

**DICKINSON-IRON INTERMEDIATE**  
**SCHOOL DISTRICT**

**REPORT ON FINANCIAL STATEMENTS**  
**(with additional information)**

For the Year Ended June 30, 2009

**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

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**ANDERSON, TACKMAN & COMPANY, P.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

*A Regional Firm with Offices in Michigan and Wisconsin*

Principals - Iron Mountain:  
David J. Johnson, CPA  
Shane M. Ellison, CPA

Member of:  
Private Companies Practice Section  
American Institute of Certified  
Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Dickinson-Iron Intermediate School District  
Kingsford, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dickinson-Iron Intermediate School District ("District") as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's Board of Education and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the District's Board of Education and 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 the Dickinson-Iron Intermediate School District as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, 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 our report dated September 30, 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 grants 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.

The Management's Discussion and Analysis and the required supplemental information identified in the table of contents are 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 supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards and schedule of federal financial awards provided to sub recipients are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



ANDERSON, TACKMAN & COMPANY, PLC  
Certified Public Accountants

Iron Mountain, Michigan  
September 30, 2009

Dickinson-Iron Intermediate School District  
Management Discussion and Analysis  
(Unaudited)  
For the Fiscal Year Ended June 30, 2009

Dickinson-Iron Intermediate School District's Management Discussion and Analysis is intended to assist the reader to focus on significant financial issues, provide an overview of the District's financial activity, and identify changes in the District's financial position including its ability to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ending June 30, 2009.

***Management's Discussion and Analysis (MD&A)***  
(Required Supplemental Information)

Basic Financial Statements

***District-Wide Financial Statements***

***Fund Financial Statements***

Notes to the Basic Financial Statements

***(Required Supplemental Information)***  
(other than MD&A expanded)

As mentioned, GASB 34 requires the presentation of two basic types of financial statements: District-Wide Financial Statements and Fund Financial Statements.

**District-Wide Financial Statements**

The District-Wide Financial Statements provide a perspective of the District as a whole. These financial statements use the full accrual basis of accounting similar to private sector companies. There are two District-Wide Financial Statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets combines and consolidates governmental funds: current financial resources (short-term available resources) with capital assets and long-term obligations, regardless of their current availability.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various District services.

Dickinson-Iron Intermediate School District  
Management Discussion and Analysis  
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For the Fiscal Year Ended June 30, 2009

**Fund Financial Statements**

The Fund Financial Statements are similar to financial presentations of years past, but the new focus is on the District's Major Funds rather than fund types as in the past. The two Account Groups: General Fixed Assets and General Long-Term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounts. Under this basis of accounting, revenues are recorded when received, except when they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period those goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures in the current year, and future debt obligations are not recorded.

Fund types include the General Fund, Special Education Fund, Technical Education Fund, Early Childhood Fund, Debt Retirement Fund, and Capital Projects Fund. The General Fund, Special Education Fund, and Technical Education Fund are used primarily to account for the general education requirements of the District. Its revenues are derived from property taxes, state and federal distributions and grants, and other intergovernmental revenues. The Debt Retirement Fund is used to record the funding and payment of principal and interest on bonded debt. The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities.

Dickinson-Iron Intermediate School District  
Management Discussion and Analysis  
(Unaudited)  
For the Fiscal Year Ended June 30, 2009

**Financial Analysis of the District as a Whole**

Summary of Net Assets

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
<b>Assets:</b>		
Current assets	\$ 3,880,535	\$ 3,309,704
Net capital assets	<u>2,597,692</u>	<u>2,649,868</u>
<b>Total assets</b>	<u>6,478,227</u>	<u>5,959,572</u>
<b>Liabilities:</b>		
Current liabilities	806,937	634,041
Long term liabilities	<u>186,750</u>	<u>199,981</u>
<b>Total liabilities</b>	<u>993,687</u>	<u>834,022</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	2,486,709	2,388,148
Unrestricted	<u>2,997,831</u>	<u>2,737,402</u>
<b>Total net assets</b>	<u>5,484,540</u>	<u>5,125,550</u>
<b>Total Net Assets and Liabilities</b>	<u>\$ 6,478,227</u>	<u>\$ 5,959,572</u>

The School District's net assets totaled \$5,484,540 at June 30, 2009, compared to \$5,125,550 at June 30, 2008. Total net assets can be separated into two categories: invested in capital assets, net of related debt and unrestricted assets.

Net capital assets are a combination of funds available for capital assets less accumulated depreciation and related debt. The original cost of capital assets was \$4,686,060 at June 30, 2009, and \$4,681,644 at June 30, 2008. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation expense is recorded on the original cost of the asset, less any estimated salvage value, expensed over the estimated use life of the assets. Total accumulated depreciation was \$2,088,368 at June 30, 2009, and \$2,031,776 at June 30, 2008. Total debt related to capital assets was \$110,983 at June 30, 2009, and \$261,720 at June 30, 2008.

Dickinson-Iron Intermediate School District  
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The remaining balance in unrestricted assets represents an excess balance of \$2,997,831 at June 30, 2009, and \$2,737,402 at June 30, 2008.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities. A summary of the District-Wide results of operations for the years ended June 30, 2009 and June 30, 2008 is as follows:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Program revenue		
Charges for services - local	\$ 633,011	\$ 687,717
Operating grants - federal, state, and local	<u>3,799,556</u>	<u>3,664,811</u>
Total program revenue	<u>4,432,567</u>	<u>4,352,528</u>
General revenue		
Property taxes levied for general operations	2,871,395	2,718,571
State of Michigan aid, unrestricted	2,924,191	1,959,204
Other-federal, state, and local	<u>690,005</u>	<u>714,366</u>
Total general revenue	<u>6,485,591</u>	<u>5,392,141</u>
Total revenue	<u>10,918,158</u>	<u>9,744,669</u>
Expenses		
Instruction	4,777,696	4,918,864
Support services	5,638,212	4,764,252
Interest on long term debt	58,247	7,438
Depreciation (unallocated)	<u>85,013</u>	<u>88,676</u>
Total expenses	<u>10,559,168</u>	<u>9,779,230</u>
Increase (Decrease) in net assets	358,990	(34,561)
Net Assets July 1	<u>5,125,550</u>	<u>5,160,111</u>
Net Assets June 30	<u>\$ 5,484,540</u>	<u>\$ 5,125,550</u>

Dickinson-Iron Intermediate School District  
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For the Fiscal Year Ended June 30, 2009

**GOVERNMENTAL FUNDS FINANCIAL HIGHLIGHTS**

The overall condition of the governmental funds have increased in expenditures and increased in revenue from June 30, 2009 compared to June 30, 2008. The major reason is an increase in grants and state aid.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, before student enrollment counts are known. Therefore, it is expected that there will be changes between the initial budget and subsequent budgets, as actual enrollments are known. The most significant fund budgeted is the General Fund, Special Education Fund, Technical Education Fund, and Early Childhood Fund. All the fund's operating budgets were amended each month during the fiscal year.

**General Fund Operations**

In the General Fund operations, the actual revenue for fiscal year June 30, 2009 was \$2,702,314. This is above the original budget of \$1,796,724 and below the final budget of \$2,722,046 - a variance of .7%. The actual expenditures of the general fund for fiscal year June 30, 2009 operations were \$2,521,289. This is above the original budget of \$1,803,541 and above the final budget of \$2,244,083 - a variance of 12.4%.

**Variance Explanations from the Original Budget to Final Budget**

**Revenue:** The major difference from our original budget to the final budget was increases in the property taxes and new or increased Federal and State grants.

**Variance Explanations from the Final Budget to Actual**

**Revenue:** The variance of final budget to actual budget in the General Fund was due to accounts payable for grants.

Dickinson-Iron Intermediate School District  
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For the Fiscal Year Ended June 30, 2009

**Other Fund Variances**

The variances between the actual revenues and the original and final revenue budgets are due primarily to the following:

- Property tax increases as well as State Aid adjustments. MedBill (PCG) changed its funding method.
- HeadStart playground revenue

The variances between the actual expenditures and the original and final expenditure budgets are due primarily to the following:

- Employee salary contract settlements and benefit adjustments
- Changes in staffing
- MedBill (PCG) funding method
- HeadStart playground expense

Dickinson-Iron Intermediate School District  
Management Discussion and Analysis  
(Unaudited)  
For the Fiscal Year Ended June 30, 2009

**GOVERNMENTAL FUND EXPENDITURES**

Below is a summary of the governmental fund expenditures and their percentages as they relate to total governmental funds:

	Expenditures June 30, 2009	Percentage	Expenditures June 30, 2008	Percentage
General Fund	\$ 2,411,694	22.78%	\$ 1,783,157	18.34%
Special Education	4,664,284	44.06%	4,502,309	46.30%
Technical Education	1,837,939	17.36%	1,862,453	19.15%
Early Childhood	1,407,876	13.30%	1,348,019	13.86%
Other Funds	263,435	2.49%	228,468	2.35%
<b>Total Expenditures</b>	<b>\$ 10,585,228</b>	<b>100.00%</b>	<b>\$ 9,724,406</b>	<b>100.00%</b>

**TOTAL REVENUES**

Below is a summary of the governmental fund revenues and their percentages as they relate to governmental funds.

	Total Revenue June 30, 2009	Percentage	Total Revenue June 30, 2008	Percentage
State of Michigan Aid unrestricted	\$ 2,924,191	26.79%	\$ 1,959,204	20.11%
Prop taxes general operation	2,871,395	26.30%	2,718,571	27.90%
Operating grants federal state local	3,799,556	34.80%	3,664,811	37.61%
Charges for services - local	633,011	5.80%	687,717	7.06%
Other federal state local	690,005	6.31%	714,366	7.32%
<b>Total Revenues</b>	<b>\$ 10,918,158</b>	<b>100.00%</b>	<b>\$ 9,744,669</b>	<b>100.00%</b>

Dickinson-Iron Intermediate School District  
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For the Fiscal Year Ended June 30, 2009

**Unrestricted State Aid**

Special Education is predominately funded by State Aid based on a blended count formula that the State of Michigan utilizes. General Fund receives unrestricted Section 81 monies for general operations.

**Property Taxes**

The District levies 2.1388 mills of property taxes on all Non-Homestead property located within the District for operations. The levy is assessed on the taxable value of the property. The increase in taxable value is limited to the lesser of the inflation rate of the prior year or 5%. When a property is sold, the taxable valuation of the sold property is readjusted to the State Equalized Value, which is approximately 50% of market value.

**Operating Grants Federal, State, and Local**

The District is heavily dependent upon Grant funding. Below are some of the major grants and their funding sources:

- |          |  |
|----------|--|
| State:   | Great Parents Great Start, Math & Science, MASS, Math Remediation 99A, Great Start Collaborative, and Great Start Readiness.         |
| Federal: | Early On, Math Science Partnership, MMSTLC, Transition, Flow-Through, Pre-School, State Initiated, Perkins, Tech Prep, and HeadStart |
| Local:   | Reading First  |

**ENROLLMENT**

Special Education is the only fund that receives State Aid based on student enrollment. The enrollment has remained steady.

Dickinson-Iron Intermediate School District  
Management Discussion and Analysis  
(Unaudited)  
For the Fiscal Year Ended June 30, 2009

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year 2009, the District had \$4,686,060 invested in land and building, furniture and equipment, vehicles and buses compared to \$4,681,644 at June 30, 2008. Of this amount, \$2,088,368 and \$2,031,776 has been depreciated at June 30, 2009 and June 30, 2008 respectively. Net book value totaled \$2,597,692 at June 30, 2009, and \$2,649,868 at June 30, 2008. The District maintains a \$5,000 threshold for capitalization of assets.

**Outstanding Debt at Year End**

As of June 30, 2009 the District had \$110,983 in bonds outstanding for the Durant Settlement, compared to \$261,720 at June 30, 2008. The District collects state funding equal to the payments on a yearly basis.

For more detailed information regarding capital assets and debt administration, please review the Notes to the Basic Financial Statements located in the financial section of this report.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This report is designed to give an overview of the financial conditions of the Dickinson-Iron Intermediate School District. For additional detailed financial information contact:

Wendy Warmuth  
Director of Business/Human Resource  
Dickinson-Iron Intermediate School District  
1074 Pyle Drive  
Kingsford, MI 49802  
Office Telephone (906) 779-2663  
Fax Telephone (906) 779-7713

**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

**STATEMENT OF NET ASSETS**

June 30, 2009

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Current assets:	
Cash and equivalents	\$ 2,555,530
Investments	500,000
Receivables:	
Taxes	64,788
Accounts	5,590
Due from other governments	<u>754,627</u>
Total current assets	<u>3,880,535</u>
Noncurrent assets:	
Capital assets	4,686,060
Accumulated depreciation	<u>(2,088,368)</u>
Total noncurrent assets	<u>2,597,692</u>
TOTAL ASSETS	<u>6,478,227</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	295,669
Due to other governments	68,068
Accrued interest	52,601
Deferred revenue	321,924
Early retirement	42,833
Bonds payable	<u>25,842</u>
Total current liabilities	<u>806,937</u>
Noncurrent liabilities:	
Early retirement and sick leave	101,609
Bonds payable	<u>85,141</u>
Total noncurrent liabilities	<u>186,750</u>
TOTAL LIABILITIES	<u>993,687</u>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	2,486,709
Unrestricted	<u>2,997,831</u>
TOTAL NET ASSETS	<u>\$ 5,484,540</u>

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



**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2009

	Program Revenue			Net (Expense) Revenue and Changes in Net Assets
	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>			<b>Primary Government</b>
<b>PRIMARY GOVERNMENT:</b>				<b>Governmental Activities</b>
Governmental Activities:				
Instruction	\$ 4,777,696	\$ 501,858	\$ -	\$ (476,282)
Support	5,638,212	131,153	-	(5,507,059)
Depreciation	85,013	-	-	(85,013)
Debt interest, fees and expenses	58,247	-	-	(58,247)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>10,559,168</b>	<b>633,011</b>	<b>3,799,556</b>	<b>(6,126,601)</b>
General revenues:				
Property taxes				\$ 2,871,395
State revenue sharing				2,924,191
Grants and contributions not restricted to specific programs				583,601
Unrestricted investment earnings				22,411
Other				83,993
<b>Total general revenues and transfers</b>				<b>6,485,591</b>
Changes in net assets				358,990
Net assets, beginning of year				5,125,550
Net assets, end of year				\$ 5,484,540

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

**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2009

	<u>General</u>	<u>Special Education</u>	<u>Technical Education</u>	<u>Early Childhood</u>
<b>ASSETS:</b>				
Cash and equivalents	\$ 957,094	\$ 239,042	\$ 509,911	\$ 1,309
Investments	-	-	-	-
Taxes receivable	5,078	29,855	29,855	-
Accounts receivable	5,590	-	-	-
Due from other governments	510,689	179,519	64,419	-
<b>TOTAL ASSETS</b>	<u>\$ 1,478,451</u>	<u>\$ 448,416</u>	<u>\$ 604,185</u>	<u>\$ 1,309</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 276,815	\$ 17,168	\$ 377	\$ 1,309
Due to other governments	-	68,068	-	-
Deferred revenue	321,924	-	-	-
<b>TOTAL LIABILITIES</b>	<u>598,739</u>	<u>85,236</u>	<u>377</u>	<u>1,309</u>
<b>FUND BALANCE AND OTHER CREDITS:</b>				
<b>Fund balances:</b>				
Unreserved-Designated	-	86,112	26,000	-
Unreserved-Undesignated	879,712	277,068	577,808	-
<b>TOTAL FUND BALANCE AND OTHER CREDITS</b>	<u>879,712</u>	<u>363,180</u>	<u>603,808</u>	<u>-</u>
<b>TOTAL LIABILITIES, FUND BALANCE AND OTHER</b>	<u>\$ 1,478,451</u>	<u>\$ 448,416</u>	<u>\$ 604,185</u>	<u>\$ 1,309</u>



**ANDERSON, TACKMAN  
& COMPANY, P.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

<u>ECE Building Capital Projects</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
\$ 1,969	\$ 569,796	\$ -	\$ 2,279,121
-	500,000	-	500,000
-	-	-	64,788
-	-	-	5,590
-	-	-	754,627
<u>\$ 1,969</u>	<u>\$ 1,069,796</u>	<u>\$ -</u>	<u>\$ 3,604,126</u>
\$ -	\$ -	\$ -	\$ 295,669
-	-	-	68,068
-	-	-	321,924
-	-	-	685,661
1,969	1,069,796	-	1,183,877
-	-	-	1,734,588
<u>1,969</u>	<u>1,069,796</u>	<u>-</u>	<u>2,918,465</u>
<u>\$ 1,969</u>	<u>\$ 1,069,796</u>	<u>\$ -</u>	<u>\$ 3,604,126</u>

**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

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

For the Year Ended June 30, 2009

Total fund balances for governmental funds \$ 2,918,465

Total net assets reported for governmental activities in the statement of net assets is different because:

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

Land and buildings	\$ 3,002,985	
Equipment	1,504,721	
Vehicles	<u>178,354</u>	
Total capital assets	4,686,060	
Accumulated depreciation	<u>(2,088,368)</u>	
Net capital assets		2,597,692

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets.

Accrued interest on long-term debt	\$ (52,601)	
Bonds payable	(110,983)	
Teachers early retirement	<u>(144,442)</u>	(308,026)
Internal service fund activity		<u>276,409</u>
Total net assets of governmental activities		<u>\$ 5,484,540</u>



**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2009

	<u>General</u>	<u>Special Education</u>	<u>Technical Education</u>	<u>Early Childhood</u>
<b>REVENUES:</b>				
Local Sources	\$ 624,698	\$ 2,169,078	\$ 1,686,644	\$ 14,354
State Sources	1,547,102	1,032,358	175,867	-
Federal Sources	485,014	1,425,170	76,386	1,451,022
<b>TOTAL REVENUES</b>	<u>2,656,814</u>	<u>4,626,606</u>	<u>1,938,897</u>	<u>1,465,376</u>
<b>EXPENDITURES:</b>				
Instruction:				
Current	365,338	2,311,253	867,812	603,553
Capital outlay	115	-	79,379	281
Supporting services:				
Current	2,022,682	2,014,085	695,576	801,541
Capital outlay	23,559	4,888	24,749	2,501
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,411,694</u>	<u>4,330,226</u>	<u>1,667,516</u>	<u>1,407,876</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>245,120</u>	<u>296,380</u>	<u>271,381</u>	<u>57,500</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	45,500	96,374	25,221	-
Payments to other governmental units	-	(306,509)	(170,423)	-
Other uses	-	(27,549)	-	-
Transfers out	(109,595)	-	(50,000)	(57,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(64,095)</u>	<u>(237,684)</u>	<u>(195,202)</u>	<u>(57,500)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	181,025	58,696	76,179	-
<b>FUND BALANCE, JULY 1</b>	<u>698,687</u>	<u>304,484</u>	<u>527,629</u>	<u>-</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 879,712</u>	<u>\$ 363,180</u>	<u>\$ 603,808</u>	<u>\$ -</u>

  
**ANDERSON, TACKMAN  
& COMPANY, P.L.C.**  
 CERTIFIED PUBLIC ACCOUNTANTS

ECE Building Capital Projects	Capital Projects	Debt Service	Total Governmental Funds
\$ 8	\$ 4,783	\$ -	\$ 4,499,565
-	-	209,132	2,964,459
-	-	-	3,437,592
<u>8</u>	<u>4,783</u>	<u>209,132</u>	<u>10,901,616</u>
-	-	-	4,147,956
-	-	-	79,775
-	-	-	-
-	-	-	5,533,884
6,473	47,830	-	110,000
-	-	209,132	209,132
<u>6,473</u>	<u>47,830</u>	<u>209,132</u>	<u>10,080,747</u>
<u>(6,465)</u>	<u>(43,047)</u>	<u>-</u>	<u>820,869</u>
-	50,000	-	217,095
-	-	-	(476,932)
-	-	-	(27,549)
-	-	-	(217,095)
<u>-</u>	<u>50,000</u>	<u>-</u>	<u>(504,481)</u>
(6,465)	6,953	-	316,388
<u>8,434</u>	<u>1,062,843</u>	<u>-</u>	<u>2,602,077</u>
<u>\$ 1,969</u>	<u>\$ 1,069,796</u>	<u>\$ -</u>	<u>\$ 2,918,465</u>

**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

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

For the Year Ended June 30, 2008

Net changes in fund balances - total governmental funds \$ 316,388

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense \$85,013 exceeded capital outlay \$33,703. (51,310)

Undepreciated balance of retired fixed assets (866)

Bond and loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Bond principal repayments 150,737

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the following net changes:

Early retirement obligation (6,000)  
Sick leave (5,444)  
Accrued interest 148

Internal service fund activity (44,663)

Changes in net assets of governmental activities \$ 358,990



**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

**STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUND**

June 30, 2009

ASSETS:

Current assets:

Cash and equivalents \$ 276,409

NET ASSETS:

Unrestricted \$ 276,409



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

**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUND**

For the Year Ended June 30, 2009

OPERATING EXPENSES:	
Termination benefits	<u>\$ (61,205)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest income	1,135
Other	<u>15,407</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>16,542</u>
Change in net assets	(44,663)
NET ASSETS, BEGINNING OF YEAR	<u>321,072</u>
NET ASSETS, END OF YEAR	<u>\$ 276,409</u>

ANDERSON, TACKMAN  
& COMPANY, P.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS



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

**DICKINSON-IRON INTERMEDIATE SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND**

For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Payments for operating expenses	\$ (61,205)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Other	15,407
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	<u>1,135</u>
NET (DECREASE) IN CASH AND EQUIVALENTS	(44,663)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>321,072</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 276,409</u></u>

**ANDERSON, TACKMAN  
& COMPANY, P.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS



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

