300	\$ 2,280,555	\$(10,211,851)	\$ -
Support services	8,570,002	16,526	-	(8,553,476)	-
Community services	280,115	288,703	-	8,588	-
Food services	991,062	546,373	427,524	(17,165)	-
Athletics	571,236	150,099	64,969	(356,168)	-
Auditorium	26,033	14,084	3,325	(8,624)	-
Intergovernmental transfers	145,579	-	-	(145,579)	-
Interest on long-term debt	1,433,016	-	-	(1,433,016)	-
Unallocated depreciation	1,124,839	-	-	(1,124,839)	-
Total Governmental Activities	\$25,634,588	\$1,016,085	\$ 2,776,373	(21,842,130)	-
Component Unit -					
Vicksburg Community Schools Foundation	\$ 103,791	\$ -	\$ 74,837	-	(28,954)
General Revenues:					
Property taxes levied for general purposes				2,483,153	-
Property taxes levied for debt service				2,260,007	-
Unrestricted state aid				16,118,303	-
Unrestricted federal revenue - ARRA				960,769	-
Investment earnings (loss)				40,950	(86,850)
Other				246,381	-
Total General Revenues				22,109,563	(86,850)
Change in Net Assets				267,433	(115,804)
Net Assets, beginning of year				3,839,779	657,651
Net Assets, end of year				\$ 4,107,212	\$ 541,847

See accompanying notes to financial statements.

Vicksburg Community Schools

Governmental Funds Balance Sheet

<i>June 30, 2009</i>	<i>General Fund</i>	<i>Building and Site Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets:				
Cash and investments (Note 3)	\$ 2,605,033	\$ 962,490	\$ 1,280,027	\$ 4,847,550
Accounts receivable	3,409,446	-	297	3,409,743
Due from other funds (Note 4)	185,774	11,741	506,259	703,774
Prepaid expenditures	8,959	-	-	8,959
Inventories	26,724	-	10,114	36,838
Total Assets	\$ 6,235,936	\$ 974,231	\$ 1,796,697	\$ 9,006,864
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 668,345	\$ 182,628	\$ -	\$ 850,973
Notes payable	1,500,000	-	-	1,500,000
Accrued payroll liabilities	1,741,339	-	-	1,741,339
Due to other funds (Note 4)	496,259	2,977	204,538	703,774
Deferred revenue	-	-	12,378	12,378
Total Liabilities	4,405,943	185,605	216,916	4,808,464
Fund Balances:				
Reserved -				
Prepaid and inventories	35,683	-	10,114	45,797
Unreserved:				
Designated -				
Debt service	-	-	1,256,265	1,256,265
Undesignated, reported in:				
General Fund	1,794,310	-	-	1,794,310
Special Revenue Funds	-	-	313,402	313,402
Capital Projects Funds	-	788,626	-	788,626
Total Fund Balances	1,829,993	788,626	1,579,781	4,198,400
Total Liabilities and Fund Balances	\$ 6,235,936	\$ 974,231	\$ 1,796,697	\$ 9,006,864

See accompanying notes to financial statements.

Vicksburg Community Schools

Governmental Funds

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

June 30, 2009

Total Fund Balances - Total Governmental Funds (from Page 14) **\$ 4,198,400**

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

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

These assets consist of:

Capital assets, at cost	\$ 40,851,384
Accumulated depreciation	<u>(14,603,485)</u>

Net capital assets **26,247,899**

Other long-term assets are not available to pay for current
period expenditures and therefore are not reported in the funds.

These assets consist of -

Bond issuance costs, net	374,998
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Long-term liabilities, including bonds payable, are not due and
payable in the current period and therefore are not reported
in the funds.

Balances are as follows:

Bonds payable	(19,037,365)
Accrued interest on capital appreciation bonds	(7,363,778)
Compensated absences	<u>(91,576)</u>

Total long-term liabilities **(26,492,719)**

Accrued interest payable on long-term debt **(221,366)**

Net Assets of Governmental Activities **\$ 4,107,212**

See accompanying notes to financial statements.

Vicksburg Community Schools

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

<i>Year ended June 30, 2009</i>	<i>General Fund</i>	<i>Building and Site Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues:				
Local sources	\$1,972,070	\$ 917,812	\$ 3,086,443	\$ 5,976,325
State sources	17,043,659	-	61,671	17,105,330
Federal sources	1,365,665	-	387,131	1,752,796
Other	1,067,570	-	-	1,067,570
Total Revenues	21,448,964	917,812	3,535,245	25,902,021
Expenditures:				
Instruction	12,492,706	-	-	12,492,706
Supporting services	8,585,837	-	-	8,585,837
Community services	280,115	-	-	280,115
Payments to other governmental units	145,579	-	-	145,579
Food service activities	-	-	991,062	991,062
Athletics activities	-	-	571,236	571,236
Auditorium activities	-	-	26,033	26,033
Debt retirement:				
Redemption of principal	-	-	1,759,884	1,759,884
Interest and fiscal charges	31,378	-	907,731	939,109
Capital projects	-	392,160	-	392,160
Total Expenditures	21,535,615	392,160	4,255,946	26,183,721
Excess (Deficiency) of Revenues over Expenditures	(86,651)	525,652	(720,701)	(281,700)
Other Financing Sources (Uses):				
Transfers in	-	161,741	625,562	787,303
Transfers out	(765,562)	-	(21,741)	(787,303)
Total Other Financing Sources (Uses)	(765,562)	161,741	603,821	-
Change in Fund Balances	(852,213)	687,393	(116,880)	(281,700)
Fund Balances, beginning of year	2,682,206	101,233	1,696,661	4,480,100
Fund Balances, end of year	\$1,829,993	\$ 788,626	\$ 1,579,781	\$ 4,198,400

See accompanying notes to financial statements.

Vicksburg Community Schools

Statement of Revenues, Expenditures, Other Financing Uses, and Changes in Fund Balance – Budget and Actual – General Fund

<i>Year ended June 30, 2009</i>	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:				
Local sources	\$ 1,990,000	\$ 1,966,150	\$ 1,972,070	\$ 5,920
State sources	18,270,000	18,019,603	17,043,659	(975,944)
Federal sources	288,000	499,541	1,365,665	866,124
Other	1,135,000	1,093,396	1,067,570	(25,826)
Total Revenues	21,683,000	21,578,690	21,448,964	(129,726)
Expenditures:				
Instruction:				
Basic programs	10,177,402	10,303,274	10,196,578	106,696
Added needs	2,279,895	2,249,858	2,199,772	50,086
Adult and continuing education	110,206	100,263	96,356	3,907
Total instruction	12,567,503	12,653,395	12,492,706	160,689
Support services:				
Pupil services	1,234,514	1,227,594	1,222,240	5,354
Instructional staff	816,077	851,372	766,452	84,920
General administration	507,199	504,721	528,469	(23,748)
School administration	1,342,687	1,353,905	1,338,008	15,897
Business services	448,325	435,272	468,456	(33,184)
Operations and maintenance	2,207,813	2,272,845	2,189,947	82,898
Transportation	1,565,708	1,565,231	1,557,370	7,861
Central services	441,465	525,458	514,895	10,563
Total support services	8,563,788	8,736,398	8,585,837	150,561
Community services	265,065	291,361	280,115	11,246
Payments to other governmental units	92,000	114,040	145,579	(31,539)
Debt service - Interest and other	-	34,950	31,378	3,572
Total Expenditures	21,488,356	21,830,144	21,535,615	294,529
Other Financing Uses - Transfers out	(782,287)	(765,562)	(765,562)	-
Change in Fund Balance	(587,643)	(1,017,016)	(852,213)	164,803
Fund Balance, beginning of year	2,682,206	2,682,206	2,682,206	-
Fund Balance, end of year	\$ 2,094,563	\$ 1,665,190	\$ 1,829,993	\$ 164,803

See accompanying notes to financial statements.

Vicksburg Community Schools

Statement of Fiduciary Assets and Liabilities Fiduciary Fund

	<i>Student Activities Agency Fund</i>
<i>June 30, 2009</i>	
<hr/>	
Assets -	
Cash and investments (Note 3)	\$ 325,339
<hr/>	
Liabilities -	
Due to student groups	\$ 325,339
<hr/>	

See accompanying notes to financial statements.

Vicksburg Community Schools

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

The criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public service, and special financing relationships. On this basis, the following entity has been included in this report.

The Vicksburg Community Schools Foundation (the Foundation) is a legally separate, tax-exempt component unit of Vicksburg Community Schools. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. The 18-member board of the Foundation is self-perpetuating and consists of district officials and friends of the District. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. The Foundation's financial statements have been prepared on the cash basis of accounting. Donations, contributions, and pledges are recognized as revenue when received and expenditures are recognized when paid.

During the year ended June 30, 2009, the Foundation distributed \$12,765 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Administrative Office at 301 South Kalamazoo Avenue, Vicksburg, Michigan 49097.

Vicksburg Community Schools

Notes to Financial Statements (Continued)

Basis of Presentation

District-wide financial statements: The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements. The District-wide financial statements categorize activities as either governmental or business-type. All of the District's activities are classified as governmental.

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

Fund financial statements: The fund financial statements provide information about the District's funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the District-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

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

Governmental Funds

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

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

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

Debt Service Funds: Debt Retirement Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Vicksburg Community Schools

Notes to Financial Statements (Continued)

Capital Projects Funds: Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities.

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

Measurement Focus and Basis of Accounting

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available if they are collected within the current period or soon enough after to pay liabilities for the current period. The District considers revenues available if 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, are recorded only when payment is due.

Assets, Liabilities, and Net Assets

Cash and Investments – Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of three months or less. Investments are stated at fair value. To the extent that cash from various funds has been pooled in a single investment account, the related investment income is generally allocated to each fund based on relative participation in the account.

Inventories – Inventories are stated at cost using the first-in, first-out method, except USDA donated commodities, which are recorded at fair market value. Inventories consist primarily of food, cafeteria supplies, teaching, and maintenance supplies. Governmental fund inventories are reported as assets until consumed, at which time an expenditure is recorded.

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

Vicksburg Community Schools

Notes to Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets useful lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

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

Buildings and improvements	10 – 40 Years
Furniture and equipment	5 – 20 Years
Buses	10 – 15 Years

Other Assets - Bond sale costs, premiums, and discounts are deferred and amortized over the life of the related bonds in the District-wide financial statements.

Compensated Absences - District employees are granted vacation and sick leave in varying amounts based on length of service. Sick leave is accumulated at different rates for various categories of employees. Unused sick leave accumulates from year-to-year to a maximum that varies for different categories of employees. Unused sick leave is not paid to employees upon termination. Vacation days are paid to employees for unused days up to twice their yearly allowance at the time of severance from employment.

Long-Term Debt - In the District-wide financial statements, long-term debt, and other long-term liabilities are reported as liabilities under the accrual basis of accounting.

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

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

Restricted resources are used to fund appropriations only after the unrestricted resources are depleted.

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

Vicksburg Community Schools

Notes to Financial Statements (Continued)

Interfund Activity - Outstanding balances between funds are reported as due from/to other funds at year-end.

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

2. Stewardship, Compliance, and Accountability

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and all Special Revenue Funds. All annual appropriations lapse at year-end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year.

During the year ended June 30, 2009, the District incurred expenditures, which were in excess of the amounts budgeted as follows:

	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
Athletics	\$ 492,300	\$ 512,545	\$ (20,245)
1991 Debt Service	\$ 1,940,186	\$ 1,954,661	\$ (14,475)
2000 Debt Service	\$ 277,250	\$ 280,675	\$ (3,425)
2007 Energy Conservation Improvement	\$ 2,194,523	\$ 2,205,343	\$ (10,820)

The fund balance was sufficient to cover the excess expenditures.

3. Cash and Investments

Deposits

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

Vicksburg Community Schools

Notes to Financial Statements (Continued)

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for mitigating custodial credit risk. At June 30, 2009, the District's bank balances were \$5,595,897, of which \$1,202 was uninsured and uncollateralized.

The Federal Deposit Insurance Corporation (FDIC) general deposit insurance rules provide \$250,000 of insurance per account. National City participates in the FDIC's Transaction Account Guarantee Program. Under that program, through June 30 2010, all "negotiable order of withdrawal" or NOW accounts, with interest rates no higher than 0.50%, are fully guaranteed by the FDIC for the entire amount of the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

Credit Risk

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

State statutes authorize the District to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, bankers acceptances, and certificates of deposit issued or created by any state or national bank insured with the applicable federal agency, investment pools authorized by the Surplus Funds Investment Pool Act and mutual funds composed entirely of the above investments.

The District had no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. At June 30, 2009, none of the District's investments were subject to concentration of credit risk.

Vicksburg Community Schools

Notes to Financial Statements (Continued)

4. Interfund Transactions

Interfund receivables and payables at June 30, 2009, are as follows:

	<i>Interfund Receivable</i>	<i>Interfund Payable</i>
General Fund	\$ 185,774	\$ 496,259
Building and Site Fund	11,741	2,977
Nonmajor Governmental Funds	506,259	204,538
	<u>\$ 703,774</u>	<u>\$ 703,774</u>

Interfund transfers as of June 30, 2009, were as follows:

	<i>Transfer In</i>	<i>Transfer Out</i>
General Fund	\$ -	\$ 765,562
Building and Site Fund	161,741	-
Nonmajor Governmental Funds	625,562	21,741
	<u>\$ 787,303</u>	<u>\$ 787,303</u>

5. Capital Assets

The following summarizes capital asset activity for the year ended June 30, 2009.

	<i>Balance July 1, 2008</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance, June 30, 2009</i>
Governmental Activities:				
Capital assets not depreciated - Land	\$ 147,402	\$ -	\$ -	\$ 147,402
Capital assets being depreciated:				
Buildings and improvements	34,275,831	89,131	-	34,364,962
Furniture and equipment	4,355,915	23,376	9,370	4,369,921
Buses	1,734,202	234,897	-	1,969,099
Totals at historical cost	<u>40,513,350</u>	<u>347,404</u>	<u>9,370</u>	<u>40,851,384</u>
Less accumulated depreciation:				
Buildings and improvements	10,628,390	811,505	-	11,439,895
Furniture and equipment	1,761,022	182,780	7,496	1,936,306
Buses	1,096,730	130,554	-	1,227,284
Total accumulated depreciation	<u>13,486,142</u>	<u>1,124,839</u>	<u>7,496</u>	<u>14,603,485</u>
Net Capital Assets	<u>\$27,027,208</u>	<u>\$ (777,435)</u>	<u>\$ 1,874</u>	<u>\$ 26,247,899</u>

Vicksburg Community Schools

Notes to Financial Statements (Continued)

Depreciation for the year ended June 30, 2009, was \$1,124,839. The District determined it was impractical to allocate depreciation to various governmental activities as the assets serve multiple functions.

6. Long-Term Debt

The following is a summary of changes in long-term debt for the District for the year ended June 30, 2009:

	<i>Balance, July 1, 2008</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance, June 30, 2009</i>	<i>Due Within One Year</i>
Bonds payable	\$20,618,329	\$ -	\$ (1,743,020)	\$ 18,875,309	\$ 1,720,292
Durant non-plaintiff bond	178,920	-	(16,864)	162,056	103,851
Compensated absences	102,795	-	(11,219)	91,576	-
Accrued interest on capital appreciation bonds	6,888,940	716,818	(241,980)	7,363,778	409,708
Other	51,246	-	(51,246)	-	-
	\$27,840,230	\$ 716,818	\$ (2,064,329)	\$ 26,492,719	\$ 2,233,851

Bonds payable at June 30, 2009, are comprised of the following individual issues:

2007 General Obligation - Limited Tax Bonds due in annual installments of \$35,000 to \$250,000 plus interest, through May 2025; interest at 4.00% to 4.25%.	\$ 2,130,000
2005 General Obligation - Limited Tax Bonds due in annual installments of \$160,000 to \$250,000 plus interest, through May 2021; interest at 3.50% to 3.75%.	2,400,000
2003 Refunding Bonds due in annual installments of \$425,000 to \$1,095,000 plus interest, through May 2020; interest at 2.0% to 5.0%.	9,250,000
2000 Facility Improvement Bonds due in annual installments of \$125,000 to \$190,000 plus interest, through May 2012; interest at 5.0%.	475,000
1993 Capital Appreciation Bonds due in annual installments of \$650,000 to \$2,700,000, including interest, through May 2020; interest at 5.35% to 6.10%.	4,620,309
	\$ 18,875,309

Vicksburg Community Schools

Notes to Financial Statements (Continued)

The Durant Non-Plaintiff Bond consists of a \$162,056 School Improvement Bond, Series 1998, with interest at 4.76%; final payment due May 15, 2013.

This bond, including interest, was issued in anticipation of payment to the District as appropriated and to be appropriated by the state of Michigan under Section 11g(3) of Act 94 (State Aid payments). The District has pledged and assigned to the bondholder all rights to these State Aid payments as security for this bond.

This bond is a self-liquidating bond, is not a general obligation of the District, and does not constitute an indebtedness of the District within any constitutional or statutory limitations. This bond is payable both as principal and interest solely from the State Aid payments described in the preceding paragraph and is recorded as a liability of the District as required by the state of Michigan. The state of Michigan ceased State Aid payments seven years ago and, therefore, the District has not made any principal or interest payments since that time. These bonds have a schedule of repayment but no repayment is required until funds are provided by the state of Michigan.

The 1993 bond issue consisted of capital appreciation bonds. The bonds appreciate in value over time to \$21,850,000. The bonds mature annually through 2020. Interest accrues on these bonds semi-annually in November and May, even though the interest is not paid until maturity.

Debt Service Requirements

The annual requirements to service the bonds and notes outstanding to maturity including both principal and interest are as follows:

Bonds:

<i>Year ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2010	\$ 1,824,143	\$ 1,040,109	\$ 2,864,252
2011	1,759,979	1,056,884	2,816,863
2012	1,773,860	1,120,304	2,894,164
2013	1,793,429	1,206,034	2,999,463
2014	1,649,750	1,410,367	3,060,117
2015-2019	7,567,279	9,067,574	16,634,853
2020-2024	2,418,925	2,398,507	4,817,432
2025-2029	250,000	10,625	260,625
	<u>\$ 19,037,365</u>	<u>\$ 17,310,404</u>	<u>\$ 36,347,769</u>

Vicksburg Community Schools

Notes to Financial Statements (Continued)

7. Employee Retirement System – Defined Benefit Plan

Plan Description

The District contributed to the statewide Michigan Public School Employees' Retirement System (MPSERS), a cost sharing, multiple-employer defined benefit pension plan administered by the nine-member board of the MPSERS. The MPSERS provides retirement benefits and postretirement benefits for health, dental, and vision. The MPSERS was established by Public Act of 136 of 1945 and currently operates under the provision of Public Act 300 of 1980, as amended. The MPSERS issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by contacting the Michigan Public Schools Employees' Retirement System, P.O. Box 30026, Lansing, Michigan 48909.

Funding Policy

Basic plan members make no contributions. Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990, contribute a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later and returning members who did not work between January 1, 1987, and December 31, 1989, contribute at the following graduated permanently fixed contribution rates: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rates for the year ended June 30, 2009, were 16.72% from July 1, 2008, through September 30, 2008, and 16.54% from October 1, 2008, through June 30, 2009. The contribution requirements of plan members and the District are established and may be amended by the MPSERS Board of Trustees. The District's contributions to MPSERS for the current and two preceding years were as follows:

<i>Year ended June 30,</i>	<i>Employer Contribution</i>
2009	\$ 2,187,934
2008	\$ 2,236,174
2007	\$ 2,375,713
2006	\$ 2,185,464

Vicksburg Community Schools

Notes to Financial statements (Concluded)

During the fiscal year ended June 30, 2007, the state of Michigan chose to revalue the assets of the MPERS as part of Public Act 6 of 2007, to help avoid a late-year cut to school funding. The revaluation resulted in a lower effective retirement rate for the year, as the District received a credit from MPERS in the amount of \$376,398. The District's contribution amount for the year ended June 30, 2007, in the preceding chart reflects the reduction in retirement expenditures as a result of the credit.

Other Post Employment Benefits

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

8. Risk Management and Benefits

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees, and natural disasters. The District does not consider the cost of general liability insurance to be economically justifiable, and participates in the MASB SET/SEG Risk Sharing Pool for liability, auto, property damage, errors and omissions, and workers' compensation insurance risks. The District pays an annual premium to the pool for its general insurance coverage. The pooling agreement provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. There have been no such assessments in any of the past three fiscal years. It is not possible to estimate the amount of possible future assessments. The MASB SET/SEG has published its own financial report for the year ended June 30, 2009, which can be obtained from the Controller, MASB SET/SEG, 415 West Kalamazoo, Lansing, Michigan 48933.

The District joined the West Michigan Health Insurance Pool to provide health benefits to approximately 30 non-bargaining staff members. The West Michigan Health Insurance Pool is a self insurance program with 29 districts pooling together to insure various groups of employees for health insurance including medical coverage, of which hospitalization is a component, and a prescription drug coverage. The pool pays the first \$100,000 of claims for each participant. These claims are paid out of a loss fund collected from member districts. Excess insurance has been purchased to cover individual and aggregate claims.

Vicksburg Community Schools

Nonmajor Governmental Funds Combining Balance Sheet

<i>June 30, 2009</i>	<i>Special Revenue Funds</i>			<i>Debt Service Funds</i>				<i>Capital Projects Funds</i>	<i>Total</i>
	<i>Food Service</i>	<i>Athletics</i>	<i>Auditor- ium</i>	<i>1991 Debt</i>	<i>2000 Debt</i>	<i>2005 Debt</i>	<i>2007 Debt</i>	<i>2007 Energy Conservation Improvement</i>	
Assets:									
Cash and investments	\$ 246,583	\$ 46,780	\$ 37,359	\$ 224,654	\$ 228,633	\$ 484,277	\$ -	\$ 11,741	\$ 1,280,027
Accounts receivable	-	297	-	-	-	-	-	-	297
Due from other funds	187,558	-	-	133,309	25,392	160,000	-	-	506,259
Inventories	10,114	-	-	-	-	-	-	-	10,114
Total Assets	\$ 444,255	\$ 47,077	\$ 37,359	\$ 357,963	\$ 254,025	\$ 644,277	\$ -	\$ 11,741	\$ 1,796,697
Liabilities and Fund Balances									
Liabilities:									
Due to other funds	\$ 163,977	\$ 28,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,741	\$ 204,538
Deferred revenue	12,378	-	-	-	-	-	-	-	12,378
Total Liabilities	176,355	28,820	-	-	-	-	-	11,741	216,916
Fund Balances:									
Reserved -									
Inventories	10,114	-	-	-	-	-	-	-	10,114
Unreserved:									
Designated for debt service	-	-	-	357,963	254,025	644,277	-	-	1,256,265
Undesignated	257,786	18,257	37,359	-	-	-	-	-	313,402
Total Fund Balances	267,900	18,257	37,359	357,963	254,025	644,277	-	-	1,579,781
Total Liabilities and Fund Balances	\$ 444,255	\$ 47,077	\$ 37,359	\$ 357,963	\$ 254,025	\$ 644,277	\$ -	\$ 11,741	\$ 1,796,697

Vicksburg Community Schools

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

Year ended June 30, 2009	Special Revenue Funds			Debt Service Funds				Capital Projects Funds	Total
	Food Service	Athletics	Auditor- ium	1991 Debt	2000 Debt	2005 Debt	2007 Debt	2007 Energy Conservation Improvement	
Revenues:									
Local sources:									
Property taxes	\$ -	\$ -	\$ -	\$1,898,423	\$361,584	\$ 6,871	\$ -	\$ -	\$ 2,266,878
Food sales	546,373	-	-	-	-	-	-	-	546,373
Admissions	-	103,688	3,272	-	-	-	-	-	106,960
Other	3,964	112,149	14,596	10,942	4,183	20,000	-	398	166,232
State sources	40,392	-	-	21,279	-	-	-	-	61,671
Federal sources	387,131	-	-	-	-	-	-	-	387,131
Total Revenues	977,860	215,837	17,868	1,930,644	365,767	26,871	-	398	3,535,245
Other Financing Sources -									
Transfers from other funds	-	350,000	-	-	-	160,000	115,562	-	625,562
Total Revenues and Other Financing Sources	977,860	565,837	17,868	1,930,644	365,767	186,871	115,562	398	4,160,807
Expenditures:									
Food service activities	991,062	-	-	-	-	-	-	-	991,062
Athletic activities	-	571,236	-	-	-	-	-	-	571,236
Auditorium activities	-	-	26,033	-	-	-	-	-	26,033
Principal payments on debt	-	-	-	1,374,884	210,000	150,000	25,000	-	1,759,884
Interest payments on debt	-	-	-	679,832	34,250	98,160	90,562	-	902,804
Other expenditures	-	-	-	3,576	842	509	-	-	4,927
Total Expenditures	991,062	571,236	26,033	2,058,292	245,092	248,669	115,562	-	4,255,946
Other Financing Use -									
Transfers to other funds	-	10,000	-	-	-	-	-	11,741	21,741
Total Expenditures and Other Financing Use	991,062	581,236	26,033	2,058,292	245,092	248,669	115,562	11,741	4,277,687
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Use									
	(13,202)	(15,399)	(8,165)	(127,648)	120,675	(61,798)	-	(11,343)	(116,880)
Find Balances,									
beginning of year	281,102	33,656	45,524	485,611	133,350	706,075	-	11,343	1,696,661
Fund Balances, end of year	\$267,900	\$18,257	\$37,359	\$ 357,963	\$254,025	\$644,277	\$ -	\$ -	\$ 1,579,781

Vicksburg Community Schools

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

	<i>Balance, July 1, 2008</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance, June 30, 2009</i>
Assets -				
Cash and investments	\$ 424,004	\$ 787,548	\$ 886,213	\$ 325,339
Liabilities -				
Due to student groups	\$ 424,004	\$ 787,548	\$ 886,213	\$ 325,339

	<i>1993 Capital Appreciation Bonds</i>		<i>Durant Non-Plaintiff 1998 School Improvement Bonds</i>		<i>2000 Facility Improvement Bonds</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2010	\$ 240,292	\$ 409,708	\$ 103,851	\$ 39,118	\$ 190,000	\$ 23,750
2011	276,472	523,528	18,507	2,772	160,000	14,250
2012	309,472	640,528	19,388	1,890	125,000	6,250
2013	353,119	796,881	20,310	967	-	-
2014	429,750	1,070,250	-	-	-	-
2015	458,864	1,241,136	-	-	-	-
2016	483,170	1,416,830	-	-	-	-
2017	497,322	1,602,678	-	-	-	-
2018	512,923	1,787,077	-	-	-	-
2019	525,000	1,975,000	-	-	-	-
2020	533,925	2,166,075	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
	\$ 4,620,309	\$ 13,629,691	\$ 162,056	\$ 44,747	\$ 475,000	\$ 44,250

Vicksburg Community Schools

Schedule of Bonded Indebtedness

<i>2003 Refunding Bonds</i>		<i>2005 General Obligation</i>		<i>2007 General Obligation</i>		<i>Total</i>	
<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
\$ 1,095,000	\$ 385,436	\$ 160,000	\$ 92,535	\$ 35,000	\$ 89,562	\$ 1,824,143	\$ 1,040,109
1,100,000	341,636	165,000	86,535	40,000	88,163	1,759,979	1,056,884
1,100,000	304,786	170,000	80,348	50,000	86,502	1,773,860	1,120,304
1,160,000	249,786	180,000	73,973	80,000	84,427	1,793,429	1,206,034
945,000	191,786	185,000	67,223	90,000	81,108	1,649,750	1,410,367
860,000	156,822	190,000	60,285	100,000	77,372	1,608,864	1,535,615
770,000	123,712	200,000	53,160	110,000	73,223	1,563,170	1,666,925
685,000	92,912	210,000	45,460	120,000	68,657	1,512,322	1,809,707
600,000	65,169	220,000	37,375	135,000	63,678	1,467,923	1,953,299
510,000	40,268	230,000	28,685	150,000	58,075	1,415,000	2,102,028
425,000	18,594	240,000	19,600	160,000	51,850	1,358,925	2,256,119
-	-	250,000	10,000	175,000	45,050	425,000	55,050
-	-	-	-	195,000	37,613	195,000	37,613
-	-	-	-	210,000	29,325	210,000	29,325
-	-	-	-	230,000	20,400	230,000	20,400
-	-	-	-	250,000	10,625	250,000	10,625
\$ 9,250,000	\$ 1,970,907	\$ 2,400,000	\$ 655,179	\$ 2,130,000	\$ 965,630	\$ 19,037,365	\$ 17,310,404