



**Blue Valley Unified School District No. 229  
Overland Park, Kansas 66283**

*Comprehensive Annual Financial Report  
For the fiscal year ending June 30, 2010*







**BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229**

**OVERLAND PARK, KANSAS**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010**

Prepared by:  
Business and Finance Office

Jenni Newell  
Treasurer

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

Financial Statements and Schedule  
of Expenditures of Federal Awards  
Year ended June 30, 2010

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Financial Statements and Schedule  
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Year ended June 30, 2010

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# INTRODUCTORY SECTION





# Blue Valley Schools

15020 Metcalf - P.O. Box 23901 - Overland Park, Kansas 66283-0901 - 913 239-4000

October 5, 2010

## **TO THE CITIZENS AND BOARD OF EDUCATION OF THE BLUE VALLEY SCHOOL DISTRICT:**

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Blue Valley School District (the "district") for the fiscal year ended June 30, 2010.

This report contains financial statements, supplemental statements and other related information to provide complete and full disclosure of all material financial aspects of the district for the 2010 fiscal year. It includes information on all funds as identified by the Governmental Accounting Standards Board (GASB), and all activities considered to be part of the district by Kansas statutes.

Responsibility for the accuracy, completeness and fairness of this report rests with the district and more specifically, the Business and Finance Department. This department confirms that the accounting system and the budgetary and internal accounting controls of the district provide reasonable assurance that the district assets are safeguarded against loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. Based on these systems and controls, the information included in this report is believed to be accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and accounts of the Blue Valley School District.

The district's financial statements have been audited by the firm of Lowenthal, Webb & Odermann, Professional Association. The goal of the independent audit was to provide reasonable assurance that the financial statements of the district for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved 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; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the district's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE DISTRICT**

The Blue Valley School District was created in 1965 when the Stilwell, Stanley and Oxford Districts unified to create a 91-square mile district in southeastern Johnson County. As of June 30, 2010 the district was comprised of 20 elementary schools, 8 middle schools and 4 high schools with a total enrollment of 20,815 students. District enrollment has grown by more than 20 percent since 2000. Blue Valley has averaged more than 600 new students per year since 1991; however, during the last four years the average increase has leveled to approximately 300 students per year.

Throughout its history, the Blue Valley School District has been known for the accomplishments of its students and staff. For the 2009-2010 school year, the district as a whole achieved Adequate Yearly Progress (AYP), as mandated by the No Child Left Behind Act. Additionally, nearly every Blue Valley student scored at proficient or above in reading and math on the Kansas State Assessments. On the Kansas Math Assessment, over 96 percent of Blue Valley students met standards or better and over 97 percent met standards or better on the Kansas Reading Assessment. Every school in the district achieved a Standard of Excellence from the Kansas State Department of Education in reading and math. Of 224 possible opportunities for achieving the Standard of Excellence in reading and math, Blue Valley earned 222, which is 99 percent.

The district's ACT and SAT composite scores were 24.3 and 1,757, compared to the national averages of 21.1 and 1,509 respectively. Three Blue Valley teachers earned their National Board certification. Blue Valley currently has 45 staff members who are national board certified, which is the most in the state. For the fourth year in a row, all four of the district's high schools were named to *Newsweek's* list of America's top public high schools. Nine Blue Valley schools were recognized with the Governor's Achievement Award, an honor that recognizes top performing schools in the state of Kansas. Finally, the district was ranked in the top 10 of the Digital School Districts national survey. The purpose of the survey is to showcase exemplary school districts' use of technology to govern the district, communicate with students, parents and the community and to improve district operations.

The district is governed by a seven-member Board of Education. Members of the Board are elected for staggered four-year terms. In addition to making final district policy decisions, the Board appoints the Superintendent of Schools, who is responsible for carrying out Board policies. In fiscal year 2010, the Superintendent was assisted by two Deputy Superintendents and one Assistant Superintendent. During that same year, the district employed a staff of approximately 3061 personnel, of whom approximately 1739 were certified staff.

## **ECONOMIC CONDITION AND OUTLOOK**

Over the past 20 years Johnson County, within which the district is primarily located, has experienced tremendous growth both in terms of population and employment. Johnson County has grown from a suburban residential community to a self-contained economic unit with its own employment and financial base. The area provides a comfortable work environment, which attracts new businesses and development.

New businesses, office and industrial parks, shopping centers, and residential developments are still being constructed and much of this growth is located in the district, though growth has slowed over the past few years. Although assessed valuation has grown at an average rate of 3.3% over the past 10 years, it did decrease by approximately 5.4% from the published values of the prior year. The residential population has increased in the school district by 40,477 since 2001, although it has also seen slight declines over the past few years. Over the last five years, the district has averaged approximately 300 new single family building permits per year. Although the district anticipates continued growth in the coming years, the pace has slowed recently. Residential development continues to include primarily middle and upper bracket single family homes.

## **MAJOR INITIATIVES**

### **New School Openings**

By the fall of 2011, the district expects to open a new middle school and a new high school. Construction is primarily completed on the district's 5<sup>th</sup> high school (Blue Valley Southwest High School) and the staff will soon be preparing the building for occupancy. It is expected to open in August 2010. Construction is also underway on the new middle school (Aubry Bend Middle School) which will also be housed on the site with the high school and it is expected to open in August 2011.

### **Center for Advance Professional Studies (CAPS)**

The district has implemented a unique student learning opportunity in CAPS. CAPS brings together four strands of educational interest areas into a center that will give students hands on, real world experience in a career path of their choice. The four strands of CAPS include Human Services, Business, Engineering and Bioscience and within each strand are different pathways of interest. Introductory classes were offered in 2008-09 at all four high schools. During the 2009-10 school year the district partnered with local businesses to offer

more than 250 students the opportunity to participate in CAPS courses at satellite locations. Students also attended classes in two district locations. Additional courses and opportunities will be available in the fall of 2010 when the CAPS programs move into a cutting edge facility that is currently in the final stages of construction. The district is expecting more than 500 students to participate in this program when the new facility opens in the fall of 2010.

### **LEED Certification**

The Blue Valley School District is committed to environmental responsibility. Three of the districts' newest facilities (Timber Creek Elementary, CAPS and Blue Valley Southwest High School) were designed and built following Leadership in Energy and Environmental Design (LEED) certification guidelines. LEED is an internationally recognized green building certification system which provides third party verification that a building was designed and built using strategies aimed at increasing performance, reducing waste and improving quality of life.

## **FINANCIAL INFORMATION**

### **Budgetary Principles**

In addition to internal accounting controls, the district maintains budgetary controls. The budget is prepared on the cash basis of accounting as required by state statute.

Kansas statutes require that an operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds. The General Fund and Supplemental General Fund are subject to budgetary limitation by state statute. Other funds are not subject to statutory limitation, except the Capital Outlay Fund, which is limited as to the maximum allowable mill levy. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding year on or before August 1<sup>st</sup>.
2. Publication in local newspaper of the proposed budget and notice of hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

Management may not amend the budget without the approval of the board of education. However, state statutes permit management to transfer budgeted amounts between line items within an individual fund without this approval. In addition, the district has policies that require that department heads obtain business office approval prior to making any such transfers. The legal level of budgetary control is at the fund level.

If the board of education elects to amend the budget, it must publish a notice of public hearing in the local newspaper. At least ten days after publication, the hearing may be held and the budget may be amended at that time.

### **Reporting Policies**

The district's accounting system accumulates financial information in accordance with the Kansas Accounting Handbook and tracks expenditures by fund, function and object. Further accountability is provided by responsibility budgeting. This system allows effective monitoring of the expenditure of budget appropriations at the departmental level. Reports comparing actual revenues and expenditures to budgeted amounts are prepared each month for management's use. Summarized monthly revenue and expenditure reports are also presented to the District's Board Advisory Finance Committee and Board of Education. Statutory budget control is at the fund level. Internal budget control is at the account level.

### **Property Tax Collections**

The determination of assessed valuation and the collection of taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The Johnson County Appraiser annually determines the assessed valuation that is used as a basis for the mill levy on property located within the school district. The appraiser's determination is based on criteria established by Kansas statute.

Ad valorem tax statements are mailed to Kansas taxpayers each November 1<sup>st</sup> and may be paid in half or in full by December 20<sup>th</sup>, with the remaining one-half due by the following May 20<sup>th</sup>. Motor vehicles are assessed on January 1<sup>st</sup> of the current year and the tax is due by the end of the month in which the license plate expires. Taxes are distributed to the District by the county six times per year.

Tables showing the district's tax collections, mill levies and assessed valuation for the last ten years are included in the Statistical Section of this report.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Comprehensive Annual Financial Report Certifications**

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Blue Valley School District for its CAFR for the year ended June 30, 2009. The district also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) for its fiscal year 2009 CAFR.

In order to be awarded either certificate, the district must publish a CAFR that is easily readable, efficiently organized and conforms to program standards. Such reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Although we believe that this CAFR continues to meet the GFOA and ASBO requirements, the district does not plan to submit the CAFR this year due to the cost of the review and budgetary restrictions.

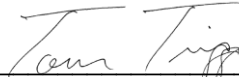
### **ACKNOWLEDGMENTS**

The preparation of this Comprehensive Annual Financial Report was made possible by the dedication and effort of the entire Business & Finance Department staff. We wish to express our sincere appreciation to all who assisted in its preparation. We also wish to thank the staff of Lowenthal, Webb & Odermann, Professional Association for their assistance. Finally, we wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the district in a responsible and insightful manner.

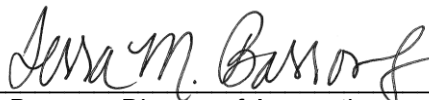
Sincerely,



Jenni Newell, Treasurer



Dr. Tom Trigg, Superintendent



Terra M. Barrows, Director of Accounting and Auditing

**BLUE VALLEY USD #229, KANSAS**  
**List of Principal Officials**  
**June 30, 2010**

**BOARD OF EDUCATION**

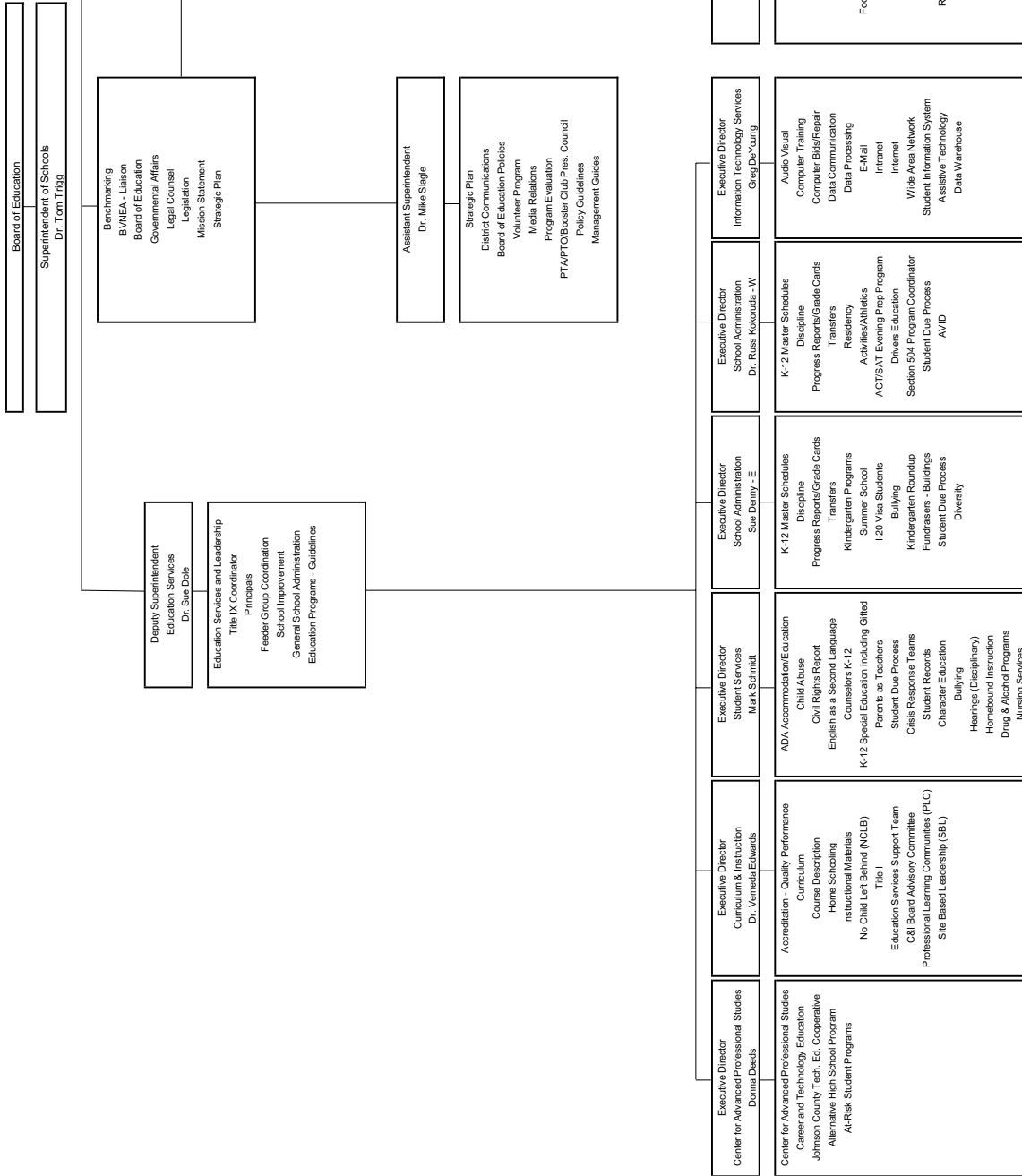
President..... Steve Klika  
Vice President ..... Sue Matson  
Board Member..... Dan French  
Board Member..... Lori Hisle  
Board Member..... Clint Robinson  
Board Member..... Pam Robinson  
Board Member..... Tony Thill  
Board Clerk..... Madeline Prelogar  
Treasurer ..... Jenni Newell, CPA

**ADMINISTRATIVE OFFICIALS**

Superintendent of Schools ..... Dr. Tom Trigg  
Deputy Superintendent Administrative Services ..... Dr. Al Hanna  
Deputy Superintendent of Education Services..... Dr. Sue Dole  
Assistant Superintendent..... Dr. Mike Slagle

# Blue Valley Unified School District #229 Organizational Chart

2009-2010





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Blue Valley Unified School  
District No. 229, Kansas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**BLUE VALLEY SCHOOL DISTRICT – USD #229**  
**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Erin Green*

President

*John D. Munn*

Executive Director

## FINANCIAL SECTION



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# LOWENTHAL, WEBB & ODERMANN, P.A.

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CERTIFIED PUBLIC ACCOUNTANTS

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David A. Lowenthal, CPA  
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Abram M. Chrislip, CPA  
Caroline H. Eddinger, CPA  
Grant A. Huddin, CPA  
Brian W. Nyp, CPA

Members of American Institute  
and Kansas Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Education  
Blue Valley Unified School District No. 229

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Blue Valley Unified School District No. 229 (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic 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 and the "Kansas Municipal Audit Guide." 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison for the General, Supplemental General, Special Education and Capital Outlay Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 11 and the schedule of funding progress and schedule of employer contributions on page 43 are not a required part of the basic financial statements but are 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 required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with "Government Auditing Standards," we have also issued our report dated October 5, 2010, on our consideration of 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 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.

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 nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our 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.

*Lowenthal, Wett & Odermann, P.A.*

October 5, 2010

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

This section of the Blue Valley School District's annual financial report presents its discussion and analysis of the district's financial performance during the fiscal year ended June 30, 2010. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- Total net assets increased by \$2.1 million (\$4.6 million including the restatement noted on p. 13). Overall revenues were \$258.2 million.
- The District's net capital assets increased by \$45.8 million during the fiscal year. This is primarily attributable to the construction on the high school (BVSU) that is projected to open in August, 2010 and the Center for Advanced Professional Studies (CAPS) facility that is also projected to open in August, 2010.
- Conversely, the District's current assets decreased by \$60.1 million which is also primarily attributable to the continued spending on these two facilities as well as other construction projects district wide that were funded from the Capital Projects and Capital Outlay funds.
- The District's total outstanding non-current liabilities decreased by \$25.1 million during fiscal year 2009-10. The debt service payments made during the fiscal year were the key factor in this decrease.
- In accordance with GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, the District had an actuarial evaluation completed to determine their obligation for other post employment benefits. As a result of that evaluation, the District booked an additional liability for the net annual OPEB obligation of \$2.0 million. The total liability booked to date is \$5.4 million.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. These statements are organized so the reader can understand the District as a whole. The basic financial statements include two types of statements that present different views of the district. The first are the government-wide financial statements and the second are the fund financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements include all assets and liabilities of the district using the accrual basis of accounting. This method of accounting is similar to how private sector companies report the results of their operations. These statements take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The first of the government-wide statements is the *Statement of Net Assets*. The *Statement of Net Assets* presents balance information for the entire district operations at a given point in time (June 30, 2010). The assets include all cash and investments, receivables including interest and taxes assessed that remain uncollected, materials inventory, bond issuance costs and capital assets reduced by accumulated depreciation. Liabilities include accounts payable, accrued payroll earnings not yet paid, accrued interest payable, retainage payable, unearned revenue, compensated absences, net OPEB obligation and outstanding general obligation debt. This results in a statement that encompasses the entire operations of the Blue Valley School District.

Although the *Statement of Net Assets* reports total net assets of \$279.1 million, the district has restrictions over the use of these funds. The investment in facilities and equipment is necessary to carry out the mission of the district. Kansas state law segregates funds and places restrictions on spending. This should be considered when reviewing the report.

The second of the government-wide financial statements is the *Statement of Activities*. This statement shows the results of operations that caused the net assets to change from the prior year to the amount reported on the *Statement of Net Assets* as of June 30, 2010. This statement answers the question, "How did we do financially during fiscal year 2010." This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors. Most notably, the results are influenced by:

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

- The property tax base,
- Funding at local, state and federal levels
- Operating expenditure limits imposed by Kansas law,
- Building improvements,
- Number of students served,
- Staffing levels, and
- Changes in debt levels

The *Statement of Activities* classifies expenses by functional area. The report also shows corresponding charges for services and restricted grants for each function that helps support the expenses. The resulting *Net [Expenses] Revenue and Changes in Net Assets* shows the remaining expenses not supported by charges for services and restricted grants. General revenues are then applied to the remaining expenses resulting in the total change in net assets for the year.

### **Fund Financial Statements**

Financial reports by fund follow the government-wide statements. The major funds are listed separately with all smaller funds aggregated in the column labeled "Other Governmental Funds." As shown on the reconciliations on pages 16 and 19, the fund statements differ from the government-wide statements (*Statement of Net Assets* and *Statement of Activities*) by including due to/due from adjustments and excluding the following:

- Bond issuance costs,
- Cost of capital assets less accumulated depreciation,
- Compensated absences, and
- Long-term and non-current liabilities.

These reports provide more detail about the school district according to the various funds established under Kansas law. Due to the large number of funds, the major funds are listed separately with the remaining funds aggregated into the column labeled "Other Governmental Funds."

The district has two kinds of funds: governmental and fiduciary funds.

### **Governmental Funds**

Most of the district's activities are reported in the governmental funds, which focus on 1) how cash and other financial assets, that can be readily converted to cash, flow in and out, and 2) the balances left at year end that are available for spending. The statements show revenue, expenditures and fund balances for each listed fund.

The fund classifications provide additional information about the entity. The general, supplemental general, special education and other governmental funds encompass the major operating funds. The capital outlay fund is used primarily to repair and remodel district buildings. The debt service fund is used to pay outstanding general obligation bonds and related interest charges as they become due. The capital projects funds are the primary source for the purchase of sites, buildings and building improvements and technology projects.

### **Fiduciary Funds**

The District's fiduciary funds are agency funds. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds include student organization monies at the various schools. The district accounts for these funds and students approve all of the expenditures. Also included is the Gift fund, which accounts for gifts from outside donors. Additionally, the Extraordinary Growth fund is included and this fund is used to account for collections of local taxes necessary to cover the additional costs of opening new facilities. These funds are then sent to the state as a reimbursement for the increased operating authority. Finally, the fiduciary funds include the Cost of Living fund which provides for a legal vehicle to levy taxes attributable to the weighting factor provided to school districts with high housing costs. This fund is used to channel the local tax revenues back to the state to offset the increased operating authority for districts which have residences that are higher than the statewide average value. The District's agency funds are reported on the *Combining Balance Sheet - Agency Funds*.



**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The district's net assets were larger on June 30, 2010, than they were the year before, increasing by \$2.1 million to \$279.1 million. The following are the major components of the district's net assets. Due to rounding, the numbers provided below may vary slightly from the amounts presented in the basic financial statements.

**Condensed Statement of Net Assets**

	<u>Balance As Of June 30, 2009</u>	<u>Prior Period Adjustment</u>	<u>Balance, Restated June 30, 2009</u>	<u>Balance As Of June 30, 2010</u>
<b>Statement Classifications</b>				
Current assets	\$ 208,146,421	-	\$208,146,421	\$148,025,860
Non-current assets	2,472,578	-	2,472,578	2,108,710
Capital assets	<u>475,379,223</u>	<u>2,552,081</u>	<u>477,931,304</u>	<u>523,703,808</u>
<b>Total assets</b>	<b><u>\$685,998,222</u></b>	<b><u>\$2,552,081</u></b>	<b><u>\$688,550,303</u></b>	<b><u>\$673,838,378</u></b>
Current Liabilities	\$ 64,685,718	-	\$ 64,685,718	\$ 72,901,640
Non-current liabilities	<u>346,902,032</u>	-	<u>346,902,032</u>	<u>321,833,872</u>
<b>Total liabilities</b>	<b><u>\$411,587,750</u></b>	<b><u>\$ -</u></b>	<b><u>\$411,587,750</u></b>	<b><u>\$394,735,512</u></b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	\$165,782,762	2,552,081	\$168,334,843	\$190,309,152
Restricted	39,786,787	-	39,786,787	40,353,000
Unrestricted	<u>68,840,923</u>	-	<u>68,840,923</u>	<u>48,440,714</u>
<b>Total net assets</b>	<b><u>\$274,410,472</u></b>	<b><u>\$2,552,081</u></b>	<b><u>\$276,962,553</u></b>	<b><u>\$279,102,866</u></b>

The increase in total net assets is due to several factors. It includes a decrease in current assets of \$60.1 million, a decrease in non-current assets of \$0.4 million and an increase in capital assets of \$45.8 million (before restatement). It also includes an increase in current liabilities of \$8.2 million and a decrease in non-current liabilities of \$25.1 million. Net assets include \$190.3 million invested in capital assets, \$40.4 million restricted for debt service and \$48.4 million unrestricted.

The total costs of all programs and services amounted to \$256.1 million. The following table shows the breakdown of total costs by functional area:

<u>Expense Function</u>	<u>Percentage of Total</u>
Instruction	57%
Student support services	5%
Instructional support staff	5%
General administration	1%
School administration	4%
Operations and maintenance	13%
Student transportation services	2%
Food service operations	3%
Other support services	4%
Interest on long-term debt	6%

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

The table below details the district's change in net assets for the last two years.

**Changes in Net Assets from Operating Results (In millions of dollars)**

<u>Revenues</u>	<b>Totals For The Year Ended <u>June 30, 2009</u></b>	<b>Totals For The Year Ended <u>June 30, 2010</u></b>
Program revenues		
Charges for services	\$12.0	\$12.6
Operating grants and contributions	40.5	35.4
General revenues		
Property taxes	146.2	146.9
Grants and entitlements*	57.0	56.4
Investment earnings	4.3	0.8
Miscellaneous	<u>4.2</u>	<u>6.1</u>
<b>Total revenues</b>	<b>264.2</b>	<b>258.2</b>
*not restricted to specific programs		
<u>Expenses</u>		
Instruction	143.5	145.3
Student support services	11.3	11.6
Instructional support staff	14.0	12.7
General administration	2.2	2.4
School administration	10.0	10.6
Central services	-	0.1
Operations and maintenance	24.0	34.1
Student transportation services	5.6	6.0
Food service operations	9.1	8.8
Other support services	10.6	9.4
Interest on long term debt	<u>13.7</u>	<u>15.1</u>
<b>Total Expenses</b>	<b><u>244.0</u></b>	<b><u>256.1</u></b>
<b>Increase [decrease] in net assets</b>	<b><u>\$20.2</u></b>	<b><u>\$2.1</u></b>

Total revenues exceeded expenses during the fiscal year by \$2.1 million; however, the district's total revenues decreased overall by \$6.0 million. The decrease was attributable to a combination of three primary factors and many other smaller factors. First, operating grants and contributions decreased by \$5.1 million and the majority of this decrease relates to the sunset of the Johnson County Sales Tax grant funding. The district did not receive any additional payments from this grant during 2009-10, and will not going forward. Second, investment earnings decreased by \$3.5 million as a result of the overall decline in the strength of the nations financial markets. These two decreases were offset by an increase in miscellaneous revenue due to a \$2.4 million refund of premiums from the district's health care provider as a result of positive claims experience. The remaining difference of \$0.2 million is the combination of many smaller increases/decreases. Expenses increased by \$12.1 million. The primary factor is the increase of \$10.1 million in operations and maintenance charges which generally related to the construction of the CAPS facility. Additionally, the overall salary increase for all district employees was an average of 1.7% over the previous year, resulting in additional increases across all functions.

## Blue Valley Unified School District No. 229

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

The table presented below presents the cost of ten major district activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the district's taxpayers by each of these functions.

#### Net Cost of Governmental Activities (In millions of dollars)

<u>Expense Functions</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$145.3	\$110.6
Student support services	11.6	11.0
Instructional support staff	12.7	9.5
General administration	2.4	2.3
School administration	10.6	10.0
Central services	0.1	0.1
Operations and maintenance	34.1	32.5
Student transportation services	6.0	6.0
Food service operations	8.8	0.3
Other support services	9.4	10.7
Interest on long-term debt	<u>15.1</u>	<u>15.1</u>
<b>Total</b>	<b><u>\$256.1</u></b>	<b><u>\$208.1</u></b>

- Costs of \$12.6 million were financed by users of the district's programs.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$35.4 million.
- Most of the district's net cost of services of \$208.1 million was financed by district and state taxpayers.
- This portion of governmental activities was financed with \$146.9 million in property taxes, \$56.4 million of grants and entitlements not restricted to specific programs, \$0.8 million in investment earnings and \$6.1 million in miscellaneous sources.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the district completed the year, its governmental funds reported combined fund balances of \$106.6 million; a decrease from last year's ending fund balance of \$174.1 million. Expenditures of \$325.7 million exceeded revenues of \$258.2 million, accounting for the difference of \$67.5 million. The reason for this decrease in fund balance is detailed in the section below.

The general, supplemental general, capital outlay and debt service funds are the primary source of revenues for the district. These funds account for \$219.8 million or 85.1% of the total revenues. Special Education represents approximately 2.6% of the total and the 2005 Capital Projects represents less than 0.1% of the total with the remaining approximately 12.2% in other governmental funds.

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

Kansas State laws require the use of a multitude of funds. Many of these funds do not have sufficient resources to pay the expenditures in the funds and therefore transfers must be made from other funds. Typically these transfers are made from the general and supplemental general funds. The following table categorizes the funds to simplify the analysis:

**Governmental Funds Revenues, Expenditures, Transfers and Fund Balance**  
(In millions of dollars)

<u>Fund</u>	<u>Beginning Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Sources/ Transfers</u>	<u>Ending Fund Balance</u>
<b>Basic Education</b>					
General	\$ 0.6	\$ 117.3	\$ 97.6	\$ [20.1]	\$ 0.2
Supplemental general	3.0	40.2	24.4	[16.0]	2.8
Special education	11.9	6.8	34.3	27.5	11.9
Vocational education	-	0.1	4.1	4.0	-
At Risk (K-12)	-	-	3.1	3.1	-
Professional development	0.8	-	1.4	1.4	0.8
Bilingual	-	-	1.5	1.5	-
Virtual education	-	0.3	0.2	-	0.1
Gate receipts	0.2	0.7	0.7	-	0.2
Student projects	0.2	3.1	3.1	-	0.2
Instructional materials	4.4	2.4	1.8	-	5.0
Contingency reserve	12.3	-	-	[1.6]	10.7
Special reserve	1.9	2.4	0.5	-	3.8
Special liability	0.8	-	0.6	-	0.2
KPERS	-	9.7	9.7	-	-
Federal and state grants*	6.2	1.2	5.0	-	2.4
<b>Total Basic Education</b>	<b>42.3</b>	<b>184.2</b>	<b>188.0</b>	<b>[0.2]</b>	<b>38.3</b>
<b>Expanded Education</b>					
Driver training	0.2	0.1	0.1	-	0.2
Summer school	0.1	0.1	0.1	-	0.1
Parent education program	0.2	0.4	0.6	0.2	0.2
Extraordinary school program	0.7	2.0	1.9	-	0.8
<b>Total Expanded Education</b>	<b>1.2</b>	<b>2.6</b>	<b>2.7</b>	<b>0.2</b>	<b>1.3</b>
<b>Capital</b>					
Capital outlay	28.3	20.5	34.2	-	14.6
Debt service	39.8	41.8	41.2	-	40.4
Capital projects (2005)	59.4	0.1	50.5	-	9.0
Special assessment	0.4	0.7	0.6	-	0.5
<b>Total Capital</b>	<b>127.9</b>	<b>63.1</b>	<b>126.5</b>	<b>-</b>	<b>64.5</b>
<b>Food Service</b>	<b>2.7</b>	<b>8.3</b>	<b>8.5</b>	<b>-</b>	<b>2.5</b>
<b>Total</b>	<b><u>\$174.1</u></b>	<b><u>\$258.2</u></b>	<b><u>\$325.7</u></b>	<b><u>\$ -</u></b>	<b><u>\$106.6</u></b>

\* Federal and state grants include the following funds: DAC Grant, Drug Free Grant, Title VI Merge Grant, Title I, Blue Valley Foundation Grant, Community Grants, Kauffman Grant, College Now, Johnson County Grant, Parents as Teachers Grant, Title II-A, Title II-D, Title V and Title III.

## Blue Valley Unified School District No. 229

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

Overall, total expenditures exceeded revenue plus other sources (issuance of bonds), leaving an ending fund balance of \$106.6 million. An analysis of the above table's categories follows:

- Basic Education revenues trailed expenditures by \$3.8 million with \$0.2 million transferred out to support the parent education program. The general and supplemental general funds are subject to an expenditure limit. The limit is based upon a weighted number of students multiplied by the base state aid per pupil provided in the law. The number of students includes those who are enrolled and attending school on September 20. During the 2009-10 school year, the base state aid per pupil was budgeted at \$4,433. Due to lower than expected revenue collections at the state level, the state reduced this amount by a total of \$421, resulting in a final per pupil allocation of \$4,012. Additional weighting is provided for students receiving bilingual, vocational, at-risk or transportation services. Other weightings also apply, but are not discussed here in the interest of brevity. The school district has no ability to increase the resources in the general and supplemental general funds to cover inflationary increases in costs without annual changes in the statutory base aid per pupil. The textbook, student projects, student materials and gate receipts funds can be increased with school board approval, but are only a small part of the basic education group of funds.

Any balances remaining in the general and supplemental general funds are used to support the subsequent year limit. Therefore, remaining balances in these funds should not be considered as additional resources available to the district in excess of the expenditure limits. The general and supplemental general funds ending fund balances represent \$3.0 million (7.8%) of the basic education balance of \$38.3 million.

Kansas statutes allows school districts to carry a balance in the Special Education fund, the Vocational Education fund, the Professional Development fund, the Bilingual fund, the Contingency Reserve fund, the Special Reserve fund, the Special Liability fund and all other Special Revenue funds. The Contingency Reserve fund balance cannot exceed 10% of the general fund budget. During the 2009-10 school year, the District transferred approximately \$1.6 million to the general fund from the contingency reserve fund to support the operations of the district and balance the overall final budget. The Special Reserve fund has historically been used to protect the district from insurable losses that are not otherwise insured. The district has been self funding their workmen's compensation coverage from this fund. A rebate of \$2.4 million was received from the district's health insurance provider and deposited into the Special Reserve Fund as the district will be moving to a self insured health insurance plan in January, 2011. The Special Liability fund is used to pay the cost of providing for the school district's defense pursuant to the Kansas tort claims act.

- Expanded Education resources (revenues and incoming transfers) closely balanced with expenditures. This group of funds had an ending fund balance of \$1.3 million at June 30, 2010. Tuition for the summer school program and driver's education program is collected prior to June 30<sup>th</sup>, but most of the expenditures are paid in July and August. The district can adjust revenue in the drivers' education, extraordinary schools and summer school programs because these are fee based programs supported by the users of the programs.
- Capital funds expenditures exceeded revenue by \$63.4 million, with an ending fund balance totaling \$64.5 million. Construction funds accounted for only \$9.0 million of the total ending fund balance. As of June 30, 2010 there was only one bond sale with proceeds still available for expenditure; however, there is still \$52.2 million in bonds that were authorized as a part of the 2005 referendum totaling \$279.88 million that have yet to be issued. The district anticipates selling additional bonds during the 2010-11 fiscal year.

The capital outlay fund has a balance of \$14.6 million. The fund balance includes budgeted amounts for projects that are only partially completed and paid at June 30. The mill rate on this fund is currently at 8 mills which is the statutory limit.

The debt service balance of \$40.4 million is available to pay the bond and interest payment in October, 2010. The current mill rate is sufficient to pay the remaining bonds and interest as they become due.

- Food service revenues were less than expenditures by \$0.2 million leaving an ending fund balance of \$2.5 million. Although transfers from other tax supported funds are allowed under Kansas law, Blue Valley's food service program operates without this support. The school board has the authority to adjust meal prices as necessary.

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

*General Fund Budgetary Highlights*

The following table summarizes the general fund budget variances (In millions of dollars):

<u>Revenue</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase/ [Decrease]</u>	<u>Actual Amounts</u>	<u>Over/[Under] Final Budget</u>
Taxes	\$ 43.8	\$ 43.8	\$ -	\$ 44.9	\$1.1
Intergovernmental	78.4	73.0	[5.4]	71.9	[1.1]
Total Revenue	122.2	116.8	[5.4]	116.8	-
<u>Expenditures</u>					
Instruction	55.2	55.2	-	53.5	[1.7]
Student Support	5.7	5.7	-	5.7	-
Instructional Support	7.3	7.3	-	6.7	[0.6]
General Admin	1.3	1.3	-	1.2	[0.1]
School Administration	7.8	7.8	-	7.8	-
Operations/Maint.	15.0	15.0	-	14.7	[0.3]
Other Support Serv.	9.4	9.4	-	4.8	[4.6]
Transportation	2.5	2.5	-	2.2	[0.3]
Capital Outlay	0.1	0.1	-	0.1	-
Transfers Out	17.9	12.5	[5.4]	20.1	7.6
Total Expenditures	\$122.2	\$116.8	\$[5.4]	\$116.8	\$ -

The final general fund budget decreased \$5.4 million from the original budget. The final general fund budget is based on the total student FTE (with all applicable weightings) as of September 20<sup>th</sup>, multiplied by the base state aid per pupil (BSAPP). This amount was originally projected by the state to be \$4,433, but was reduced by \$421 to \$4,012 due to lower than expected revenue collections at the state level. The supplemental general fund budget was able to be calculated on the state's original BSAPP, so it was not affected at the same level as the general fund.

**Capital Asset and Debt Administration**

*Capital Assets*

By the end of 2010, the district had invested \$681.8 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and administrative offices. The accumulated depreciation on the capital assets amounted to \$158.1 million, resulting in capital assets, net of depreciation of \$523.7 million. This amount represents a net increase of \$45.8 million from last year. CIP increased by \$3.1 million as construction progressed on the new high school and the CAPS facility, but was not impacted as dramatically as in prior years as the district opened a new elementary school in the fall of 2009 and this facility was moved from the CIP line item into service as of June 30, 2010.

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

**Capital Assets (Net of depreciation, in millions of dollars)**

	Assets As Of <u>June 30, 2009</u>	Prior Period <u>Adjustment</u>	Balance, Restated <u>June 30, 2009</u>	Assets As Of <u>June 30, 2010</u>	<u>% Depreciated</u>
Land	\$24.3	-	\$24.3	\$24.3	n/a
Construction in progress	104.4	-	104.4	107.5	n/a
Buildings and improvements	305.4	-	305.4	349.2	23.2%
Site improvements	25.1	-	25.1	24.9	34.1%
Furniture	0.3	-	0.3	0.3	84.9%
Technology	11.1	2.4	13.5	11.0	64.4%
Vehicles	1.7	-	1.7	1.6	43.7%
Food Service	0.2	-	0.2	0.2	95.7%
Equipment	<u>2.9</u>	<u>0.1</u>	<u>3.0</u>	<u>4.7</u>	<u>73.2%</u>
<b>Total</b>	<b>\$475.4</b>	<b>\$2.5</b>	<b>\$477.9</b>	<b>\$523.7</b>	<b>23.2%</b>

More information regarding the district's capital assets can be found in the notes to the financial statements (Note 4-C).

*Long-Term Debt*

Moody's Investors Services and Standard & Poor's have rated the Blue Valley School District at Aaa and AA, respectively. Kansas law limits the amount of outstanding indebtedness. The current limit for the district is at approximately \$328 million, but the district was given permission to exceed the limit by the State of Kansas. As of June 30, 2010, the district has \$342.4 million of outstanding debt. The district continued to pay down its debt, retiring \$26.5 million of outstanding bonds. The district has a high debt per capita because of its continued growth. Building expansion has been funded with debt, and district management does not feel that the amount of debt is a burden to taxpayers.

More information regarding the district's long-term debt can be found in the notes to the financial statements (Note 4-D).

**Contacting the District's Financial Management**

This financial report is designed to provide the district's citizens, taxpayers, customers and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business and Finance Department, Blue Valley School District, 15020 Metcalf, Overland Park, Kansas 66223.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF NET ASSETS  
June 30, 2010

	Primary Government Total Governmental Activities	Component Unit Total Governmental Activities
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 143,563,223	\$ 3,747,881
Cash with fiscal agent	20,500	-
Receivables		
Interest	63,276	-
Other	4,117,744	-
Material and supplies inventory	261,117	-
Total current assets	<u>148,025,860</u>	<u>3,747,881</u>
Noncurrent assets:		
Restricted cash and investments	-	692,000
Bond issuance costs	2,108,710	464,026
Prepaid lease	-	100,000
Capital assets		
Nondepreciable capital assets	131,722,820	-
Depreciable capital assets	550,087,579	32,018,013
Less: Accumulated depreciation	<u>[158,106,591]</u>	<u>[6,613,166]</u>
Total noncurrent assets	<u>525,812,518</u>	<u>26,660,873</u>
Total assets	<u>\$ 673,838,378</u>	<u>\$ 30,408,754</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 13,418,060	\$ 61,524
Accrued compensation, payroll withholdings and taxes	20,261,327	251,217
Current portion compensated absences	245,191	-
Accrued interest payable	3,939,287	171,428
Matured bonds and interest payable	20,500	-
Retainage payable	5,634,923	-
Unearned revenue	2,046,666	512,854
Long-term liabilities		
Due within one year	<u>27,335,686</u>	<u>736,575</u>
Total current liabilities	<u>72,901,640</u>	<u>1,733,598</u>
Noncurrent liabilities:		
Compensated absences	1,305,359	-
Net other post employment benefit obligation	5,447,767	-
Long-term liabilities		
Due in more than one year	<u>315,080,746</u>	<u>15,610,247</u>
Total noncurrent liabilities	<u>321,833,872</u>	<u>15,610,247</u>
Total liabilities	<u>\$ 394,735,512</u>	<u>\$ 17,343,845</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$ 190,309,152	\$ 9,324,070
Restricted for:		
Debt service	40,353,000	692,000
Unrestricted	<u>48,440,714</u>	<u>3,048,839</u>
Total net assets	<u>\$ 279,102,866</u>	<u>\$ 13,064,909</u>

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



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2010

				Net [Expenses] Revenue and Changes in Net Assets	
				Primary Government	Component Unit
				Total Governmental Activities	Total Governmental Activities
Expenses	Charges for Services	Operating Grants and Contributions			
<b>Governmental activities:</b>					
Instruction	\$ 145,340,192	\$ 5,596,875	\$ 29,107,225	\$ [110,636,092]	\$ -
Student support services	11,624,541	-	646,367	[10,978,174]	-
Instructional support staff	12,722,771	-	3,279,092	[9,443,679]	-
General administration	2,386,972	-	87,828	[2,299,144]	-
School administration	10,580,576	-	563,377	[10,017,199]	-
Central services	135,138	-	-	[135,138]	-
Operations and maintenance	34,042,696	-	1,542,326	[32,500,370]	-
Student transportation services	5,985,823	-	-	[5,985,823]	-
Food service operations	8,806,818	6,983,221	1,514,335	[309,262]	-
Other support services	9,431,428	-	[1,257,368]	[10,688,796]	-
Interest on long-term debt	15,083,952	-	-	[15,083,952]	-
Total primary government	<u>\$ 256,140,907</u>	<u>\$ 12,580,096</u>	<u>\$ 35,483,182</u>	<u>[208,077,629]</u>	<u>-</u>
<b>Component unit:</b>					
Blue Valley Recreation Commission					
Culture and recreation	\$ 8,422,225	\$ 4,173,646	\$ -	-	[4,248,579]
Total component unit	<u>\$ 8,422,225</u>	<u>\$ 4,173,646</u>	<u>\$ -</u>	<u>-</u>	<u>[4,248,579]</u>
<b>General Revenues:</b>					
Property taxes levied for					
General purposes				85,780,791	4,067,207
Debt service				40,846,133	-
Capital outlay				20,259,074	-
Grants and entitlements not restricted to specific programs				56,397,711	-
Investments earnings				829,639	13,277
Miscellaneous				6,104,594	230,183
Subtotal general revenues				<u>210,217,942</u>	<u>4,310,667</u>
Change in net assets				<u>2,140,313</u>	<u>62,088</u>
Net assets - beginning				274,410,472	13,002,821
Prior period adjustment				<u>2,552,081</u>	<u>-</u>
Net assets - beginning, restated				<u>276,962,553</u>	<u>13,002,821</u>
Net assets - ending				<u>\$ 279,102,866</u>	<u>\$ 13,064,909</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

BALANCE SHEET -  
GOVERNMENTAL FUNDS  
June 30, 2010

	<u>General</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>Capital Outlay</u>
<b>ASSETS</b>				
Cash and investments	\$ 17,231,549	\$ 2,802,606	\$ 12,055,890	\$ 22,493,323
Cash with fiscal agent	-	-	-	-
Receivables				
Interest	-	-	63,276	-
Other	3,979,201	-	1,799	-
Due from other funds	33,187	-	-	-
Material and supplies inventory	<u>148,270</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 21,392,207</u>	<u>\$ 2,802,606</u>	<u>\$ 12,120,965</u>	<u>\$ 22,493,323</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 749,695	\$ -	\$ 131,453	\$ 6,355,378
Accrued liabilities	20,261,327	-	-	-
Matured bonds and interest payable	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	-	-	-	1,575,778
Deferred revenue	<u>164,830</u>	<u>-</u>	<u>35,912</u>	<u>-</u>
Total liabilities	<u>21,175,852</u>	<u>-</u>	<u>167,365</u>	<u>7,931,156</u>
Fund balance:				
Reserved for encumbrances	68,085	-	73,600	1,550,323
Reserved for materials and supplies	148,270	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue fund	-	2,802,606	11,880,000	13,011,844
Capital project fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>216,355</u>	<u>2,802,606</u>	<u>11,953,600</u>	<u>14,562,167</u>
Total liabilities and fund balance	<u>\$ 21,392,207</u>	<u>\$ 2,802,606</u>	<u>\$ 12,120,965</u>	<u>\$ 22,493,323</u>

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

<u>Debt Service</u>	<u>2005 Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 40,353,000	\$ 18,752,135	\$ 29,874,720	\$ 143,563,223
20,500	-	-	20,500
-	-	-	63,276
-	-	136,744	4,117,744
-	-	-	33,187
-	-	112,847	261,117
<u>\$ 40,373,500</u>	<u>\$ 18,752,135</u>	<u>\$ 30,124,311</u>	<u>\$ 148,059,047</u>
\$ -	\$ 5,671,214	\$ 510,320	\$ 13,418,060
-	-	-	20,261,327
20,500	-	-	20,500
-	-	33,187	33,187
-	4,059,145	-	5,634,923
-	-	1,845,924	2,046,666
<u>20,500</u>	<u>9,730,359</u>	<u>2,389,431</u>	<u>41,414,663</u>
-	21,372,065	38,156	23,102,229
-	-	112,847	261,117
40,353,000	-	-	40,353,000
-	-	27,583,877	55,278,327
-	[12,350,289]	-	[12,350,289]
<u>40,353,000</u>	<u>9,021,776</u>	<u>27,734,880</u>	<u>106,644,384</u>
<u>\$ 40,373,500</u>	<u>\$ 18,752,135</u>	<u>\$ 30,124,311</u>	<u>\$ 148,059,047</u>

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

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCE SHEET TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2010

Total Governmental Fund Balances	\$ 106,644,384
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Amounts reported for governmental activities in the  
statement of net assets are different because

Bond issuance costs are shown as current year expenditures in the funds.

Bond issuance costs	2,108,710
---------------------	-----------

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

The cost of capital assets is	681,810,399	
Accumulated depreciation is	<u>158,106,591</u>	523,703,808

The following liabilities, including bonds payable, are not due  
and payable in the current period and therefore are not reported  
as liabilities in the funds. These liabilities at year end consist of:

Bonds payable	342,416,432	
Accrued compensation	1,550,550	
Net other post employment benefit obligation	5,447,767	
Accrued interest on the bonds	<u>3,939,287</u>	<u>[353,354,036]</u>

Net Assets of Governmental Activities	<u>\$ 279,102,866</u>
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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010

	<u>General</u>	Supplemental <u>General</u>	Special <u>Education</u>	Capital <u>Outlay</u>
<b>REVENUES:</b>				
Taxes	\$ 44,880,508	\$ 40,177,552	\$ -	\$ 20,259,074
Intergovernmental	72,364,530	-	5,955,742	-
Charges for services	34,800	-	-	-
Investment revenue	-	-	272,453	107,630
Use of money and property	-	-	334,055	-
Other local sources	-	-	275,034	145,865
Total revenues	<u>117,279,838</u>	<u>40,177,552</u>	<u>6,837,284</u>	<u>20,512,569</u>
<b>EXPENDITURES:</b>				
Current				
Instruction	54,095,308	21,048,568	25,507,088	3,600,280
Student support services	5,635,413	1,048,170	4,097,095	-
Instructional support staff	6,795,309	519,152	619,390	17,278
General administration	1,263,381	-	596,639	2,120
School administration	7,822,868	1,680,386	-	49,021
Central services	-	-	-	133,813
Operations and maintenance	14,853,618	52,188	-	2,301,438
Student transportation services	2,191,424	-	3,517,142	135,375
Food service operations	-	-	-	-
Other support services	4,859,241	-	-	810,156
Capital outlay	70,861	-	-	27,191,682
Debt service				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>97,587,423</u>	<u>24,348,464</u>	<u>34,337,354</u>	<u>34,241,163</u>
Excess [deficiency] of revenues over [under] expenditures	<u>19,692,415</u>	<u>15,829,088</u>	<u>[27,500,070]</u>	<u>[13,728,594]</u>
<b>OTHER FINANCING SOURCES [USES]</b>				
Transfers in	-	-	27,527,860	-
Transfers [out]	<u>[20,083,444]</u>	<u>[16,032,683]</u>	-	-
Total other financing sources [uses]	<u>[20,083,444]</u>	<u>[16,032,683]</u>	<u>27,527,860</u>	-
Net change in fund balances	[391,029]	[203,595]	27,790	[13,728,594]
Fund balance - Beginning of year	<u>607,384</u>	<u>3,006,201</u>	<u>11,925,810</u>	<u>28,290,761</u>
Fund balance - End of year	<u>\$ 216,355</u>	<u>\$ 2,802,606</u>	<u>\$ 11,953,600</u>	<u>\$ 14,562,167</u>

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

<u>Debt Service</u>	<u>2005 Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 40,846,133	\$ -	\$ 722,731	\$ 146,885,998
958,668	-	12,601,953	91,880,893
-	-	12,545,296	12,580,096
5	89,285	26,211	495,584
-	-	-	334,055
-	-	5,683,695	6,104,594
<u>41,804,806</u>	<u>89,285</u>	<u>31,579,886</u>	<u>258,281,220</u>
-	-	23,835,351	128,086,595
-	-	703,980	11,484,658
-	-	4,637,498	12,588,627
-	-	101,017	1,963,157
-	-	901,499	10,453,774
-	-	-	133,813
-	-	1,131,721	18,338,965
-	-	83,155	5,927,096
-	-	8,720,414	8,720,414
-	-	2,877,705	8,547,102
-	50,418,166	644,006	78,324,715
25,515,000	-	-	25,515,000
<u>15,723,593</u>	<u>-</u>	<u>-</u>	<u>15,723,593</u>
<u>41,238,593</u>	<u>50,418,166</u>	<u>43,636,346</u>	<u>325,807,509</u>
<u>566,213</u>	<u>[50,328,881]</u>	<u>[12,056,460]</u>	<u>[67,526,289]</u>
-	-	10,235,734	37,763,594
-	-	[1,647,467]	[37,763,594]
-	-	8,588,267	-
566,213	[50,328,881]	[3,468,193]	[67,526,289]
<u>39,786,787</u>	<u>59,350,657</u>	<u>31,203,073</u>	<u>174,170,673</u>
<u>\$ 40,353,000</u>	<u>\$ 9,021,776</u>	<u>\$ 27,734,880</u>	<u>\$ 106,644,384</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT - WIDE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2010

Total Net Change In Fund Balances - Governmental Funds		\$ [67,526,289]
Amounts reported for governmental activities in the statement of activities are different because		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capitalizable capital outlays exceeds depreciation in the period.		
Loss on sale of assets	[90,285]	
Capital outlays	63,731,737	
Depreciation expense	<u>[17,868,946]</u>	45,772,506
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest increased.		
		[12,176]
In the statement of activities, certain operating expenses - compensated absences and other post employment benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This year, other post employment benefits paid were less than the amounts earned by \$2,043,514. Compensated absences used were less than the amounts earned by \$217,031.		
		[2,260,545]
Bond issuance costs and payments to escrow for advance refunding are recorded as expenditures in the fund financial statements. However, for the statement of net assets, these costs are shown as assets and amortized over the life of the bonds.		
		651,817
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		
		<u>25,515,000</u>
Changes In Net Assets of Governmental Activities		<u>\$ 2,140,313</u>



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
GENERAL FUND  
For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Taxes:						
In process	\$ 939,973	\$ -	\$ 939,973	\$ 984,666	\$ 984,666	\$ [44,693]
Current	43,439,973	-	43,439,973	42,573,740	42,573,740	866,233
Delinquent	500,562	-	500,562	287,119	287,119	213,443
Total taxes	44,880,508	-	44,880,508	43,845,525	43,845,525	1,034,983
Intergovernmental:						
State and local	51,730,932	[476,476]	51,254,456	55,987,081	50,530,026	724,430
Special education aid	15,490,343	-	15,490,343	17,284,556	17,284,556	[1,794,213]
ARRA stabilization funds	5,143,255	-	5,143,255	5,143,255	5,143,255	-
Total intergovernmental	72,364,530	[476,476]	71,888,054	78,414,892	72,957,837	[1,069,783]
Fees and charges	34,800	-	34,800	-	-	34,800
Total revenues	117,279,838	[476,476]	116,803,362	122,260,417	116,803,362	-
<b>EXPENDITURES:</b>						
Instruction	54,095,308	[612,558]	53,482,750	55,232,020	55,232,020	1,749,270
Student support services	5,635,413	[2,286]	5,633,127	5,669,971	5,669,971	36,844
Instructional support staff	6,795,309	[77,058]	6,718,251	7,271,445	7,271,445	553,194
General administration	1,263,381	[10,631]	1,252,750	1,346,157	1,346,157	93,407
School administration	7,822,868	[22]	7,822,846	7,827,066	7,827,066	4,220
Operations and maintenance	14,853,618	[77,897]	14,775,721	15,073,066	15,073,066	297,345
Other support services	4,859,241	[87,053]	4,772,188	9,379,092	9,379,092	4,606,904
Transportation	2,191,424	-	2,191,424	2,461,929	2,461,929	270,505
Capital outlay	70,861	-	70,861	70,979	70,979	118
Total expenditures	97,587,423	[867,505]	96,719,918	104,331,725	104,331,725	7,611,807
Excess [deficiency] of revenues over [under] expenditures	19,692,415	391,029	20,083,444	17,928,692	12,471,637	7,611,807
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers out	[20,083,444]	-	[20,083,444]	[17,928,692]	[12,471,637]	[7,611,807]
Total other financing sources [uses]	[20,083,444]	-	[20,083,444]	[17,928,692]	[12,471,637]	[7,611,807]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[391,029]	391,029	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	607,384	[607,384]	-			
FUND BALANCE - End of year	\$ 216,355	\$ [216,355]	\$ -			

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SUPPLEMENTAL GENERAL FUND  
For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Taxes:						
In process	\$ 716,853	\$ -	\$ 716,853	\$ 756,567	\$ 756,567	\$ [39,714]
Current	36,065,218	-	36,065,218	35,374,641	35,374,641	690,577
Delinquent	352,461	-	352,461	219,652	219,652	132,809
Motor vehicle	3,021,576	-	3,021,576	3,146,564	3,146,564	[124,988]
Rental excise	21,444	-	21,444	-	-	21,444
Total revenues	<u>40,177,552</u>	<u>-</u>	<u>40,177,552</u>	<u>39,497,424</u>	<u>39,497,424</u>	<u>680,128</u>
<b>EXPENDITURES:</b>						
Instruction	21,048,568	-	21,048,568	21,479,026	21,479,026	430,458
Student support services	1,048,170	-	1,048,170	1,051,937	1,051,937	3,767
Instructional support staff	519,152	-	519,152	516,874	516,874	[2,278]
School administration	1,680,386	-	1,680,386	1,615,440	1,615,440	[64,946]
Operations and maintenance	52,188	-	52,188	43,973	43,973	[8,215]
Total expenditures	<u>24,348,464</u>	<u>-</u>	<u>24,348,464</u>	<u>24,707,250</u>	<u>24,707,250</u>	<u>358,786</u>
Excess [deficiency] of revenues over [under] expenditures	<u>15,829,088</u>	<u>-</u>	<u>15,829,088</u>	<u>14,790,174</u>	<u>14,790,174</u>	<u>1,038,914</u>
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers out	<u>[16,032,683]</u>	<u>-</u>	<u>[16,032,683]</u>	<u>[15,673,897]</u>	<u>[15,673,897]</u>	<u>[358,786]</u>
Total other financing sources [uses]	<u>[16,032,683]</u>	<u>-</u>	<u>[16,032,683]</u>	<u>[15,673,897]</u>	<u>[15,673,897]</u>	<u>[358,786]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[203,595]</u>	<u>-</u>	<u>[203,595]</u>	<u>\$ [883,723]</u>	<u>\$ [883,723]</u>	<u>\$ 680,128</u>
FUND BALANCE - Beginning of year	<u>3,006,201</u>	<u>-</u>	<u>3,006,201</u>			
FUND BALANCE - End of year	<u>\$ 2,802,606</u>	<u>\$ -</u>	<u>\$ 2,802,606</u>			

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL EDUCATION FUND  
For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 5,065,017	\$ -	\$ 5,065,017	\$ 5,065,017	\$ 5,065,017	\$ -
State and local	890,725	-	890,725	918,379	918,379	[27,654]
Total intergovernmental	5,955,742	-	5,955,742	5,983,396	5,983,396	[27,654]
Use of money and property	334,055	-	334,055	-	-	334,055
Investment revenue	272,453	-	272,453	775,000	775,000	[502,547]
Other local sources	275,034	-	275,034	1,505,000	1,505,000	[1,229,966]
Total revenues	6,837,284	-	6,837,284	8,263,396	8,263,396	[1,426,112]
<b>EXPENDITURES:</b>						
Instruction	25,507,088	27,852	25,534,940	28,136,007	28,136,007	2,601,067
Student support services	4,097,095	-	4,097,095	4,095,431	4,095,431	[1,664]
Instructional support staff	619,390	-	619,390	1,367,010	1,367,010	747,620
General administration	596,639	-	596,639	-	-	[596,639]
Transportation	3,517,142	-	3,517,142	3,509,821	3,509,821	[7,321]
Total expenditures	34,337,354	27,852	34,365,206	37,108,269	37,108,269	2,743,063
Excess [deficiency] of revenues over [under] expenditures	[27,500,070]	[27,852]	[27,527,922]	[28,844,873]	[28,844,873]	1,316,951
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers in	27,527,860	-	27,527,860	22,168,385	22,168,385	5,359,475
Total other financing sources [uses]	27,527,860	-	27,527,860	22,168,385	22,168,385	5,359,475
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	27,790	[27,852]	[62]	\$ [6,676,488]	\$ [6,676,488]	\$ 6,676,426
FUND BALANCE - Beginning of year	11,925,810	[45,748]	11,880,062			
FUND BALANCE - End of year	\$ 11,953,600	\$ [73,600]	\$ 11,880,000			

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 CAPITAL OUTLAY FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Taxes:						
In process	\$ 387,977	\$ -	\$ 387,977	\$ 405,143	\$ 405,143	\$ [17,166]
Current	17,992,376	-	17,992,376	17,625,662	17,625,662	366,714
Delinquent	175,079	-	175,079	118,755	118,755	56,324
Motor vehicle	1,691,452	-	1,691,452	1,759,339	1,759,339	[67,887]
Rental excise	12,190	-	12,190	-	-	12,190
Total taxes	20,259,074	-	20,259,074	19,908,899	19,908,899	350,175
Investment revenue	107,630	-	107,630	-	-	107,630
Other local sources	145,865	-	145,865	-	-	145,865
Total revenues	20,512,569	-	20,512,569	19,908,899	19,908,899	603,670
<b>EXPENDITURES:</b>						
Instruction	3,600,280	[164,284]	3,435,996	15,491,236	15,491,236	12,055,240
Instructional support staff	17,278	-	17,278	-	-	[17,278]
General administration	2,120	-	2,120	-	-	[2,120]
School administration	49,021	[38,690]	10,331	61,233	61,233	50,902
Central services	133,813	-	133,813	510,495	510,495	376,682
Operations and maintenance	2,301,438	[138,667]	2,162,771	1,672,323	1,672,323	[490,448]
Transportation	135,375	[135,375]	-	150,000	150,000	150,000
Other support services	810,156	[394,672]	415,484	125,800	125,800	[289,684]
Capital outlay	27,191,682	[14,662,471]	12,529,211	14,684,099	14,684,099	2,154,888
Total expenditures	34,241,163	[15,534,159]	18,707,004	32,695,186	32,695,186	13,988,182
Excess [deficiency] of revenues over [under] expenditures	[13,728,594]	15,534,159	1,805,565	\$ [12,786,287]	\$ [12,786,287]	\$ 14,591,852
FUND BALANCE - Beginning of year	28,290,761	[15,508,704]	12,782,057			
FUND BALANCE - End of year	\$ 14,562,167	\$ 25,455	\$ 14,587,622			

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF FIDUCIARY NET ASSETS  
June 30, 2010

	Pension Trust <u>Fund</u>	Agency <u>Funds</u>
ASSETS:		
Cash and investments	\$ 325,883	\$ 1,883,426
Total assets	<u>\$ 325,883</u>	<u>\$ 1,883,426</u>
LIABILITIES:		
Liabilities:		
Other liabilities	\$ -	\$ 1,002,610
Due to student organizations	<u>-</u>	<u>880,816</u>
Total liabilities	<u>\$ -</u>	<u>\$ 1,883,426</u>
NET ASSETS:		
Held in trust for pension benefits	<u>\$ 325,883</u>	<u>\$ -</u>
Total net assets	<u>\$ 325,883</u>	<u>\$ -</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	Pension Trust <u>Fund</u>
Additions:	
Investment Earnings:	
Interest and dividends on investments	\$ 7,647
Total investment earnings	<u>7,647</u>
Total additions	<u>7,647</u>
Deductions:	
Net decrease in the fair value of investments	1,741
Losses on sales of investments	1,147
Plan management fees	<u>3,013</u>
Total deductions	<u>5,901</u>
Changes in net assets	1,746
Net assets - beginning	<u>324,137</u>
Net assets - ending	<u>\$ 325,883</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Blue Valley Unified School District No. 229 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the District and its component unit.

As required by generally accepted accounting principles (GAAP), the financial statements present data for all funds of the District and a component unit, an entity for which the District is considered to be financially accountable.

The determination of financial accountability includes consideration of a number of criteria including (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity, (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government and (3) the entity's fiscal dependency on the primary government.

*Discretely Presented Component Unit.* The following component unit is reported discretely to emphasize that it is legally separated from the District.

Recreation Commission: Blue Valley Recreation Commission is governed by a seven-member board appointed by the District and oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission must be approved by the District. The District levies taxes for the recreation commission. Bond issuances must be approved by the District.

Complete financial statements for the Blue Valley Recreation Commission are available from its office at 8026 W. 151<sup>st</sup> Street, Overland Park, Kansas 66223.

**B. Government-wide and fund financial statements**

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the District as a whole. For the most part, the effect of interfund activity has been removed from these statements. All activities of the District are governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the school district.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-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.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation (Continued)**

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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days 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 claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met.

The financial statements for the pension trust fund are prepared using the accrual basis of accounting. The pension trust fund reported in the basic financial statements is a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Employer contributions to the plan are recognized when due, as the District has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The District reports the following major governmental funds:

The General Fund is used to account for the general operations of the District and all unrestricted revenues and expenditures not provided for in other funds.

The Supplemental General Fund is used to account for revenues and expenditures as authorized by the local option tax budget for the District.

The Special Education Fund is used to account for federal and state aid revenues received and used for the education of students with special needs.

The Capital Outlay Fund is used to account for tax revenues which are primarily utilized for the acquisition, construction, and repair and remodeling of school district buildings.

The Debt Service Fund is used to account for the accumulation of resources for and the payments of interest and principal on general long-term debt, which are general obligations of the District.

The Capital Projects Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

The agency funds are used to account for assets held as an agent for individuals, other governmental units, private organizations and/or other funds. The pension trust fund is used to account for the deferred compensation plan.



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2010

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Material and Supplies Inventory**

Material and supplies inventory is valued using the first in/first out cost method. For fund financial statements the cost is recorded as an expenditure in the year consumed. For fund financial statement reporting the reserve for material and supplies inventory is equal to the amount of inventories on hand to indicate that a portion of fund balance is not available for future expenditures.

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. District capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Site Improvements	20
Furniture	10
Technology	6
Vehicles	15
Equipment	5

Assets which have been acquired with funds received through federal grants must be used in accordance with the terms of the grant. Federal regulations require, in some cases, that the District must reimburse the federal government for any assets which the District retains for its own use after the termination of the grant unless otherwise provided for by the grantor.

**F. Compensated Absences Liabilities**

Under terms of the District's personnel policy, District employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is not paid for accumulated sick days. However, if an employee retires, is KPERS eligible and has at least ten years of service with the district, they are entitled to a payout in accordance with the Negotiated Agreement between the Blue Valley National Education Association and the Blue Valley Board of Education. The same benefit is also afforded to all classified personnel. Vacation earned by administrators may be accumulated to a maximum of 20 days. Vacation earned by full-time classified employees with less than six years of employment in the District may accumulate to a maximum of fifteen days. Vacation earned by classified employees with six or more years of employment in the District may accumulate to a maximum of 20 days. Compensated absences are recorded as a liability on the statement of net assets until actually expended; once expended, the amount is recorded as an expenditure in the governmental funds.

The General Fund, Supplemental General Fund, Special Education Fund, and Other Governmental have been used in prior years to liquidate the liability for compensated absences.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. Deferred Revenue**

The District reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized on the statement of revenues, expenditures and changes in fund balances.

**I. Fund Balance Reserves**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Reservations have been established for encumbrances, inventory of materials and supplies and debt service. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

**J. 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, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Kansas statutes require that an operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds. The General Fund and Supplemental General Fund are subject to budgetary limitation by state statute. Other funds are not subject to statutory limitation. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

Management may not amend the budget without the approval of the board of education. However, state statutes permit management to transfer budgeted amounts between line items within an individual fund without this approval. In addition, the District has policies that require that department heads obtain business office approval prior to making any such transfers. The legal level of budgetary control is at the fund level.

If the board of education elects to amend the budget, it must publish a notice of public hearing in the local newspaper. At least ten days after publication the hearing may be held and the budget may be amended at that time. The budget for the Special Liability Fund was amended by the District for the June 30, 2010 school year.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations lapse at year end, except for capital project funds which are carried forward until such time as the project is completed or terminated. Encumbered appropriations (encumbrances) are reported as expenditures in the current year's budgetary presentation and as reservations of fund balances in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America. Accordingly, the actual expenditure data presented in the budgetary comparison statements differ from the data presented in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

A legal operating budget is not required for capital projects funds, agency funds, and certain special revenue funds. Legal operating budgets are required for the following funds: General, Supplemental General, Bilingual Education, Virtual Education, Capital Outlay, Driver Training, Food Service, Professional Development, Parent Education Program, Summer School, Special Education, Extraordinary School Program, Vocational Education, Special Assessment, Federal Funds, Gifts and Grants Funds, Special Liability, At Risk (K-12), KPERS and the Debt Service Fund.

Spending in funds which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the board of education.

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2010

**Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

	Major Governmental Funds					Other Nonmajor Governmental Funds	Total Budgeted Governmental Funds
	General Fund	Debt Service Fund	Supplemental General Fund	Special Education Fund	Capital Outlay Fund		
GAAP FUND BALANCE June 30, 2010	\$ 216,355	\$ 40,353,000	\$ 2,802,606	\$ 11,953,600	\$ 14,562,167	\$ 27,734,880	\$ 97,622,608
Adjustments:							
Unreserved fund balances not subject to the Kansas Budget Law:							
Contingency Reserve	-	-	-	-	-	[10,695,589]	[10,695,589]
Instructional Materials	-	-	-	-	-	[5,004,533]	[5,004,533]
Gate Receipts	-	-	-	-	-	[196,517]	[196,517]
Student Projects	-	-	-	-	-	[241,322]	[241,322]
Special Reserve	-	-	-	-	-	[3,986,632]	[3,986,632]
Gifts Fund	-	-	-	-	-	415,765	415,765
Retainage payable	-	-	-	-	1,575,778	-	1,575,778
Current year encumbrances	[68,085]	-	-	[73,600]	[1,550,323]	[38,156]	[1,730,164]
Reserve for material and supplies inventory	[148,270]	-	-	-	-	[112,847]	[261,117]
Total deductions	[216,355]	-	-	[73,600]	25,455	[19,859,831]	[20,124,331]
BUDGETARY FUND BALANCE June 30, 2010	\$ -	\$ 40,353,000	\$ 2,802,606	\$ 11,880,000	\$ 14,587,622	\$ 7,875,049	\$ 77,498,277

**B. Property Taxes**

The tax levy per \$1,000 of the assessed valuation of tangible taxable property was as follows:

Fund	Levy (\$ per thousand)
General	\$ 20.000
Special revenue:	
Supplemental General	16.040
Capital Outlay	8.000
Special Assessment	0.295
Cost of Living	2.485
Extraordinary Growth Facilities	2.055
Bond and Interest	16.204
Total tax levy	\$ 65.079

Taxes are assessed on a calendar year basis, and are levied and become a lien on the property on November 1st in the year of assessment.

The taxes are due upon receipt of the billing, although taxpayers may elect to pay installments on December 20 and May 10. Taxes are distributed to the District as collected by the County Treasurer five times per year.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 3. RESTATEMENT OF EQUITY**

After the close of the prior year, it was realized that various items were not properly capitalized in the prior year financial statements. The net assets were properly restated as follows:

	Total Governmental Funds
Net Assets - Beginning	\$ 274,410,472
Prior Period Adjustments:	
Capital Assets	<u>2,552,081</u>
Net Assets - Beginning, Restated	<u>\$ 276,962,553</u>

**Note 4. DETAILED NOTES ON ALL FUNDS**

**A. Investments**

The District's cash is considered to be active funds by management and is invested according to District policy and KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the County in which the District is located or an adjacent county and that the bank provide an acceptable rate for active funds.

The District's investments are considered to be idle funds by management and are invested according to District policy and KSA 12-1675. The statute requires that the District invest its idle funds in only temporary notes of the District, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury Bills or Notes and the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the District's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, repurchase agreements collateralized by direct obligations of the United States government or any agency thereof, investment agreements with a financial institution, which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poors Corporation, investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, federal home loan banks or Federal Home Loan Mortgage Corporation, receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States government or any agency thereof of obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, and municipal bonds or other obligations issued by a municipality of the State of Kansas. KSA 10-131 prohibits investment in derivatives.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 4. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Investments (Continued)**

At June 30, 2010, the District has the following investments, at fair value:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasuries	\$ 35,276,909	NA
Certificates of Deposit	22,001,200	NA
CDARS	25,000,000	NA
Kansas Municipal Investment Pool	<u>70,999,905</u>	S&P AAf/S1+
Total fair value	<u>\$ 153,278,014</u>	

The District's investment policy provides direction on concentration risk. The District policy states that adequate diversification of investments shall be met by security type and institution wherever possible in order to eliminate the risk of loss resulting from the over concentration of assets in a specific maturity, issuer or class of securities. In establishing specific diversification strategies the following guidelines will apply; portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity. Liquidity practices shall be used at all times to ensure that the next disbursement date and payroll date are covered through maturing investments, marketable United States treasuries or cash on hand.

The District's formal investment policy does not provide limits on interest rate risks.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. All District deposits shall be held in third party safekeeping. The District shall maintain a listing of the specific instruments, rates, maturities and other pertinent information. In terms of collateralization, the following must apply:

1. Securities pledged to secure the deposits of the District must be deposited with a bank, trust company, or national bank authorized to do business in Kansas, the Federal Reserve Bank of Kansas City, the Federal Home Loan Bank of Topeka or the State Treasurer. Such securities must be deposited under a joint custody receipt and must equal at least 105% of the market value of the secured deposits.
2. No securities pledged may be left for safekeeping in any bank, trust company or national bank which is owned directly or indirectly by any parent corporation of the depository bank, or with any bank, trust company or national bank having common controlling shareholders, having a common majority of the board of directors or having common directors with the ability to control or influence directly or indirectly the acts or policies of the bank, state or federally chartered savings and loan association, or federally chartered savings bank securing public deposits.
3. Certificates of deposit shall be collateralized as required by Kansas statutes for any amount exceeding FDIC coverage.
4. Collateral underlying repurchase agreements is limited to United States government and agency obligations which are eligible for wire transfer to the District's safekeeping agent through the Federal Reserve System.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 4. DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Investments (Continued)**

5. Collateral is valued at current market plus interest accrued through the date of valuation. Repurchase agreement collateral must be maintained at the following level, with respect to repurchase agreement par value plus accrued interest: United States treasury securities, with maturities of one year or less at 101% and United States treasury securities with maturities of one to five years at 102%.

At year end, the Blue Valley Recreation Commission's investment balances, at fair value, were as follows:

	Fair Value	Rating
U.S. Government Securities	\$ 2,125,603	NA
CDARS	1,715,000	NA
KMIP	<u>8,001</u>	S&P AAf/S1+
Total Investments	<u>\$ 3,848,604</u>	

**B. Receivables**

Receivables as of June 30, 2010 are as follows:

	<u>General</u>	<u>Special Education</u>	<u>Other Governmental</u>	<u>Total</u>
District governmental activities:				
Receivables:				
Accounts	\$ 3,979,201	\$ 1,799	\$ 136,744	\$ 4,117,744
Interest	<u>-</u>	<u>63,276</u>	<u>-</u>	<u>63,276</u>
Total	<u>\$ 3,979,201</u>	<u>\$ 65,075</u>	<u>\$ 136,744</u>	<u>\$ 4,181,020</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 4. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance July 1, 2009	Prior Period Adjustment	Balance, Restated July 1, 2009	Additions	Retirements	Balance June 30, 2010
District governmental activities:						
Nondepreciable assets:						
Land	\$ 24,293,364	\$ -	\$ 24,293,364	\$ -	\$ -	\$ 24,293,364
Construction in progress	104,357,049	-	104,357,049	50,094,245	[47,021,838]	107,429,456
Depreciable assets:						
Buildings and improvements	400,941,261	-	400,941,261	54,014,648	-	454,955,909
Site improvements	36,223,147	[4,765,780]	31,457,367	837,265	-	32,294,632
Infrastructure	-	4,765,780	4,765,780	785,984	-	5,551,764
Furniture	2,133,418	-	2,133,418	73,113	-	2,206,531
Technology	26,919,949	3,694,238	30,614,187	1,566,500	[1,201,016]	30,979,671
Vehicles	2,733,766	-	2,733,766	147,648	[29,186]	2,852,228
Food service equipment	3,542,516	[1,336]	3,541,180	87,286	-	3,628,466
Equipment	14,408,583	141,887	14,550,470	3,146,886	[78,978]	17,618,378
Totals at historical cost	<u>615,553,053</u>	<u>3,834,789</u>	<u>619,387,842</u>	<u>110,753,575</u>	<u>[48,331,018]</u>	<u>681,810,399</u>
Less accumulated depreciation for:						
Buildings and improvements	95,494,625	-	95,494,625	10,248,583	-	105,743,208
Site improvements	11,118,668	[448,293]	10,670,375	1,562,618	-	12,232,993
Infrastructure	-	448,293	448,293	226,189	-	674,482
Furniture	1,795,591	-	1,795,591	77,767	-	1,873,358
Technology	15,796,095	1,283,758	17,079,853	4,009,156	[1,124,999]	19,964,010
Vehicles	1,083,673	-	1,083,673	176,853	[14,916]	1,245,610
Food service equipment	3,389,293	-	3,389,293	83,995	-	3,473,288
Equipment	11,495,885	[1,050]	11,494,835	1,483,785	[78,978]	12,899,642
Total accumulated depreciation	<u>140,173,830</u>	<u>1,282,708</u>	<u>141,456,538</u>	<u>17,868,946</u>	<u>[1,218,893]</u>	<u>158,106,591</u>
Governmental activities capital assets, net	<u>\$ 475,379,223</u>	<u>\$ 2,552,081</u>	<u>\$ 477,931,304</u>	<u>\$ 92,884,629</u>	<u>\$ [47,112,125]</u>	<u>\$ 523,703,808</u>
Component unit governmental activities:						
Buildings and improvements	\$ 30,064,312	\$ -	\$ 30,064,312	\$ 85,015	\$ -	\$ 30,149,327
Equipment	1,781,877	-	1,781,877	90,809	[4,000]	1,868,686
Totals at historical cost	<u>31,846,189</u>	<u>-</u>	<u>31,846,189</u>	<u>175,824</u>	<u>[4,000]</u>	<u>32,018,013</u>
Less accumulated depreciation for:						
Buildings and improvements	4,532,309	-	4,532,309	589,286	-	5,121,595
Equipment	1,381,571	-	1,381,571	114,000	[4,000]	1,491,571
Total accumulated depreciation	<u>5,913,880</u>	<u>-</u>	<u>5,913,880</u>	<u>703,286</u>	<u>[4,000]</u>	<u>6,613,166</u>
Governmental activities capital assets, net	<u>\$ 25,932,309</u>	<u>\$ -</u>	<u>\$ 25,932,309</u>	<u>\$ [527,462]</u>	<u>\$ -</u>	<u>\$ 25,404,847</u>



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 4. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

The District's depreciation expense was charged to governmental functions as follows:

Instruction	\$ 15,767,457
Instructional support	9,413
Student support	26,090
General administration	404,364
School administration	23,224
Operations and maintenance	838,759
Other support services	<u>799,639</u>
 Total depreciation	 <u>\$ 17,868,946</u>

The Recreation Commission component unit's depreciation expense was charged to governmental functions as follows:

Culture and recreation	\$ <u>703,286</u>
 Total depreciation	 <u>\$ 703,286</u>

**D. Long - Term Liabilities**

The changes in the District's long-term obligations during the year consist of the following:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
District Governmental Activities					
General Obligation Bonds	\$ 368,947,118	\$ -	\$ [26,530,686]	\$ 342,416,432	\$ 27,335,686
Net Other Post Employment Benefit Obligation	3,404,253	2,043,514	-	5,447,767	-
Compensated Absences	<u>1,333,519</u>	<u>462,222</u>	<u>[245,191]</u>	<u>1,550,550</u>	<u>245,191</u>
 Total governmental activities					
Long-term liabilities	<u>\$ 373,684,890</u>	<u>\$ 2,505,736</u>	<u>\$ [26,775,877]</u>	<u>\$ 349,414,749</u>	<u>\$ 27,580,877</u>
 Component Unit Governmental Activities					
Certificates of Participation	<u>\$ 17,053,397</u>	<u>\$ -</u>	<u>\$ [706,575]</u>	<u>\$ 16,346,822</u>	<u>\$ 736,575</u>
 Total governmental activities					
Long-term liabilities	<u>\$ 17,053,397</u>	<u>\$ -</u>	<u>\$ [706,575]</u>	<u>\$ 16,346,822</u>	<u>\$ 736,575</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2010

**Note 4. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Long - Term Liabilities (Continued)**

Long-term obligations of the District consists of the following:

General Obligation <u>Bonds</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2010</u>
2001A	08/15/01	10/01/18	4.0% to 5.1%	73,010,000	\$ 55,034,810
2002A	07/15/02	10/01/21	3.1% to 5.0%	36,799,907	24,987,131
2003A	07/01/03	10/01/10	2.0% to 4.0%	41,702,028	1,260,983
2004A	05/15/04	10/01/16	3.0% to 5.0%	26,136,058	2,201,514
2005A	05/12/05	10/01/25	3.0% to 5.25%	58,922,916	47,347,187
2005B	05/12/05	10/01/19	3.0% to 5.0%	48,971,286	44,939,191
2007A	10/09/07	10/01/27	4.0% to 5.0%	101,301,845	95,734,661
2009A	06/01/09	10/01/29	1.25% to 5.75%	<u>73,011,532</u>	<u>70,910,955</u>
Total general obligation bonds payable				<u>\$ 459,855,572</u>	<u>\$ 342,416,432</u>

Long-term obligations of the Recreation Commission consists of the following:

	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2010</u>
Certificates of Participation				
2001	09/28/01	2.5% to 4.3%	\$ 6,818,844	\$ 1,464,769
2006A	03/09/06	3.5% to 4.375%	9,815,057	9,795,046
2006B	03/09/06	3.7% to 4.375%	<u>5,068,758</u>	<u>5,087,007</u>
Total certificates of participation payable			<u>\$ 21,702,659</u>	<u>\$ 16,346,822</u>

The annual debt service requirements to maturity for the District general obligation bonds, including interest, are as follows:

District:

Year Ending <u>June 30</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Totals</u>
2011	\$ 27,335,686	\$ 15,217,068	\$ 42,552,754
2012	26,919,703	14,071,586	40,991,289
2013	25,311,445	12,894,836	38,206,281
2014	26,441,446	11,727,724	38,169,170
2015	23,871,445	10,603,174	34,474,619
2016 to 2020	104,891,695	37,300,727	142,192,422
2021 to 2025	64,329,429	18,264,794	82,594,223
2026 to 2030	<u>43,315,583</u>	<u>4,495,268</u>	<u>47,810,851</u>
Total	<u>\$ 342,416,432</u>	<u>\$ 124,575,177</u>	<u>\$ 466,991,609</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 4. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Long - Term Liabilities (Continued)**

The annual debt service requirements to maturity for the Commission's certificates of participation, including interest, are as follows:

Component Unit:

Year Ending <u>June 30</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Totals</u>
2011	\$ 736,575	\$ 709,189	\$ 1,445,764
2012	766,575	676,430	1,443,005
2013	816,691	632,361	1,449,052
2014	836,691	601,068	1,437,759
2015	871,691	568,095	1,439,786
2016 to 2020	4,908,455	2,276,835	7,185,290
2021 to 2025	6,038,455	1,123,927	7,162,382
2026	<u>1,371,689</u>	<u>57,820</u>	<u>1,429,509</u>
Total	<u>\$ 16,346,822</u>	<u>\$ 6,645,725</u>	<u>\$ 22,992,547</u>

Long-term liabilities on the Statement of Net Assets are reported net of the applicable bond premium and discount. The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Debt Service Fund. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761. The District's statutory limit for such bonded indebtedness is about \$328 million at June 30, 2010. The District has received authorization from the State of Kansas to exceed this limit.

**E. Operating Leases**

The District leases copiers under an operating lease. Total costs for this lease was \$606,657 for the year ended June 30, 2010. The future minimum lease payments for the lease are \$606,657 for the next two fiscal years.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 5. OTHER INFORMATION**

**A. Deferred Compensation Plan**

The District offers an employee a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 457. Under the Plan, the participant is not required to contribute. All contributions to the Plan are made by the District. The Plan is currently available to one employee.

Under the Plan, the participant receives the balance of the deferred compensation fund upon the completion of a period of eight continuous and complete years of service commencing on July 1, 2006. If employment ceases prior to the years of service discussed above, payment under the Plan is forfeited. Forfeiture, however, shall not occur in the case of death, severance from employment by reason of disability, or involuntary termination of employment without cause.

The authority to amend the plan resides with the District. Administrative costs are paid from the Plan assets. All required contributions, totaling \$300,000, have been made by the District. The plan is recorded in the District's financial statements as the pension trust fund.

**B. Defined Benefit Pension Plan**

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901 et seq.. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Topeka, Kansas 66603-3925).

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.57% of covered payroll. These contribution requirements are established by KPERS and periodically revised. The estimated State of Kansas contributions to KPERS for the District employees for the years ending June 30, 2010, 2009, and 2008 were \$9,718,660, \$9,445,979, and \$8,123,194, respectively, equal to the required contributions for each year. The District recognizes these on-behalf payments as revenues and expenditures in the KPERS Fund as required.

**C. Interfund Transfers and Due To/From Other Funds**

K.S.A. 72-6428 and K.S.A. 72-6433 allow the transfer of monies between funds. Interfund transfers occurred during the year and were made between the funds identified in the following table to provide sufficient resources to pay the expenditures in the funds receiving the transfer. The due to and due from between funds were recorded to eliminate negative cash in any individual funds.

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major:				
General	\$ -	\$ 20,083,444	\$ 33,187	\$ -
Supplemental	-	16,032,683	-	-
Special Education	27,527,860	-	-	-
Nonmajor:				
Special Revenue	<u>10,235,734</u>	<u>1,647,467</u>	<u>-</u>	<u>33,187</u>
Total	<u>\$ 37,763,594</u>	<u>\$ 37,763,594</u>	<u>\$ 33,187</u>	<u>\$ 33,187</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2010

**Note 5. OTHER INFORMATION (Continued)**

**D. Contingent Liabilities**

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2010.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. During the fiscal year ended June 30, 2010, the District paid rebates of \$62,363. The amounts of any future rebates due on other bonds have not been determined.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. During the past three fiscal years, settlements have not exceeded insurance coverage.

The District is also a party in a number of lawsuits as a result of the ordinary course of school activities. District management and legal counsel anticipate that the potential claims against the District not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the District.

**E. Capital Project Funds Expenditures - Budget and Actual (Budgetary Basis)**

The District prepares annual operating budgets for the majority of the governmental funds; however, for the capital projects funds, project-length budgets are prepared. The projects budgeted, approved budgets, and cumulative expenditures, including encumbrances, as of June 30, 2010, are as follows:

<u>Project Name</u>	<u>Project Budget</u>	<u>Cumulative expenditures through June 30, 2010</u>
Construction Projects 2005	<u>\$ 292,329,233</u>	<u>\$ 249,287,207</u>

**F. Postemployment Healthcare Plan**

**Plan Description.** The District operates a single employer defined benefit healthcare plan administered by the District. The Employee Benefit Plan (the Plan) provides medical, dental and vision insurance benefits to eligible early retirees and their spouses. KSA 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

**Funding Policy.** The contribution requirements of plan participants and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ended June 30, 2010, plan participants contributed approximately \$317,003 to the Plan (approximately 100% of total premiums) through their required contribution of \$426.14 per month for retiree-only coverage and \$806.30 for retiree and dependent coverage.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 5. OTHER INFORMATION (Continued)**

**F. Postemployment Healthcare Plan (Continued)**

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the District's net OPEB obligation to the Plan:

Annual required contribution	<u>\$ 2,360,517</u>
Annual OPEB cost (expense)	2,360,517
Benefit payments	<u>317,003</u>
Change in net OPEB obligation	2,043,514
Net OPEB obligation - beginning of year	<u>3,404,253</u>
Net OPEB obligation - end of year	<u>\$ 5,447,767</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended June 30, 2010 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Percentage of Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2008	\$ 1,980,013	\$ 235,530	11.9%	\$ 1,744,483
June 30, 2009	2,058,870	399,100	19.4%	3,404,253
June 30, 2010	2,360,517	317,003	13.4%	5,447,767

The information for the preceding years was not available.

Funding Status and Funding Progress. As of the year ended June 30, 2010, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$17,369,602 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$17,369,602. The covered payroll (annual payroll of active employees covered by the plan) was \$135,382,074, and the ratio of the UAAL to the covered payroll was 12.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

**Note 5. OTHER INFORMATION (Continued)**

**F. Postemployment Healthcare Plan (Continued)**

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the year ended June 30, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 10% initially, reduced by decrements to an ultimate rate of 6% after ten years. The UAAL is being amortized as a level dollar over an open thirty-year period.

**G. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**H. Subsequent Event**

In September, 2010, the District issued Series 2010-A General Obligation Refunding Bonds in the principal amount of \$21,870,000. Proceeds from the sale of the Series 2010-A Bonds were used to create an escrow to advance refund \$22,035,000 principal amount (out of a total outstanding balance of \$24,835,000) of the District's Series 2002-A General Obligation School Bonds. As a result of the completion of the 2010 refunding, the District reduced its future debt service obligations by \$2,736,019.50. On a present value basis, the savings equaled \$2,640,441.22, or approximately 11.983% of the principal amount of the refunded bonds. The District will make the first payment on the Series 2010-A Bonds on April, 1, 2011 and the last payment on October 1, 2021. The interest rate on the Series 2010-A Bonds ranges from 2.00 to 4.00%.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2010

Schedule of Employer Contributions:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	\$ 1,980,013	\$ 235,530	11.9%	\$ 1,744,483
June 30, 2009	2,058,870	399,100	19.4%	3,404,253
June 30, 2010	2,360,517	317,003	13.4%	5,447,767

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
6/30/2008	\$ -	\$ 12,095,652	\$ 12,095,652	0.0%	\$ 113,678,600	10.6%
6/30/2009	-	15,541,741	15,541,741	0.0%	134,360,931	11.6%
6/30/2010	-	17,369,602	17,369,602	0.0%	135,382,074	12.8%

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**COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING STATEMENTS - NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**BUDGETED FUNDS:**

**Vocational Education Fund:** This fund is used to account for revenues received and expenditures incurred for state and federal vocational education programs, administered in accordance with established guidelines and statutes.

**At Risk (K-12) Fund:** This fund is used to account for the expenditures associated with at-risk students to provide them with additional educational opportunities and instructional services to assist in closing the achievement gap.

**Driver Training Fund:** This fund is used to account for state aid and user revenues used to provide driver's education training to students.

**Professional Development Fund:** This fund is used to account for state aid revenues that are provided for teacher inservice training programs.

**Special Assessment Fund:** This fund is used to account for tax monies collected and expended to other taxing municipalities to pay the District's portion of special assessment taxes on District owned property. The fund is established and maintained in accordance with applicable state statutes.

**Food Service Fund:** This fund is established pursuant to state law to account for all monies received and expended attributable to the food service program. This program is administered according to the state plan of child nutrition operations under which federal funds are received pursuant to federal acts relating to child nutrition. The programs are administered and meals are served on a nonprofit basis.

**Bilingual Education Fund:** This fund is used to account for monies received and expended to operate an English as a Second Language (ESL) program.

**Virtual Education Fund:** This fund is used to account for monies received and expended for virtual, online courses.

**Summer School Fund:** This fund is used to account for user fees derived from summer school education programs and the expenditures necessary to carry out these programs.

**Parent Education Program Fund:** This fund is used to account for state aid revenues which are used to provide educational training and assistance programs to parents in the District regarding pre-school and selected educational problems of students.

**Extraordinary School Program Fund:** This fund is used to account for revenues and expenditures relating to a contract for credit program, a PSAT program, and an all day multi-age kindergarten program.

**Federal Funds:** A number of grant funds including; Drug Free Grant, Title VI Merge Grant, Title I, Title II-A, Title II-D, Title V, and the Title III Grant Funds, have been established to account for the revenues and expenditures associated with Federal grants that have been awarded to the District for specific purposes.

**Grant Funds:** A number of grant funds including; DAC Grant, Blue Valley Foundation Grant, Community Grants, Kauffman Grant, College Now, Johnson County Grant, and the Parents as Teachers Grant Funds, have been established to account for the revenues and expenditures associated with State and local grants that have been awarded to the District for specific purposes.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

**BUDGETED FUNDS (Continued):**

**Special Liability Fund:** This fund is used to account for property tax revenues used to pay the cost of providing for the school district's defense and the defense of employees pursuant to the Kansas tort claims act for payment of claims and other direct and indirect costs resulting from such act and to pay judgments rendered against the school district.

**KPERS Fund:** This fund is used to account for the inflow and outflow of the State of Kansas's share of the public employee retirement system contributions.

**NON - BUDGETED FUNDS:**

**Gate Receipts Fund:** Unexpended gate receipts from athletic and performing arts events at the schools are recorded in the District Gate Receipts Fund at year end.

**Student Projects Fund:** Unexpended funds collected for schools are recorded in the District Students Projects Fund at year-end.

**Instructional Materials Fund:** This fund is used to account for monies collected for student instructional materials, supplies and to purchase and maintain textbooks.

**Contingency Reserve Fund:** This fund is used to account for monies transferred from the General Fund in accordance with Kansas statutes (limited to 6% of General Fund budget) and expended for contingency purposes.

**Special Reserve Fund:** This fund is used to account for monies transferred from the General Fund in accordance with Kansas statutes and expended to cover the cost of insurable losses not otherwise insured.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
June 30, 2010

	Vocational Education	At Risk	Driver Training	Professional Development	Special Assessment	Food Service	DAC Grant	Bilingual Education	Virtual Education
<b>ASSETS</b>									
Cash and investments	\$ 24,662	\$ 34,408	\$ 173,548	\$ 818,695	\$ 476,412	\$ 2,764,488	\$ 4,688	\$ 5,893	\$ 129,042
Other receivable	-	-	-	-	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-	112,847	-	-	-
<b>Total assets</b>	<b>\$ 24,662</b>	<b>\$ 34,408</b>	<b>\$ 173,548</b>	<b>\$ 818,695</b>	<b>\$ 476,412</b>	<b>\$ 2,877,335</b>	<b>\$ 4,688</b>	<b>\$ 5,893</b>	<b>\$ 129,042</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 21,810	\$ 32,765	\$ 1,316	\$ 36,085	\$ -	\$ 20,699	\$ -	\$ 5,893	\$ 1,187
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	1,925	-	-	369,848	-	-	-
<b>Total liabilities</b>	<b>21,810</b>	<b>32,765</b>	<b>3,241</b>	<b>36,085</b>	<b>-</b>	<b>390,547</b>	<b>-</b>	<b>5,893</b>	<b>1,187</b>
<b>Fund balances:</b>									
Reserved for encumbrances	2,852	1,643	-	2,610	-	-	-	-	-
Reserved for materials and supplies	-	-	-	-	-	112,847	-	-	-
Unreserved	-	-	170,307	780,000	476,412	2,373,941	4,688	-	127,855
<b>Total fund balances</b>	<b>2,852</b>	<b>1,643</b>	<b>170,307</b>	<b>782,610</b>	<b>476,412</b>	<b>2,486,788</b>	<b>4,688</b>	<b>-</b>	<b>127,855</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,662</b>	<b>\$ 34,408</b>	<b>\$ 173,548</b>	<b>\$ 818,695</b>	<b>\$ 476,412</b>	<b>\$ 2,877,335</b>	<b>\$ 4,688</b>	<b>\$ 5,893</b>	<b>\$ 129,042</b>

Continued on next page

See independent auditor's report on the financial statements.

Summer School	Parent Education Program	Extraordinary School Program	Gate Receipts	Student Projects	Instructional Materials	Contingency Reserve	Drug Free Grant	Title VI Merge Grant	Title I
\$ 74,937	\$ 133,851	\$ 1,002,086	\$ 196,517	\$ 241,322	\$ 6,415,721	\$ 10,695,589	\$ 22,738	\$ 306	\$ -
-	89,799	-	-	-	-	-	8,000	190	34,066
-	-	-	-	-	-	-	-	-	-
<u>\$ 74,937</u>	<u>\$ 223,650</u>	<u>\$ 1,002,086</u>	<u>\$ 196,517</u>	<u>\$ 241,322</u>	<u>\$ 6,415,721</u>	<u>\$ 10,695,589</u>	<u>\$ 30,738</u>	<u>\$ 496</u>	<u>\$ 34,066</u>
\$ 2,390	\$ 371	\$ 17,538	\$ -	\$ -	\$ 175,274	\$ -	\$ 30,154	\$ 496	\$ 2,923
-	-	-	-	-	-	-	-	-	30,912
-	-	235,225	-	-	1,228,381	-	-	-	-
<u>2,390</u>	<u>371</u>	<u>252,763</u>	<u>-</u>	<u>-</u>	<u>1,403,655</u>	<u>-</u>	<u>30,154</u>	<u>496</u>	<u>33,835</u>
-	507	-	-	-	7,533	-	584	-	231
-	-	-	-	-	-	-	-	-	-
<u>72,547</u>	<u>222,772</u>	<u>749,323</u>	<u>196,517</u>	<u>241,322</u>	<u>5,004,533</u>	<u>10,695,589</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>72,547</u>	<u>223,279</u>	<u>749,323</u>	<u>196,517</u>	<u>241,322</u>	<u>5,012,066</u>	<u>10,695,589</u>	<u>584</u>	<u>-</u>	<u>231</u>
<u>\$ 74,937</u>	<u>\$ 223,650</u>	<u>\$ 1,002,086</u>	<u>\$ 196,517</u>	<u>\$ 241,322</u>	<u>\$ 6,415,721</u>	<u>\$ 10,695,589</u>	<u>\$ 30,738</u>	<u>\$ 496</u>	<u>\$ 34,066</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
June 30, 2010

	Blue Valley Foundation Grant	Community Grants	Kauffman Grant	College Now	Special Reserve	Johnson County Grant
<b>ASSETS</b>						
Cash and investments	\$ 25,660	\$ 12,155	\$ 56,610	\$ -	\$ 3,986,632	\$ 2,400,848
Other receivable	-	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 25,660</b>	<b>\$ 12,155</b>	<b>\$ 56,610</b>	<b>\$ -</b>	<b>\$ 3,986,632</b>	<b>\$ 2,400,848</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 2,019	\$ 1,465	\$ -	\$ -	\$ -	\$ 126,666
Due to other funds	-	-	-	-	-	-
Deferred revenue	10,545	-	-	-	-	-
<b>Total liabilities</b>	<b>12,564</b>	<b>1,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,666</b>
<b>Fund balances:</b>						
Reserved for encumbrances	4,747	165	-	-	-	17,284
Reserved for materials and supplies	-	-	-	-	-	-
Unreserved	8,349	10,525	56,610	-	3,986,632	2,256,898
<b>Total fund balances</b>	<b>13,096</b>	<b>10,690</b>	<b>56,610</b>	<b>-</b>	<b>3,986,632</b>	<b>2,274,182</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,660</b>	<b>\$ 12,155</b>	<b>\$ 56,610</b>	<b>\$ -</b>	<b>\$ 3,986,632</b>	<b>\$ 2,400,848</b>

Continued on next page

See independent auditor's report on the financial statements.



Parents as Teachers Grant	Title II-A	Title II-D	Title V	Title III	Special Liability	KPERS	Total Nonmajor Special Revenue Funds
\$ -	\$ 27,701	\$ 266	\$ -	\$ -	\$ 149,945	\$ -	\$ 29,874,720
-	2,169	245	-	2,275	-	-	136,744
-	-	-	-	-	-	-	112,847
<u>\$ -</u>	<u>\$ 29,870</u>	<u>\$ 511</u>	<u>\$ -</u>	<u>\$ 2,275</u>	<u>\$ 149,945</u>	<u>\$ -</u>	<u>\$ 30,124,311</u>
\$ -	\$ 29,870	\$ 511	\$ -	\$ -	\$ 888	\$ -	\$ 510,320
-	-	-	-	2,275	-	-	33,187
-	-	-	-	-	-	-	1,845,924
-	29,870	511	-	2,275	888	-	2,389,431
-	-	-	-	-	-	-	38,156
-	-	-	-	-	-	-	112,847
-	-	-	-	-	149,057	-	27,583,877
-	-	-	-	-	149,057	-	27,734,880
<u>\$ -</u>	<u>\$ 29,870</u>	<u>\$ 511</u>	<u>\$ -</u>	<u>\$ 2,275</u>	<u>\$ 149,945</u>	<u>\$ -</u>	<u>\$ 30,124,311</u>

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
For the Year Ended June 30, 2010

	Vocational Education	At Risk	Driver Training	Professional Development	Special Assessment	Food Service	DAC Grant	Bilingual Education	Virtual Education
<b>REVENUES:</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 721,616	\$ -	\$ -	\$ -	\$ -
Intergovernmental	86,509	-	19,500	-	-	1,339,843	-	-	-
Charges for services	-	-	103,458	-	-	6,983,221	-	-	265,875
Investment revenue	-	-	-	-	-	14,913	-	-	-
Other local sources	-	-	-	-	-	5,956	-	-	-
<b>Total revenues</b>	<b>86,509</b>	<b>-</b>	<b>122,958</b>	<b>-</b>	<b>721,616</b>	<b>8,343,933</b>	<b>-</b>	<b>-</b>	<b>265,875</b>
<b>EXPENDITURES:</b>									
<b>Current</b>									
Instruction	3,837,475	2,809,396	114,703	-	-	-	-	1,321,561	202,566
Student support services	-	48,256	-	-	-	-	-	-	-
Instructional support staff	90,809	64,073	-	1,387,576	-	-	4,969	105,272	32,246
General administration	-	-	13,189	-	-	-	-	-	-
School administration	116,539	165,160	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	78,760	-
Operations and maintenance	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-
Food service operations	-	-	-	-	-	8,545,922	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	644,006	-	-	-	-
<b>Total expenditures</b>	<b>4,044,823</b>	<b>3,086,885</b>	<b>127,892</b>	<b>1,387,576</b>	<b>644,006</b>	<b>8,545,922</b>	<b>4,969</b>	<b>1,505,593</b>	<b>234,812</b>
Excess [deficiency] of revenues over [under] expenditures	[3,958,314]	[3,086,885]	[4,934]	[1,387,576]	77,610	[201,989]	[4,969]	[1,505,593]	31,063
<b>OTHER FINANCING SOURCES [USES]:</b>									
Transfers in	3,949,226	3,087,387	-	1,388,948	-	-	-	1,505,593	96,792
Transfers [out]	-	-	-	-	-	-	-	-	-
<b>Total other financing sources [uses]</b>	<b>3,949,226</b>	<b>3,087,387</b>	<b>-</b>	<b>1,388,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,505,593</b>	<b>96,792</b>
Net change in fund balances	[9,088]	502	[4,934]	1,372	77,610	[201,989]	[4,969]	-	127,855
Fund balance - Beginning of year	11,940	1,141	175,241	781,238	398,802	2,688,777	9,657	-	-
<b>Fund balance - End of year</b>	<b>\$ 2,852</b>	<b>\$ 1,643</b>	<b>\$ 170,307</b>	<b>\$ 782,610</b>	<b>\$ 476,412</b>	<b>\$ 2,486,788</b>	<b>\$ 4,688</b>	<b>\$ -</b>	<b>\$ 127,855</b>

Summer School	Parent Education Program	Extraordinary School Program	Gate Receipts	Student Projects	Instructional Materials	Contingency Reserve	Drug Free Grant	Title VI Merge Grant	Title I
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	389,238	-	-	-	-	-	21,520	113,781	519,961
88,828	-	1,983,690	722,615	-	2,397,609	-	-	-	-
-	-	-	-	3,082,412	-	-	-	-	-
<u>88,828</u>	<u>389,238</u>	<u>1,983,690</u>	<u>722,615</u>	<u>3,082,412</u>	<u>2,397,609</u>	<u>-</u>	<u>21,520</u>	<u>113,781</u>	<u>519,961</u>
77,962	565,133	1,796,375	726,676	3,066,812	1,710,319	-	-	-	462,691
-	-	-	-	-	-	-	-	-	-
-	26,488	87,081	-	-	49,981	-	24,439	113,781	53,577
6,733	-	49,303	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	4,395
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>84,695</u>	<u>591,621</u>	<u>1,932,759</u>	<u>726,676</u>	<u>3,066,812</u>	<u>1,760,300</u>	<u>-</u>	<u>24,439</u>	<u>113,781</u>	<u>520,663</u>
<u>4,133</u>	<u>[202,383]</u>	<u>50,931</u>	<u>[4,061]</u>	<u>15,600</u>	<u>637,309</u>	<u>-</u>	<u>[2,919]</u>	<u>-</u>	<u>[702]</u>
-	207,788	-	-	-	-	-	-	-	-
-	-	-	-	-	-	[1,647,467]	-	-	-
-	207,788	-	-	-	-	[1,647,467]	-	-	-
4,133	5,405	50,931	[4,061]	15,600	637,309	[1,647,467]	[2,919]	-	[702]
<u>68,414</u>	<u>217,874</u>	<u>698,392</u>	<u>200,578</u>	<u>225,722</u>	<u>4,374,757</u>	<u>12,343,056</u>	<u>3,503</u>	<u>-</u>	<u>933</u>
<u>\$ 72,547</u>	<u>\$ 223,279</u>	<u>\$ 749,323</u>	<u>\$ 196,517</u>	<u>\$ 241,322</u>	<u>\$ 5,012,066</u>	<u>\$ 10,695,589</u>	<u>\$ 584</u>	<u>\$ -</u>	<u>\$ 231</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
 For the Year Ended June 30, 2010

	Blue Valley Foundation Grant	Community Grants	Kauffman Grant	College Now	Special Reserve	Johnson County Grant
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment revenue	-	-	-	-	9,228	-
Other local sources	-	-	-	158,413	2,434,177	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,413</u>	<u>2,434,177</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,413</u>	<u>2,443,405</u>	<u>-</u>
EXPENDITURES:						
Current						
Instruction	34,253	18,583	264	158,413	204,574	-
Student support services	4,923	-	-	-	4,434	-
Instructional support staff	638	-	-	-	9,189	1,741,401
General administration	-	-	-	-	-	-
School administration	-	-	-	-	387	-
Student transportation services	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	287,192	-
Other support services	1,272	-	-	-	7,192	2,002,547
Food service operations	-	-	-	-	-	-
Capital outlay						
Facility acquisition and construction	-	-	-	-	-	-
	<u>41,086</u>	<u>18,583</u>	<u>264</u>	<u>158,413</u>	<u>512,968</u>	<u>3,743,948</u>
Total expenditures	<u>41,086</u>	<u>18,583</u>	<u>264</u>	<u>158,413</u>	<u>512,968</u>	<u>3,743,948</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[41,086]</u>	<u>[18,583]</u>	<u>[264]</u>	<u>-</u>	<u>1,930,437</u>	<u>[3,743,948]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	-	-	-	-	-
Transfers [out]	-	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>[41,086]</u>	<u>[18,583]</u>	<u>[264]</u>	<u>-</u>	<u>1,930,437</u>	<u>[3,743,948]</u>
Fund balance - Beginning of year	<u>54,182</u>	<u>29,273</u>	<u>56,874</u>	<u>-</u>	<u>2,056,195</u>	<u>6,018,130</u>
Fund balance - End of year	<u>\$ 13,096</u>	<u>\$ 10,690</u>	<u>\$ 56,610</u>	<u>\$ -</u>	<u>\$ 3,986,632</u>	<u>\$ 2,274,182</u>

Parents as Teachers Grant	Title II-A	Title II-D	Title V	Title III	Special Liability	KPERS	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,115	\$ -	\$ 722,731
65,134	274,904	6,235	6,776	39,892	-	9,718,660	12,601,953
-	-	-	-	-	-	-	12,545,296
-	-	-	-	-	2,070	-	26,211
-	-	-	-	-	2,737	-	5,683,695
<u>65,134</u>	<u>274,904</u>	<u>6,235</u>	<u>6,776</u>	<u>39,892</u>	<u>5,922</u>	<u>9,718,660</u>	<u>31,579,886</u>
65,134	9,547	6,603	6,776	28,263	-	6,611,272	23,835,351
-	-	-	-	-	-	646,367	703,980
-	266,642	-	-	11,703	-	567,633	4,637,498
-	-	-	-	-	-	87,828	101,017
-	-	-	-	-	-	563,377	901,499
-	-	-	-	-	-	-	83,155
-	-	-	-	-	260,871	583,658	1,131,721
-	-	-	-	-	382,661	484,033	2,877,705
-	-	-	-	-	-	174,492	8,720,414
-	-	-	-	-	-	-	644,006
<u>65,134</u>	<u>276,189</u>	<u>6,603</u>	<u>6,776</u>	<u>39,966</u>	<u>643,532</u>	<u>9,718,660</u>	<u>43,636,346</u>
-	[1,285]	[368]	-	[74]	[637,610]	-	[12,056,460]
-	-	-	-	-	-	-	10,235,734
-	-	-	-	-	-	-	[1,647,467]
-	-	-	-	-	-	-	8,588,267
-	[1,285]	[368]	-	[74]	[637,610]	-	[3,468,193]
-	1,285	368	-	74	786,667	-	31,203,073
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,057</u>	<u>\$ -</u>	<u>\$ 27,734,880</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
VOCATIONAL EDUCATION FUND  
For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 86,509	\$ -	\$ 86,509	\$ 86,585	\$ 86,585	\$ [76]
Total intergovernmental	86,509	-	86,509	86,585	86,585	[76]
Miscellaneous	-	-	-	499,999	499,999	[499,999]
Total revenues	86,509	-	86,509	586,584	586,584	[500,075]
<b>EXPENDITURES:</b>						
Instruction	3,837,475	[9,088]	3,828,387	4,684,252	4,684,252	855,865
Instructional support staff	90,809	-	90,809	86,585	86,585	[4,224]
School administration	116,539	-	116,539	117,061	117,061	522
Total expenditures	4,044,823	[9,088]	4,035,735	4,887,898	4,887,898	852,163
Excess [deficiency] of revenues over [under] expenditures	[3,958,314]	9,088	[3,949,226]	[4,301,314]	[4,301,314]	352,088
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers in	3,949,226	-	3,949,226	4,301,314	4,301,314	[352,088]
Total other financing sources [uses]	3,949,226	-	3,949,226	4,301,314	4,301,314	[352,088]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[9,088]	9,088	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	11,940	[11,940]	-			
FUND BALANCE - End of year	\$ 2,852	\$ [2,852]	\$ -			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 AT RISK (K-12) FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Interest on idle funds	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ [200,000]
Total revenues	-	-	-	200,000	200,000	[200,000]
<b>EXPENDITURES:</b>						
Instruction	2,809,396	490	2,809,886	3,340,263	3,340,263	530,377
Student support services	48,256	-	48,256	51,337	51,337	3,081
Instructional support staff	64,073	-	64,073	5,327	5,327	[58,746]
School administration	165,160	12	165,172	162,881	162,881	[2,291]
Total expenditures	3,086,885	502	3,087,387	3,559,808	3,559,808	472,421
Excess [deficiency] of revenues over [under] expenditures	[3,086,885]	[502]	[3,087,387]	[3,359,808]	[3,359,808]	272,421
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers in	3,087,387	-	3,087,387	3,359,808	3,359,808	[272,421]
Total other financing sources [uses]	3,087,387	-	3,087,387	3,359,808	3,359,808	[272,421]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	502	[502]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	1,141	[1,141]	-			
FUND BALANCE - End of year	\$ 1,643	\$ [1,643]	\$ -			

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 DRIVER TRAINING FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Intergovernmental:						
State	\$ 19,500	\$ -	\$ 19,500	\$ 19,750	\$ 19,750	\$ [250]
Total intergovernmental	19,500	-	19,500	19,750	19,750	[250]
Charges for services	103,458	-	103,458	104,750	104,750	[1,292]
Total revenues	122,958	-	122,958	124,500	124,500	[1,542]
<b>EXPENDITURES:</b>						
Instruction	114,703	-	114,703	155,411	155,411	40,708
General administration	13,189	-	13,189	-	-	[13,189]
School administration	-	-	-	12,215	12,215	12,215
Operations and maintenance	-	-	-	9,000	9,000	9,000
Total expenditures	127,892	-	127,892	176,626	176,626	48,734
Excess [deficiency] of revenues over [under] expenditures	[4,934]	-	[4,934]	\$ [52,126]	\$ [52,126]	\$ 47,192
FUND BALANCE - Beginning of year	175,241	-	175,241			
FUND BALANCE - End of year	\$ 170,307	\$ -	\$ 170,307			

See independent auditor's report on the financial statements.



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 PROFESSIONAL DEVELOPMENT FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Intergovernmental:						
State and local	\$ -	\$ -	\$ -	\$ 450,000	\$ 450,000	\$ [450,000]
Total revenues	-	-	-	450,000	450,000	[450,000]
<b>EXPENDITURES:</b>						
Instructional support staff	1,387,576	1,372	1,388,948	2,299,784	2,299,784	910,836
Total expenditures	1,387,576	1,372	1,388,948	2,299,784	2,299,784	910,836
Excess [deficiency] of revenues over [under] expenditures	[1,387,576]	[1,372]	[1,388,948]	[1,849,784]	[1,849,784]	460,836
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers in	1,388,948	-	1,388,948	1,849,784	1,849,784	[460,836]
Total other financing sources [uses]	1,388,948	-	1,388,948	1,849,784	1,849,784	[460,836]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	1,372	[1,372]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	781,238	[1,238]	780,000			
FUND BALANCE - End of year	\$ 782,610	\$ [2,610]	\$ 780,000			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 SPECIAL ASSESSMENT FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 12,228	\$ -	\$ 12,228	\$ 12,956	\$ 12,956	\$ [728]
Current	663,319	-	663,319	650,332	650,332	12,987
Delinquent	5,554	-	5,554	3,771	3,771	1,783
Motor vehicle	40,266	-	40,266	42,378	42,378	[2,112]
Rental excise	249	-	249	-	-	249
Total revenues	<u>721,616</u>	<u>-</u>	<u>721,616</u>	<u>709,437</u>	<u>709,437</u>	<u>12,179</u>
EXPENDITURES:						
Capital outlay	<u>644,006</u>	<u>-</u>	<u>644,006</u>	<u>754,791</u>	<u>754,791</u>	<u>110,785</u>
Total expenditures	<u>644,006</u>	<u>-</u>	<u>644,006</u>	<u>754,791</u>	<u>754,791</u>	<u>110,785</u>
Excess [deficiency] of revenues over [under] expenditures	77,610	-	77,610	<u>\$ [45,354]</u>	<u>\$ [45,354]</u>	<u>\$ 122,964</u>
FUND BALANCE - Beginning of year	<u>398,802</u>	<u>-</u>	<u>398,802</u>			
FUND BALANCE - End of year	<u>\$ 476,412</u>	<u>\$ -</u>	<u>\$ 476,412</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 FOOD SERVICE FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Intergovernmental:						
Federal	\$ 1,258,304	\$ -	\$ 1,258,304	\$ 1,177,249	\$ 1,177,249	\$ 81,055
State and local	81,539	-	81,539	85,773	85,773	[4,234]
Total intergovernmental	1,339,843	-	1,339,843	1,263,022	1,263,022	76,821
Charges for services	6,983,221	-	6,983,221	7,195,987	7,195,987	[212,766]
Investment revenue	14,913	-	14,913	-	-	14,913
Miscellaneous	5,956	-	5,956	60,650	60,650	[54,694]
Total revenues	8,343,933	-	8,343,933	8,519,659	8,519,659	[175,726]
<b>EXPENDITURES:</b>						
Operations and maintenance	-	-	-	475,000	475,000	475,000
Food service operations	8,545,922	22,070	8,567,992	8,674,898	8,674,898	106,906
Total expenditures	8,545,922	22,070	8,567,992	9,149,898	9,149,898	581,906
Excess [deficiency] of revenues over [under] expenditures	[201,989]	[22,070]	[224,059]	\$ [630,239]	\$ [630,239]	\$ 406,180
FUND BALANCE - Beginning of year	2,688,777	[90,777]	2,598,000			
FUND BALANCE - End of year	\$ 2,486,788	\$ [112,847]	\$ 2,373,941			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 BILINGUAL EDUCATION FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Interest on Idle Funds	\$ -	\$ -	\$ -	\$ 260,000	\$ 260,000	\$ [260,000]
Total revenues	-	-	-	260,000	260,000	[260,000]
<b>EXPENDITURES:</b>						
Instruction	1,321,561	-	1,321,561	1,582,631	1,582,631	261,070
Instructional support staff	105,272	-	105,272	105,279	105,279	7
Student transportation services	78,760	-	78,760	89,900	89,900	11,140
Total expenditures	1,505,593	-	1,505,593	1,777,810	1,777,810	272,217
Excess [deficiency] of revenues over [under] expenditures	[1,505,593]	-	[1,505,593]	[1,517,810]	[1,517,810]	12,217
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers in	1,505,593	-	1,505,593	1,517,810	1,517,810	[12,217]
Total other financing sources [uses]	1,505,593	-	1,505,593	1,517,810	1,517,810	[12,217]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 VIRTUAL EDUCATION FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Charges for services	\$ 265,875	\$ -	\$ 265,875	\$ 568,500	\$ 568,500	\$ [302,625]
Total revenues	<u>265,875</u>	<u>-</u>	<u>265,875</u>	<u>568,500</u>	<u>568,500</u>	<u>[302,625]</u>
EXPENDITURES:						
Instruction	202,566	-	202,566	505,127	505,127	302,561
Instructional support staff	<u>32,246</u>	<u>-</u>	<u>32,246</u>	<u>97,146</u>	<u>97,146</u>	<u>64,900</u>
Total expenditures	<u>234,812</u>	<u>-</u>	<u>234,812</u>	<u>602,273</u>	<u>602,273</u>	<u>367,461</u>
Excess [deficiency] of revenues over [under] expenditures	<u>31,063</u>	<u>-</u>	<u>31,063</u>	<u>[33,773]</u>	<u>[33,773]</u>	<u>64,836</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>96,792</u>	<u>-</u>	<u>96,792</u>	<u>179,270</u>	<u>179,270</u>	<u>[82,478]</u>
Total other financing sources [uses]	<u>96,792</u>	<u>-</u>	<u>96,792</u>	<u>179,270</u>	<u>179,270</u>	<u>[82,478]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	127,855	-	127,855	<u>\$ 145,497</u>	<u>\$ 145,497</u>	<u>\$ [17,642]</u>
FUND BALANCE - Beginning of year	-	-	-			
FUND BALANCE - End of year	<u>\$ 127,855</u>	<u>\$ -</u>	<u>\$ 127,855</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 SUMMER SCHOOL FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Charges for services	\$ 88,828	\$ -	\$ 88,828	\$ 299,718	\$ 299,718	\$ [210,890]
Total revenues	<u>88,828</u>	<u>-</u>	<u>88,828</u>	<u>299,718</u>	<u>299,718</u>	<u>[210,890]</u>
EXPENDITURES:						
Instruction	77,962	[748]	77,214	308,229	308,229	231,015
School administration	<u>6,733</u>	<u>-</u>	<u>6,733</u>	<u>13,273</u>	<u>13,273</u>	<u>6,540</u>
Total expenditures	<u>84,695</u>	<u>[748]</u>	<u>83,947</u>	<u>321,502</u>	<u>321,502</u>	<u>237,555</u>
Excess [deficiency] of revenues over [under] expenditures	4,133	748	4,881	\$ [21,784]	\$ [21,784]	\$ 26,665
FUND BALANCE - Beginning of year	<u>68,414</u>	<u>[748]</u>	<u>67,666</u>			
FUND BALANCE - End of year	<u>\$ 72,547</u>	<u>\$ -</u>	<u>\$ 72,547</u>			

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 PARENT EDUCATION PROGRAM FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Intergovernmental:						
State and local	\$ 389,238	\$ -	\$ 389,238	\$ 347,463	\$ 347,463	\$ 41,775
Total intergovernmental	389,238	-	389,238	347,463	347,463	41,775
Investment income	-	-	-	128,258	128,258	[128,258]
Other local sources	-	-	-	28,635	28,635	[28,635]
Total revenues	389,238	-	389,238	504,356	504,356	[115,118]
<b>EXPENDITURES:</b>						
Instructional	565,133	[2,406]	562,727	-	-	[562,727]
Student support services	-	-	-	697,584	697,584	697,584
Instructional support staff	26,488	-	26,488	35,016	35,016	8,528
Total expenditures	591,621	[2,406]	589,215	732,600	732,600	143,385
Excess [deficiency] of revenues over [under] expenditures	[202,383]	2,406	[199,977]	[228,244]	[228,244]	28,267
<b>OTHER FINANCING SOURCES [USES]:</b>						
Transfers in	207,788	-	207,788	226,218	226,218	[18,430]
Total other financing sources [uses]	207,788	-	207,788	226,218	226,218	[18,430]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	5,405	2,406	7,811	\$ [2,026]	\$ [2,026]	\$ 9,837
FUND BALANCE - Beginning of year	217,874	[2,913]	214,961			
FUND BALANCE - End of year	\$ 223,279	\$ [507]	\$ 222,772			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 EXTRAORDINARY SCHOOL PROGRAM FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Charges for services	\$ 1,983,690	\$ -	\$ 1,983,690	\$ 1,830,130	\$ 1,830,130	\$ 153,560
Other local sources	-	-	-	350,000	350,000	[350,000]
Total revenues	<u>1,983,690</u>	<u>-</u>	<u>1,983,690</u>	<u>2,180,130</u>	<u>2,180,130</u>	<u>[196,440]</u>
<b>EXPENDITURES:</b>						
Instruction	1,796,375	[2,555]	1,793,820	2,257,285	2,257,285	463,465
Instructional support staff	87,081	-	87,081	68,341	68,341	[18,740]
School administration	49,303	-	49,303	-	-	[49,303]
Operations and maintenance	-	-	-	66,600	66,600	66,600
Total expenditures	<u>1,932,759</u>	<u>[2,555]</u>	<u>1,930,204</u>	<u>2,392,226</u>	<u>2,392,226</u>	<u>462,022</u>
Excess [deficiency] of revenues over [under] expenditures	50,931	2,555	53,486	\$ [212,096]	\$ [212,096]	\$ 265,582
FUND BALANCE - Beginning of year	<u>698,392</u>	<u>[2,555]</u>	<u>695,837</u>			
FUND BALANCE - End of year	<u>\$ 749,323</u>	<u>\$ -</u>	<u>\$ 749,323</u>			

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
FEDERAL FUNDS

For the Year Ended June 30, 2010

	<u>Drug Free Grant</u>	<u>Title VI Merge Grant</u>	<u>Title I</u>	<u>Title II-A</u>	<u>Title II-D</u>	<u>Title V</u>
REVENUES:						
Intergovernmental:						
Federal	\$ 21,520	\$ 113,781	\$ 519,961	\$ 274,904	\$ 6,235	\$ 6,776
Total revenues	<u>21,520</u>	<u>113,781</u>	<u>519,961</u>	<u>274,904</u>	<u>6,235</u>	<u>6,776</u>
EXPENDITURES:						
Instruction	-	-	462,691	9,547	6,603	6,776
Instructional support staff	24,439	113,781	53,577	266,642	-	-
Student transportation services	-	-	4,395	-	-	-
Total expenditures	<u>24,439</u>	<u>113,781</u>	<u>520,663</u>	<u>276,189</u>	<u>6,603</u>	<u>6,776</u>
Excess [deficiency] of revenues over [under] expenditures	[2,919]	-	[702]	[1,285]	[368]	-
FUND BALANCE - Beginning of year	<u>3,503</u>	<u>-</u>	<u>933</u>	<u>1,285</u>	<u>368</u>	<u>-</u>
FUND BALANCE - End of year	\$ 584	\$ -	\$ 231	\$ -	\$ -	\$ -

See independent auditor's report on the financial statements.

Title III	Total GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
\$ 39,892	\$ 983,069	\$ -	\$ 983,069	\$ 1,013,289	\$ 1,013,289	\$ [30,220]
<u>39,892</u>	<u>983,069</u>	<u>-</u>	<u>983,069</u>	<u>1,013,289</u>	<u>1,013,289</u>	<u>[30,220]</u>
28,263	513,880	231	514,111	126,756	126,756	[387,355]
11,703	470,142	[2,076]	468,066	893,222	893,222	425,156
<u>-</u>	<u>4,395</u>	<u>-</u>	<u>4,395</u>	<u>-</u>	<u>-</u>	<u>[4,395]</u>
<u>39,966</u>	<u>988,417</u>	<u>[1,845]</u>	<u>986,572</u>	<u>1,019,978</u>	<u>1,019,978</u>	<u>33,406</u>
[74]	[5,348]	1,845	[3,503]	\$ [6,689]	\$ [6,689]	\$ 3,186
<u>74</u>	<u>6,163</u>	<u>[2,660]</u>	<u>3,503</u>			
<u>\$ -</u>	<u>\$ 815</u>	<u>\$ [815]</u>	<u>\$ -</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 GIFTS AND GRANTS FUNDS  
 For the Year Ended June 30, 2010

	DAC Grant	Blue Valley Foundation Grant	Community Grants	Kauffman Grant	College Now	Johnson County Grant
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local sources	-	-	-	-	158,413	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158,413</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Instruction	-	34,253	18,583	264	158,413	-
Student support services	-	4,923	-	-	-	-
Other support services	-	1,272	-	-	-	2,002,547
Food service operation	-	-	-	-	-	-
Instructional support staff	4,969	638	-	-	-	1,741,401
<b>Total expenditures</b>	<b>4,969</b>	<b>41,086</b>	<b>18,583</b>	<b>264</b>	<b>158,413</b>	<b>3,743,948</b>
Excess [deficiency] of revenues over [under] expenditures	[4,969]	[41,086]	[18,583]	[264]	-	[3,743,948]
FUND BALANCE - Beginning of year	9,657	54,182	29,273	56,874	-	6,018,130
FUND BALANCE - End of year	\$ 4,688	\$ 13,096	\$ 10,690	\$ 56,610	\$ -	\$ 2,274,182

See independent auditor's report on the financial statements.

Parents as Teachers Grant	Gift	Total GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
\$ 65,134	\$ -	\$ 65,134	\$ -	\$ 65,134	\$ 43,433	\$ 43,433	\$ 21,701
-	-	158,413	-	158,413	-	-	158,413
<u>65,134</u>	<u>-</u>	<u>223,547</u>	<u>-</u>	<u>223,547</u>	<u>43,433</u>	<u>43,433</u>	<u>180,114</u>
65,134	85,243	361,890	[14,843]	347,047	620,152	620,152	273,105
-	-	4,923	-	4,923	2,232	2,232	[2,691]
-	-	2,003,819	[124,658]	1,879,161	2,009,501	2,009,501	130,340
-	-	-	-	-	1,000	1,000	1,000
-	-	1,747,008	-	1,747,008	1,738,439	1,738,439	[8,569]
<u>65,134</u>	<u>85,243</u>	<u>4,117,640</u>	<u>[139,501]</u>	<u>3,978,139</u>	<u>4,371,324</u>	<u>4,371,324</u>	<u>393,185</u>
-	[85,243]	[3,894,093]	139,501	[3,754,592]	\$ [4,327,891]	\$ [4,327,891]	\$ 573,299
-	507,347	6,675,463	[168,036]	6,507,427			
<u>\$ -</u>	<u>\$ 422,104</u>	<u>\$ 2,781,370</u>	<u>\$ [28,535]</u>	<u>\$ 2,752,835</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 SPECIAL LIABILITY FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Taxes:						
Current	\$ 1,115	\$ -	\$ 1,115	\$ -	\$ -	\$ 1,115
Total taxes	<u>1,115</u>	<u>-</u>	<u>1,115</u>	<u>-</u>	<u>-</u>	<u>1,115</u>
Investment revenue	2,070	-	2,070	-	-	2,070
Other local sources	<u>2,737</u>	<u>-</u>	<u>2,737</u>	<u>-</u>	<u>-</u>	<u>2,737</u>
Total revenues	<u>5,922</u>	<u>-</u>	<u>5,922</u>	<u>-</u>	<u>-</u>	<u>3,185</u>
<b>EXPENDITURES:</b>						
General administration	260,871	-	260,871	415,004	794,037	533,166
Other support services	<u>382,661</u>	<u>-</u>	<u>382,661</u>	<u>-</u>	<u>-</u>	<u>[382,661]</u>
Total expenditures	<u>643,532</u>	<u>-</u>	<u>643,532</u>	<u>415,004</u>	<u>794,037</u>	<u>150,505</u>
Excess [deficiency] of revenues over [under] expenditures	[637,610]	-	[637,610]	\$ [415,004]	\$ [794,037]	\$ 153,690
FUND BALANCE - Beginning of year	<u>786,667</u>	<u>-</u>	<u>786,667</u>			
FUND BALANCE - End of year	<u>\$ 149,057</u>	<u>\$ -</u>	<u>\$ 149,057</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
KPERs FUND

For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Intergovernmental	\$ 9,718,660	\$ -	\$ 9,718,660	\$ 11,524,094	\$ 11,524,094	\$ [1,805,434]
Total revenues	<u>9,718,660</u>	<u>-</u>	<u>9,718,660</u>	<u>11,524,094</u>	<u>11,524,094</u>	<u>[1,805,434]</u>
<b>EXPENDITURES:</b>						
Instruction	6,611,272	-	6,611,272	7,839,439	7,839,439	1,228,167
Student support services	646,367	-	646,367	766,445	766,445	120,078
Instructional support staff	567,633	-	567,633	673,084	673,084	105,451
General administration	87,828	-	87,828	104,143	104,143	16,315
School administration	563,377	-	563,377	668,037	668,037	104,660
Operations and maintenance	583,658	-	583,658	692,085	692,085	108,427
Transportation	-	-	-	3,754	3,754	3,754
Other support services	484,033	-	484,033	570,199	570,199	86,166
Food service operations	174,492	-	174,492	206,908	206,908	32,416
Total expenditures	<u>9,718,660</u>	<u>-</u>	<u>9,718,660</u>	<u>11,524,094</u>	<u>11,524,094</u>	<u>1,805,434</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of year	-	-	-			
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
 DEBT SERVICE FUND  
 For the Year Ended June 30, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
<b>REVENUES:</b>						
Taxes:						
In process	\$ 742,651	\$ -	\$ 742,651	\$ 765,906	\$ 765,906	\$ [23,255]
Current	36,451,545	-	36,451,545	35,689,245	35,689,245	762,300
Delinquent	461,646	-	461,646	227,476	227,476	234,170
Motor vehicle	3,167,686	-	3,167,686	3,297,264	3,297,264	[129,578]
Rental excise	22,605	-	22,605	-	-	22,605
Total taxes	40,846,133	-	40,846,133	39,979,891	39,979,891	866,242
Intergovernmental	958,668	-	958,668	958,668	958,668	-
Investment income	5	-	5	-	-	5
Total revenues	41,804,806	-	41,804,806	40,938,559	40,938,559	866,247
<b>EXPENDITURES:</b>						
Debt Service						
Principal	25,515,000	-	25,515,000	25,515,000	25,515,000	-
Interest and other charges	15,723,593	-	15,723,593	15,737,798	15,737,798	14,205
Total expenditures	41,238,593	-	41,238,593	41,252,798	41,252,798	14,205
Excess [deficiency] of revenues over [under] expenditures	566,213	-	566,213	\$ [314,239]	\$ [314,239]	\$ 880,452
FUND BALANCE - Beginning of year	39,786,787	-	39,786,787			
FUND BALANCE - End of year	\$ 40,353,000	\$ -	\$ 40,353,000			



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING STATEMENT OF NET ASSETS  
 AGENCY FUNDS  
 June 30, 2010

	Student Organization <u>Funds</u>	Extraordinary <u>Growth</u>	Cost of <u>Living</u>	Gift <u>Fund</u>	<u>Totals</u>
ASSETS:					
Cash and investments	\$ 880,816	\$ 295,404	\$ 247,152	\$ 460,054	\$ 1,883,426
Total assets	<u>\$ 880,816</u>	<u>\$ 295,404</u>	<u>\$ 247,152</u>	<u>\$ 460,054</u>	<u>\$ 1,883,426</u>
LIABILITIES:					
Liabilities:					
Other liabilities	\$ -	\$ 295,404	\$ 247,152	\$ 460,054	\$ 1,002,610
Due to student organizations	<u>880,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>880,816</u>
Total liabilities	<u>\$ 880,816</u>	<u>\$ 295,404</u>	<u>\$ 247,152</u>	<u>\$ 460,054</u>	<u>\$ 1,883,426</u>

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2010

	Balance June 30, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2010</u>
Gift Fund	\$ 507,347	\$ -	\$ 47,293	\$ 460,054
Extraordinary Growth Fund	-	5,082,335	4,786,931	295,404
Cost of Living Fund	-	5,916,449	5,669,297	247,152
Student Organization Funds	<u>818,981</u>	<u>2,374,009</u>	<u>2,312,174</u>	<u>880,816</u>
Assets - cash and investments	<u>\$ 1,326,328</u>	<u>\$ 13,372,793</u>	<u>\$ 12,815,695</u>	<u>\$ 1,883,426</u>
Other liabilities	\$ 507,347	\$ -	\$ 47,293	\$ 460,054
Extraordinary Growth Fund	-	5,082,335	4,786,931	295,404
Cost of Living Fund	-	5,916,449	5,669,297	247,152
Due to student organizations	<u>818,981</u>	<u>2,374,009</u>	<u>2,312,174</u>	<u>880,816</u>
Total liabilities	<u>\$ 1,326,328</u>	<u>\$ 13,372,793</u>	<u>\$ 12,815,695</u>	<u>\$ 1,883,426</u>

See independent auditor's report on the financial statements.

## STATISTICAL SECTION

The data shown in the following section relates only to the primary governmental unit.



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## STATISTICAL SECTION

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The Statistical Section is intended to provide a broader and more complete understanding of the physical, economic, social and political characteristics of the District than is possible from the financial statements, notes and supporting schedules presented in the Financial Section. In addition, this section is used, in part, to comply with the continuing disclosure requirements of SEC Rule 15c2-12.

The information presented in this section does not provide full and adequate disclosure of financial information in accordance with accounting principles generally accepted in the United States of America, but is designed to be useful in identifying trends and evaluating the credit worthiness of the District.

<b><u>Contents</u></b>	<b>Page</b>
<b>Financial Trends</b>	<b>83 - 91</b>
These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time	
<b>Revenue Capacity</b>	<b>92 - 98</b>
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>99 - 103</b>
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>104 - 106</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
<b>Operating Information</b>	<b>107 - 109</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>BLUE VALLEY USD #229, KANSAS</b>									
<b>NET ASSETS BY COMPONENT</b>									
<b>LAST NINE FISCAL YEARS (1)</b>									
<b>(Accrual Basis of Accounting)</b>									
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$ 15,507,776	\$ 46,312,666	\$ 39,813,390	\$ 30,283,612	\$ 81,069,192	\$ 125,031,167	\$ 142,672,774	\$ 168,334,843	\$ 190,309,152
Restricted	15,502,942	16,506,805	32,841,738	40,798,617	39,397,044	37,511,989	37,572,833	39,786,787	40,353,000
Unrestricted	56,453,465	91,965,651	93,658,200	119,902,908	106,844,431	83,884,422	73,930,967	68,840,923	48,440,714
<b>Total Net Assets</b>	<b>\$ 87,464,183</b>	<b>\$ 154,785,122</b>	<b>\$ 166,313,328</b>	<b>\$ 190,985,137</b>	<b>\$ 227,310,667</b>	<b>\$ 246,427,578</b>	<b>\$ 254,176,574</b>	<b>\$ 276,962,553</b>	<b>\$ 279,102,866</b>

(1) Data became available with the inception of GASB 34 during fiscal year 2002, therefore the required 10 years of data is unavailable.

(2) 2009 Net Assets were restated as a result of a prior period adjustment to Capital Assets.

(3) The overall increase in total net assets includes an increase in capital assets of \$45.8 million, a decrease in current assets of \$60.1 million and a decrease in non-current assets of \$0.4 million. It also includes an increase in current liabilities of \$8.2 million and a decrease in non-current liabilities of \$25.1 million. Net assets include \$190.3 million invested in capital assets, \$40.4 million restricted for debt service and \$48.4 million unrestricted.

Source: Blue Valley USD #229 Basic Financial Statements

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TABLE 2  
(UNAUDITED)

BLUE VALLEY USD #229, KANSAS  
EXPENSE, PROGRAM REVENUES, AND NET [EXPENSE]REVENUE  
LAST NINE FISCAL YEARS (1)  
(Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
Governmental Activities:									
Instruction	\$ 86,729,224	\$ 99,627,197	\$ 102,607,598	\$ 110,527,667	\$ 118,875,612	\$ 129,750,442	\$ 136,331,621	\$ 143,503,301	\$ 145,340,192
Student Support Services	5,872,369	5,413,798	8,097,686	8,901,355	9,271,192	10,263,514	11,012,546	11,336,565	11,624,541
Instructional Support Staff	7,275,941	7,556,984	8,053,434	8,885,959	9,609,695	12,458,579	13,873,761	14,048,127	12,722,771
General Administration	4,777,029	870,530	1,061,669	1,599,311	1,687,518	2,002,360	1,908,155	2,238,099	2,386,972
School Administration	6,991,251	7,234,030	7,640,721	8,356,488	8,484,871	8,893,089	9,435,950	10,029,431	10,560,576
Central Services	-	-	-	-	-	-	-	-	135,138
Operations and Maintenance	13,489,523	14,135,909	13,758,135	14,958,372	15,762,596	28,861,222	41,842,539	23,961,722	34,042,696
Student Transportation Services	3,633,281	4,056,977	4,302,750	4,509,985	5,010,015	5,155,479	6,039,966	5,567,436	5,985,823
Food Service Operations	5,800,476	6,008,368	6,194,694	6,955,965	7,029,954	7,666,945	8,232,432	9,072,073	8,806,518
Other Support Services	8,127,252	9,443,888	8,988,200	9,325,539	10,152,371	9,158,855	9,110,570	10,561,416	9,431,428
Interest on Long-Term Debt	13,744,551	14,049,414	12,696,041	11,173,237	12,120,303	10,910,056	12,997,424	13,660,943	15,083,952
Total Primary Government	154,143,897	168,399,095	173,400,928	185,193,908	198,004,127	225,120,541	250,785,364	243,979,113	256,140,907
Program Revenues									
Governmental Activities:									
Charges for Services									
Instruction	1,505,313	3,352,660	3,203,451	3,429,202	4,110,165	4,626,280	4,636,633	4,835,732	5,596,875
Student Support Services	613	-	-	-	-	-	-	-	-
Instructional Support Staff	9,027	15,328	14,805	48,717	-	-	-	-	-
General Administration	31,140	10,422	9,870	-	-	-	-	-	-
School Administration	11,443	8,394	7,895	-	-	-	-	-	-
Operations and Maintenance	63,256	-	-	-	-	-	-	-	-
Food Service Operations	5,300,712	5,752,694	5,972,320	6,295,954	6,776,696	6,853,212	7,102,181	7,127,826	6,983,221
Student Activities	635,973	-	-	-	-	-	-	-	-
Other Support Services	43,985	56,505	53,956	-	-	-	-	-	-
Total Charges for Services	7,601,462	9,196,003	9,262,297	9,773,873	10,886,861	11,479,492	11,738,814	11,963,558	12,560,096
Operating Grants and Contributions									
Instruction	11,695,502	16,200,315	17,553,589	17,294,542	20,371,196	23,859,029	27,786,773	31,942,871	29,107,225
Student Support Services	705,679	-	-	370,072	421,646	483,496	557,898	658,409	646,367
Instructional Support Staff	574,252	381,986	448,129	1,056,887	1,391,506	2,933,506	3,581,338	3,239,965	3,279,092
General Administration	168,810	-	-	29,289	45,841	60,274	63,958	74,996	87,928
School Administration	-	-	-	336,644	380,293	435,999	457,922	537,490	563,377
Operations and Maintenance	-	46	-	350,212	378,172	457,342	506,087	693,504	1,542,326
Student Transportation Services	1,056,705	9,600	-	-	-	-	-	-	-
Food Service Operations	524,039	581,642	682,822	922,331	1,039,109	1,172,239	1,285,607	1,415,357	1,514,335
Other Support Services	-	784,134	3,156,684	4,421,836	5,347,450	3,432,731	3,304,414	1,981,480	(1,257,368)
Total Operating Grants and Contributions	14,724,987	17,957,723	21,841,424	24,781,813	29,375,213	32,844,616	37,543,997	40,554,072	35,483,182
Total Primary Government Program Revenues	22,326,449	27,153,726	31,103,721	34,555,686	40,262,074	44,324,108	49,282,811	52,517,630	48,063,278
Total Primary Government Net [Expense]	\$ [131,817,448]	\$ [141,245,369]	\$ [142,297,207]	\$ [150,638,222]	\$ [157,742,053]	\$ [180,796,433]	\$ [201,502,553]	\$ [191,461,463]	\$ [208,077,629]

(1) Data became available with the inception of GASB 34 during fiscal year 2002, therefore the required 10 years of data is unavailable.

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BLUE VALLEY USD #229, KANSAS  
GENERAL SCHOOL SYSTEM REVENUES AND TOTAL CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS (1)  
(Accrual Basis of Accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Primary Government Net (Expense)	\$ [131,817,448]	\$ [141,245,369]	\$ [142,297,207]	\$ [150,638,222]	\$ [157,742,053]	\$ [180,796,433]	\$ [201,502,553]	\$ [191,461,483]	\$ [208,077,629]
General Revenues and Other Changes in Net Assets:									
Property Taxes	94,484,366	109,643,341	109,195,098	116,498,573	124,989,214	132,529,099	141,289,691	146,156,146	146,885,998
Grants and Entitlements not Restricted to Specific Programs	53,352,039	56,032,320	39,550,229	50,786,653	53,466,244	55,209,711	55,784,405	57,024,720	56,397,711
Investments Earnings	2,814,672	1,581,074	1,318,793	2,922,200	7,833,321	6,648,323	7,464,683	4,290,051	829,639
Miscellaneous	3,808,753	5,283,217	4,285,872	5,107,112	7,772,605	5,454,565	4,614,888	4,226,305	6,104,594
Loss on Sale of Capital Assets	[130,658]	[3,251,084]	-	-	-	-	-	-	-
Total Primary Government	154,329,172	169,288,868	154,349,992	175,314,538	194,061,384	199,841,698	209,153,667	211,697,222	210,217,942
Total Primary Government Change in Net Assets	\$ 22,511,724	\$ 28,043,499	\$ 12,052,785	\$ 24,676,316	\$ 36,319,331	\$ 19,045,265	\$ 7,651,114	\$ 20,235,739	\$ 2,140,313

(1) Data became available with the inception of GASB 34 during fiscal year 2002, therefore the required 10 years of data is unavailable.

Source: Blue Valley USD #229 Basic Financial Statements

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**BLUE VALLEY USD #229, KANSAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved	\$ 228,587	\$ 1,069,260	\$ 1,384,722	\$ 1,816,625	\$ 858,477	\$ 783,901	\$ 565,728	\$ 667,812	\$ 607,384	\$ 216,355
Unreserved	1,480,553	-	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 1,709,140</b>	<b>\$ 1,069,260</b>	<b>\$ 1,384,722</b>	<b>\$ 1,816,625</b>	<b>\$ 858,477</b>	<b>\$ 783,901</b>	<b>\$ 565,728</b>	<b>\$ 667,812</b>	<b>\$ 607,384</b>	<b>\$ 216,355</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 49,182,421	\$ 32,662,396	\$ 29,072,911	\$ 46,313,009	\$ 63,804,744	\$ 66,822,273	\$ 65,020,852	\$ 137,538,270	\$ 96,217,177	\$ 63,499,991
Unreserved, reported in:										
Special revenue funds	13,167,211	17,008,649	26,063,694	44,555,641	48,410,658	55,204,078	64,193,479	68,965,486	58,206,067	55,278,327
Capital project funds	15,575,463	26,158,987	13,307,940	8,694,250	47,455,587	23,998,113	[7,719,235]	[22,000,133]	19,140,045	[12,350,289]
<b>Total All Other Governmental Funds</b>	<b>\$ 77,925,095</b>	<b>\$ 75,830,032</b>	<b>\$ 68,444,545</b>	<b>\$ 99,562,900</b>	<b>\$ 159,670,989</b>	<b>\$ 146,024,464</b>	<b>\$ 121,495,096</b>	<b>\$ 184,503,623</b>	<b>\$ 173,563,289</b>	<b>\$ 106,428,029</b>

Source: Blue Valley USD #229 Basic Financial Statements

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BLUE VALLEY USD #229, KANSAS  
GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Taxes, Net</b>	\$ 87,449,925	\$ 94,484,366	\$ 105,015,154	\$ 152,574,717	\$ 116,498,573	\$ 124,989,214	\$ 132,529,099	\$ 141,289,691	\$ 146,156,146	\$ 146,885,998
<b>Intergovernmental</b>	62,187,700	68,077,026	73,990,043	61,391,653	75,568,466	82,841,457	88,054,327	93,328,402	97,578,792	91,880,893
<b>Charges for Services</b>	6,918,672	7,601,462	9,196,003	9,262,297	9,773,873	10,886,861	11,479,492	11,738,814	11,963,558	12,580,096
<b>Investment Revenue</b>	5,903,744	2,814,672	1,581,074	1,318,793	2,922,200	7,833,321	6,197,811	7,147,028	3,953,348	495,584
<b>Other</b>	1,361,638	3,808,753	5,295,155	4,285,872	5,107,112	7,772,605	5,905,077	4,932,543	4,563,008	6,438,649
<b>Total Revenues</b>	\$ 163,821,679	\$ 176,786,279	\$ 195,077,429	\$ 228,833,332	\$ 209,870,224	\$ 234,323,458	\$ 244,165,806	\$ 258,436,478	\$ 264,214,852	\$ 258,281,220

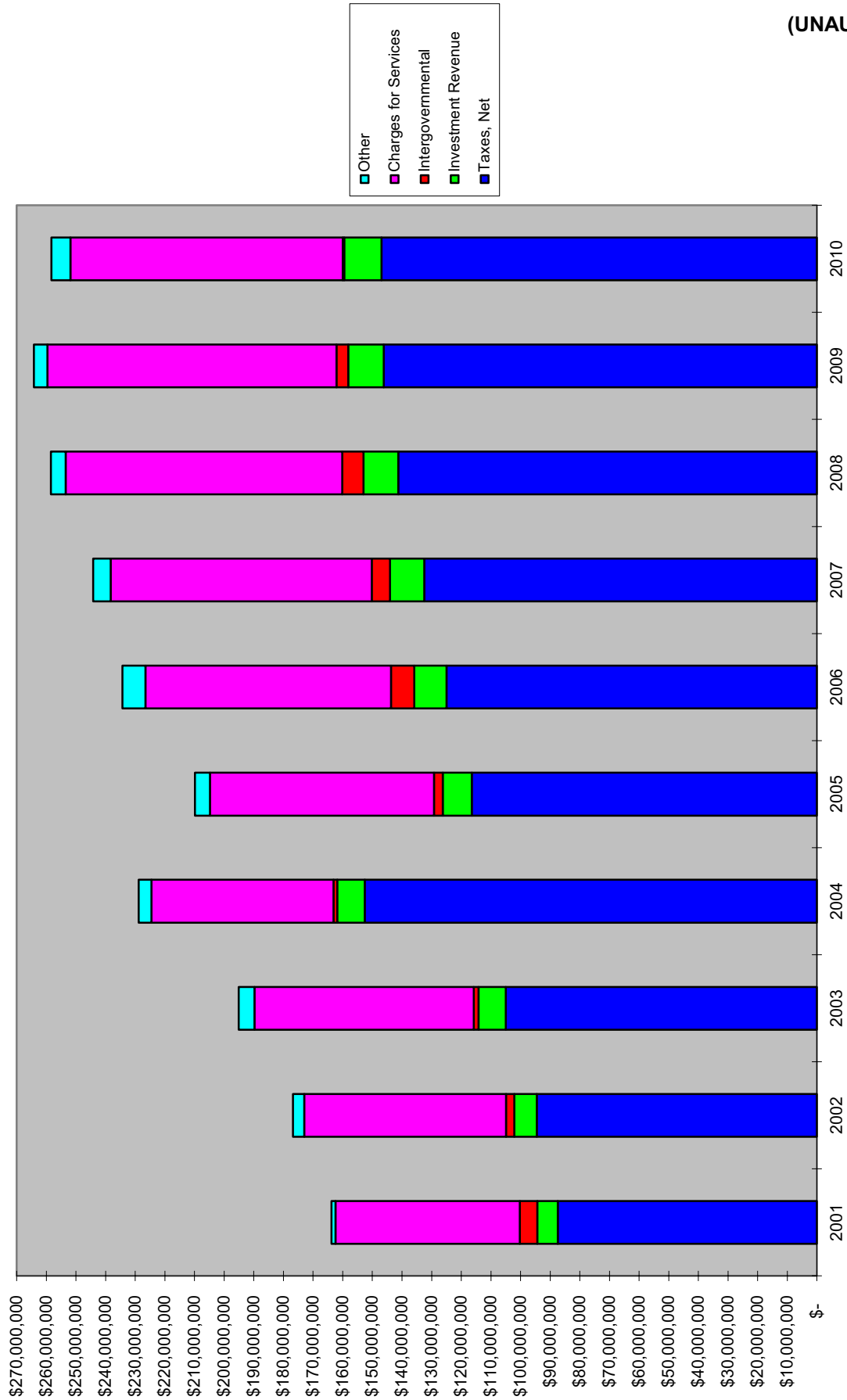
Source: Blue Valley USD #229 Basic Financial Statements

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**TABLE 5**  
**2 of 2**  
**(UNAUDITED)**

**Blue Valley USD #229, Kansas**  
**Governmental Funds Revenues**  
**Last Ten Fiscal Years**



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BLUE VALLEY USD #229, KANSAS  
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction	\$ 71,156,522	\$ 80,716,767	\$ 90,975,605	\$ 93,504,794	\$ 99,944,110	\$ 106,725,121	\$ 117,085,871	\$ 121,486,276	\$ 127,957,829	\$ 128,086,595
Student Support Services	5,408,390	5,816,394	5,452,105	8,074,065	8,888,039	9,248,764	10,250,486	10,904,833	11,240,043	11,484,658
Instructional Support Staff	8,962,960	7,264,362	7,398,470	7,864,586	8,777,865	9,520,891	12,402,046	13,723,597	13,925,853	12,588,627
General Administration	2,472,174	2,468,250	975,111	1,026,977	1,554,136	1,636,544	1,953,602	1,847,360	1,995,149	1,963,157
School Administration	8,150,453	6,934,682	7,323,425	7,575,656	8,293,743	8,401,493	8,834,264	9,303,560	9,914,121	10,453,774
Central Services	-	-	-	-	-	-	-	-	-	133,813
Operations and Maintenance	12,976,994	13,704,982	14,792,392	13,375,439	14,438,998	15,986,366	17,182,606	17,906,087	17,945,586	18,338,965
Student Transportation Services	3,284,616	3,633,281	4,058,977	4,302,750	4,509,985	5,010,015	5,155,479	5,985,926	5,523,230	5,927,096
Food Service Operations	5,210,172	5,800,476	6,033,081	6,194,694	6,955,995	7,029,954	7,666,945	8,168,776	9,000,040	8,720,414
Other Support Services	6,230,966	7,869,129	8,768,443	7,751,395	8,139,626	9,051,363	8,313,729	8,405,030	9,844,545	8,547,102
Capital Outlay	45,790,673	45,880,397	21,429,163	14,625,875	15,708,257	34,731,926	41,834,028	60,280,041	102,990,171	78,324,715
Debt Service										
Principal Retirement	17,329,337	21,541,986	21,314,132	21,292,812	20,925,000	28,130,000	26,490,000	25,955,000	23,860,000	25,515,000
Interest and Other Charges	14,018,094	14,727,634	13,880,101	13,686,448	11,578,355	12,572,122	11,744,291	12,671,226	14,030,579	15,723,593
Total Expenditures (1)	\$ 200,991,351	\$ 216,358,340	\$ 202,401,005	\$ 199,275,491	\$ 209,714,109	\$ 248,044,559	\$ 268,913,347	\$ 296,627,712	\$ 348,227,146	\$ 325,807,509
Debt service as a percentage of noncapital expenditures	20.20%	21.28%	19.45%	18.94%	16.75%	19.08%	16.84%	15.00%	15.17%	15.74%

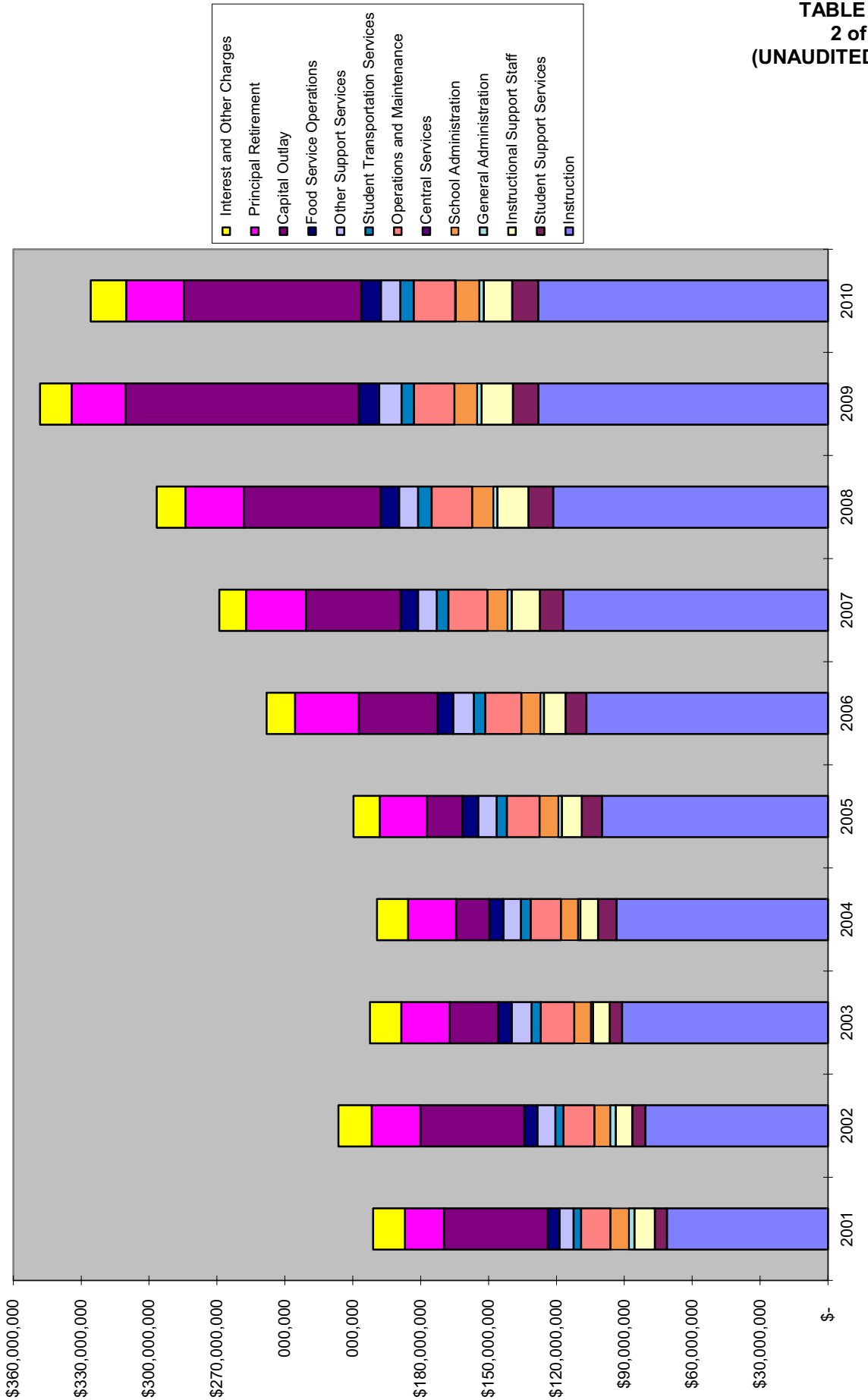
(1) Expenditures include General, Special Revenue, Debt Service and Capital Project Funds.

Source: Blue Valley USD #229 Basic Financial Statements

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# Blue Valley USD #229, Kansas Governmental Funds Expenditures and Debt Service Ratio Last Ten Fiscal Years

**TABLE 6  
2 of 2  
(UNAUDITED)**



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BLUE VALLEY USD #229, KANSAS  
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Excess of Revenues Over [Under] Expenditures	\$ [37,169,672]	\$ [39,572,061]	\$ [7,323,576]	\$ 29,557,841	\$ 156,115	\$ [13,721,101]	\$ [24,747,541]	\$ [38,191,234]	\$ [84,012,294]	\$ [67,526,289]
Other Financing Sources [Uses]										
Issuance of bonds	60,000,000	36,799,907	253,551	67,838,086	107,894,202	-	-	98,780,000	73,000,000	-
Bond premium	-	-	-	-	-	-	-	2,521,845	11,532	-
Sale of capital assets	-	37,211	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	[65,845,669]	[48,900,376]	-	-	-	-	-
Transfers in	9,465,398	22,055,438	25,811,580	24,586,321	23,573,434	29,756,111	35,739,528	38,975,070	41,142,537	37,763,594
Transfers [out]	[9,465,398]	[22,055,438]	[25,811,580]	[24,586,321]	[23,573,434]	[29,756,111]	[35,739,528]	[38,975,070]	[41,142,537]	[37,763,594]
Total Other Financing Sources [Uses]	60,000,000	36,837,118	253,551	1,992,417	58,993,826	-	-	101,301,845	73,011,532	-
Net Change in Fund Balances	\$ 22,830,328	\$ [2,734,943]	\$ [7,070,025]	\$ 31,550,258	\$ 59,149,941	\$ [13,721,101]	\$ [24,747,541]	\$ 63,110,611	\$ [11,000,762]	\$ [67,526,289]

Source: Blue Valley USD #229 Basic Financial Statements

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BLUE VALLEY USD #229, KANSAS  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN TAX YEARS

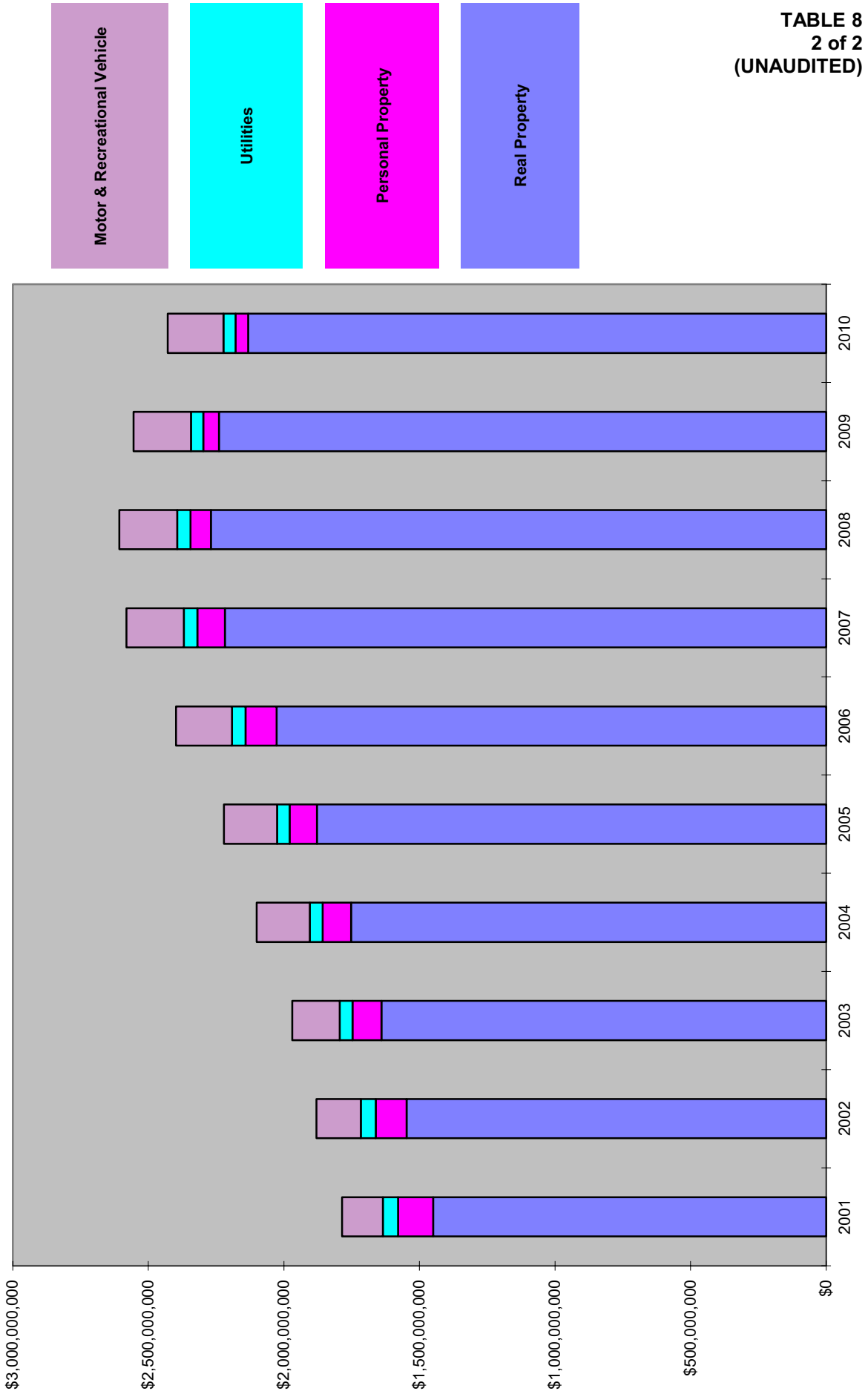
Tax Year	Real Property Assessed Value		Personal Property Assessed Value		Utilities Assessed Value		Total Assessed Value		Motor and Recreational Vehicle Assessed Value		Total Equalized Assessed Value		Real Property Estimated Actual Value		Personal Property Estimated Actual Value		Utilities Estimated Actual Value		Total Estimated Actual Value		Ratio of Total Assessed to Total Estimated Actual Value	
	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
2001	1,449,805,083	128,792,357	56,330,441	1,634,927,881	150,435,329	1,785,363,210	10,177,281,707	506,583,271	173,174,102	10,857,039,080	15.06%	62.719										
2002	1,547,043,998	113,755,160	55,431,693	1,716,230,851	163,847,965	1,880,078,816	10,944,390,420	447,436,963	170,768,355	11,562,595,738	14.84%	67.402										
2003	1,640,548,603	106,639,802	46,978,605	1,794,167,010	175,238,053	1,969,405,063	11,690,923,901	419,449,888	145,357,940	12,255,731,729	14.64%	63.365										
2004	1,752,533,550	104,190,521	47,377,868	1,904,101,939	196,573,594	2,100,675,533	12,480,187,831	409,816,049	146,709,392	13,036,713,272	14.61%	62.117										
2005	1,877,957,042	100,706,067	46,803,224	2,025,466,333	195,673,594	2,221,139,927	13,409,356,063	396,110,530	144,928,544	13,950,395,137	14.52%	61.379										
2006	2,026,922,653	114,330,698	49,950,845	2,191,204,196	206,202,418	2,397,406,614	14,433,965,100	449,700,745	154,633,350	15,038,299,195	14.57%	60.700										
2007	2,217,623,523	101,117,683	50,463,281	2,369,204,487	211,344,270	2,580,548,757	15,646,599,414	396,649,696	156,688,128	16,199,937,238	14.62%	59.503										
2008	2,269,087,214	75,143,203	48,829,704	2,393,060,121	214,145,732	2,607,205,853	16,047,278,270	295,563,265	152,017,026	16,494,858,561	14.51%	61.127										
2009	2,239,687,543	57,223,630	45,513,707	2,342,424,880	211,894,290	2,554,319,170	15,854,551,230	225,079,611	142,219,287	16,221,850,128	14.44%	65.079										
2010	2,132,028,853	46,629,160	43,877,131	2,222,535,144	205,727,417	2,428,262,561	15,279,918,870	184,507,412	138,228,868	15,602,655,150	14.24%	71.049										

(1) Per \$1,000 of Assessed Valuation

Source: Johnson County Department of Records and Tax Administration, Johnson County Appraiser and Blue Valley USD #229 records

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**Blue Valley USD #229, Kansas  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Tax Years**



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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BLUE VALLEY USD #229, KANSAS PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION) DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN TAX YEARS										
Blue Valley USD #229										
General	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Supplemental General	12,558	14,951	10,044	8,601	12,212	14,816	14,063	14,797	16,040	18,663
Extraordinary Growth	5,250	6,525	5,411	4,801	3,036	2,432	1,464	1,204	2,055	5,698
Capital Outlay	5,000	6,999	8,996	9,000	8,998	8,000	7,994	8,000	8,000	8,000
Cost of Living	0.000	0.000	0.000	0.000	0.000	0.405	0.995	1.548	2.485	2.723
Bond & Interest	19,759	18,735	18,501	18,640	17,008	14,853	14,824	15,324	16,204	15,264
Special Assessment	0.152	0.192	0.413	0.162	0.125	0.194	0.163	0.254	0.295	0.369
Special Liability	0.000	0.000	0.000	0.913	0.000	0.000	0.000	0.000	0.000	0.332
Total - Direct	62,719	67,402	63,365	62,117	61,379	60,700	59,503	61,127	65,079	71,049
				(2)						
State of Kansas	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Johnson County	16,333	16,221	16,381	16,041	17,922	17,949	17,985	17,767	17,716	17,748
City of Overland Park	7,649	7,847	9,057	9,037	9,037	8,889	8,832	8,852	8,890	8,876
Johnson County Library	2,971	2,948	2,954	2,956	2,955	2,960	2,962	3,057	3,151	3,158
Johnson County Parks	1,382	1,602	2,365	2,367	2,286	2,290	2,295	2,341	2,346	2,350
Community College	7,743	9,428	9,432	9,438	8,960	8,872	8,749	8,768	8,784	8,799
Blue Valley Recreation Commission	1,458	1,186	1,186	2,080	1,950	1,699	1,598	1,603	1,604	1,604
Johnson County Wastewater	4,181	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total - Overlapping Governments	43,217	40,732	42,875	43,419	44,610	44,159	43,921	43,888	43,991	44,035
		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) 2001 is the last year Johnson County Wastewater levied taxes. Johnson County Wastewater now collects revenue through a direct billing system instead of through property taxes.

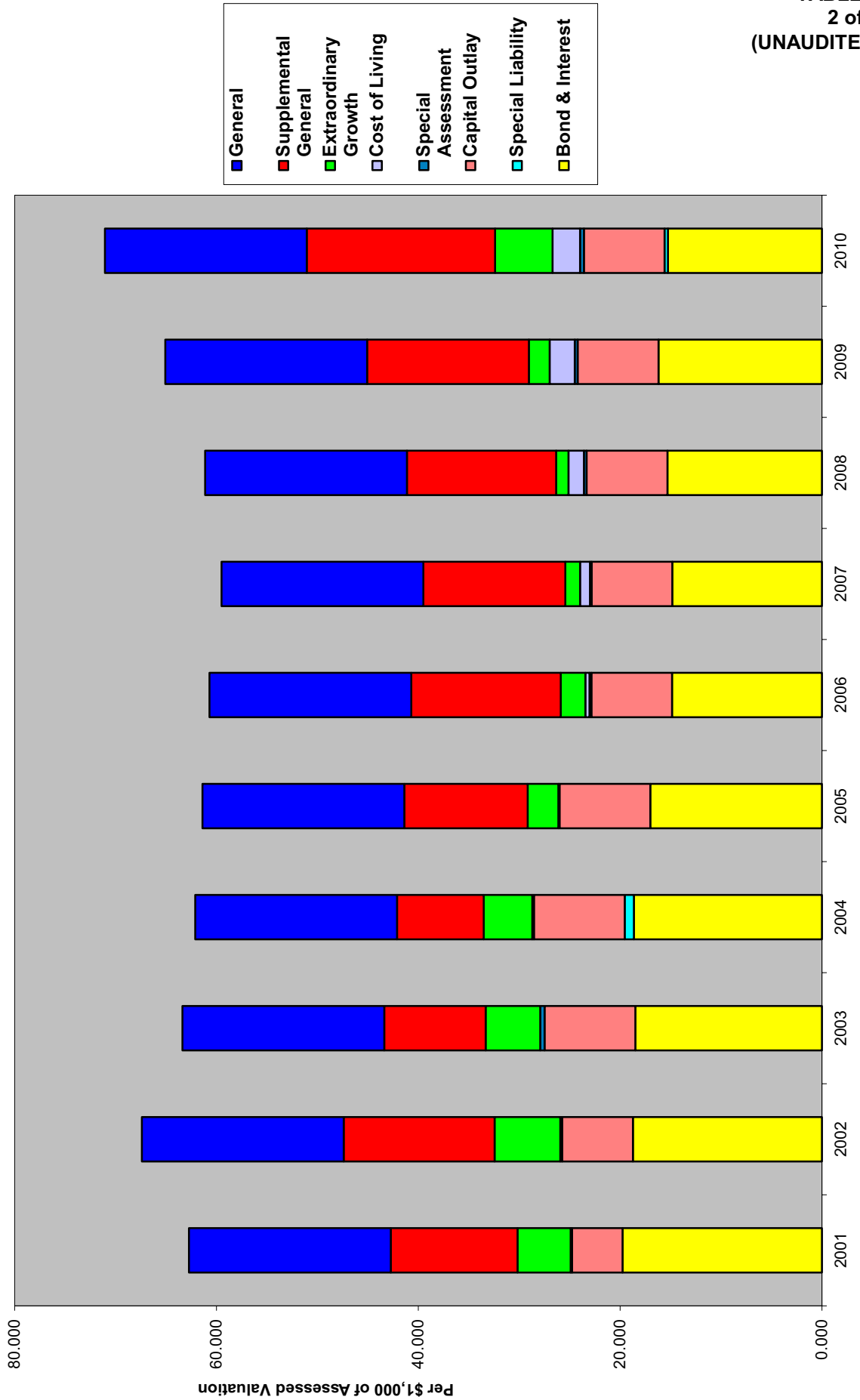
(2) 2004 is the first year that taxes were levied for the Special Liability Fund.

Source: Johnson County Department of Records and Tax Administration

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**TABLE 9**  
**2 of 2**  
**(UNAUDITED)**

**Blue Valley USD #229, Kansas**  
**Property Tax Rates (Per \$1,000 of Assessed Valuation)**  
**Last Ten Tax Years**



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**TABLE 10  
(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS  
PRINCIPAL TAXPAYERS  
JUNE 30, 2010 and Nine Years Ago**

<u>Name</u>	<u>Industry</u>	<u>2009 Assessed Valuation</u>	<u>Rank</u>	<u>Percent of Total Assessed Valuation</u>	<u>2000 Assessed Valuation</u>	<u>Rank</u>	<u>Percent of Total Assessed Valuation</u>
UCM/SREP - Corporate Woods, L.L.C.	Office Buildings	\$ 54,180,020	1	2.31%			
Town Center Plaza, L.L.C.	Retail Shopping Center	18,974,564	2	0.81%	\$ 16,801,959	4	1.02%
Kansas City Power & Light	Electric Utility	16,579,193	3	0.71%	13,155,137	6	0.80%
Central Tennessee Hospital (Menorah)	Hospital	14,279,743	4	0.61%			
MEPT Lighton Plaza, LLC	Office Buildings	13,267,752	5	0.57%			
Privitera Realty Holdings	Real Estate	11,488,085	6	0.49%			
Sprint-Nextel (formerly Sprint Communications Co.)	Telecommunications	10,561,776	7	0.45%	34,844,882	2	2.11%
119th Street Development, L.L.C.	Real Estate	10,408,173	8	0.44%			
Southwestern Bell Telephone	Telecommunications	9,702,436	9	0.41%	14,492,500	5	0.88%
Rubicon Investments II, L.L.C.	Real Estate	8,982,931	10	0.38%			
Knickerbocker Properties, Inc.	Real Estate (Office Buildings)				56,319,954	1	3.41%
ASR Lighton, L.L.C.	Real Estate (Office Buildings)				16,987,776	3	1.03%
Saint Luke's South Hospital	Hospital				11,424,180	7	0.69%
Parkprop, Inc.	Hotel				10,632,625	9	0.64%
FP Office, Inc.	Retail Shopping Center				9,548,053	10	0.58%
TIAA Realty, Inc.	Retail Shopping Center				11,376,177	8	0.69%
		<u>\$ 168,424,673</u>		<u>7.19%</u>	<u>\$ 195,583,243</u>		<u>11.85%</u>

Source: Johnson County Department of Records and Tax Administration, Johnson County Appraiser and Blue Valley USD #229 records

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BLUE VALLEY USD #229, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Tax Year/ Collection Year	Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections (Current & Delinquent)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
2000/01	96,986,127	93,869,039	96.79%	679,051	94,548,090	97.49%	3,117,088	3.21%
2001/02	103,745,151	101,529,382	97.86%	822,621	102,352,003	98.66%	2,215,769	2.14%
2002/03	116,339,799	113,991,585	97.93%	1,911,854	115,903,439	99.57%	2,408,154	2.07%
2003/04	115,724,865	114,414,498	98.87%	2,164,420	116,578,918	100.74%	1,310,367	1.13%
2004/05	120,899,038	119,733,750	99.04%	2,599,891	122,333,641	101.19%	1,165,288	0.96%
2005/06	127,159,843	125,869,520	98.99%	1,594,199	127,463,719	100.24%	1,290,323	1.01%
2006/07	134,897,273	133,258,915	98.79%	1,483,684	134,742,599	99.89%	1,638,358	1.21%
2007/08	142,489,917	140,715,925	98.76%	1,537,660	142,253,585	99.83%	1,773,992	1.24%
2008/09	145,020,974	142,760,844	98.44%	2,642,569	145,403,413	100.26%	2,260,130	1.56%
2009/10	150,696,304	147,596,249	97.94%	1,669,575	149,265,824	99.05%	3,100,055	2.06%
	(1)	(2)		(2) (3)	(2)		(2)	

(1) Tax year balances.

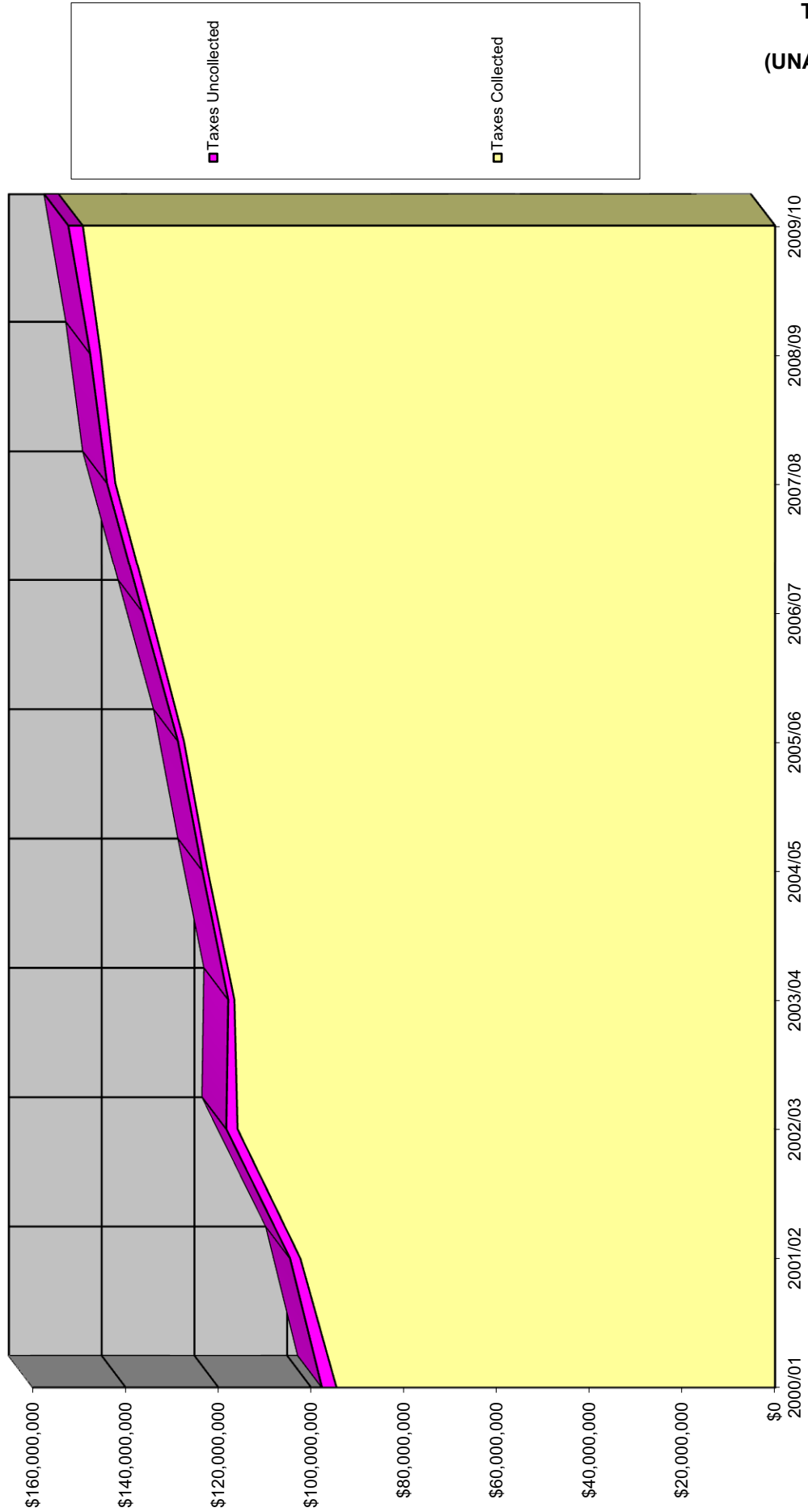
(2) Collection year balances.

(3) 2002/03 Delinquent Tax Collections do not include Delinquent Personal Property totals. Distribution of Delinquent Personal Property Taxes did not occur until October 31, 2003

Source: Johnson County Treasurer's Office

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**Blue Valley USD #229, Kansas  
Property Tax Levies and Collections  
Last Ten Years**



**TABLE 11  
2 of 2  
(UNAUDITED)**

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BLUE VALLEY USD #229, KANSAS  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation			Total	District		Per Capita	Percentage of Personal Income
	Capital Leases	Bonds			Population	Personal Income		
2001	-	285,485,608		285,485,608	76,437	3,386,645,000	3,735	8.43%
2002	793,785	301,358,992		302,152,777	95,023	3,386,645,000	3,180	8.92%
2003	404,560	280,739,424		281,143,984	98,095	3,386,645,000	2,866	8.30%
2004	-	262,969,298		262,969,298	103,120	3,386,645,000	2,550	7.76%
2005	-	302,770,973		302,770,973	107,333	4,433,181,800	2,821	6.83%
2006	-	273,731,881		273,731,881	111,000	4,433,181,800	2,466	6.17%
2007	-	246,352,866		246,352,866	116,256	4,433,181,800	2,119	5.56%
2008	-	320,810,695		320,810,695	120,256	4,433,181,800	2,668	7.24%
2009	-	368,947,118		368,947,118	118,687	4,433,181,800	3,109	8.32%
2010	-	342,416,432		342,416,432	116,914	5,658,666,600	2,929	6.05%

(1) The 2000 to 2004 personal income information is from the 2000 census data, the 2005 to 2009 personal income information is from the 2005 Census American Community Survey and the 2010 information is from the 2009 Census American Community Survey.

Source: Johnson County Department of Records and Tax Administration, Blue Valley #229 records and Census American Community Surveys.

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**BLUE VALLEY USD #229, KANSAS**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>District Population</b>	<b>District Enrollment</b>	<b>Total Equalized Assessed Value</b>	<b>Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Bonded Debt Per Capita</b>	<b>Bonded Debt Per Pupil</b>
2001	76,437	16,986	1,649,046,216	285,485,608	17.31%	3,735	16,807
2002	95,023	17,685	1,785,363,210	302,152,777	16.92%	3,180	17,085
2003	98,095	18,244	1,880,078,816	281,143,984	14.95%	2,866	15,410
2004	103,120	18,703	1,969,405,063	262,969,298	13.35%	2,550	14,060
2005	107,333	19,104	2,100,675,533	302,770,973	14.41%	2,821	15,849
2006	111,000	19,590	2,221,139,927	273,731,881	12.32%	2,464	13,973
2007	116,256	20,058	2,397,406,614	246,352,866	10.28%	2,119	12,282
2008	120,256	20,364	2,580,548,757	320,810,695	12.43%	2,668	15,754
2009	118,687	20,477	2,607,205,853	368,947,118	14.15%	3,109	18,018
2010	116,914	20,815	2,554,319,170	342,416,432	13.41%	2,929	16,450

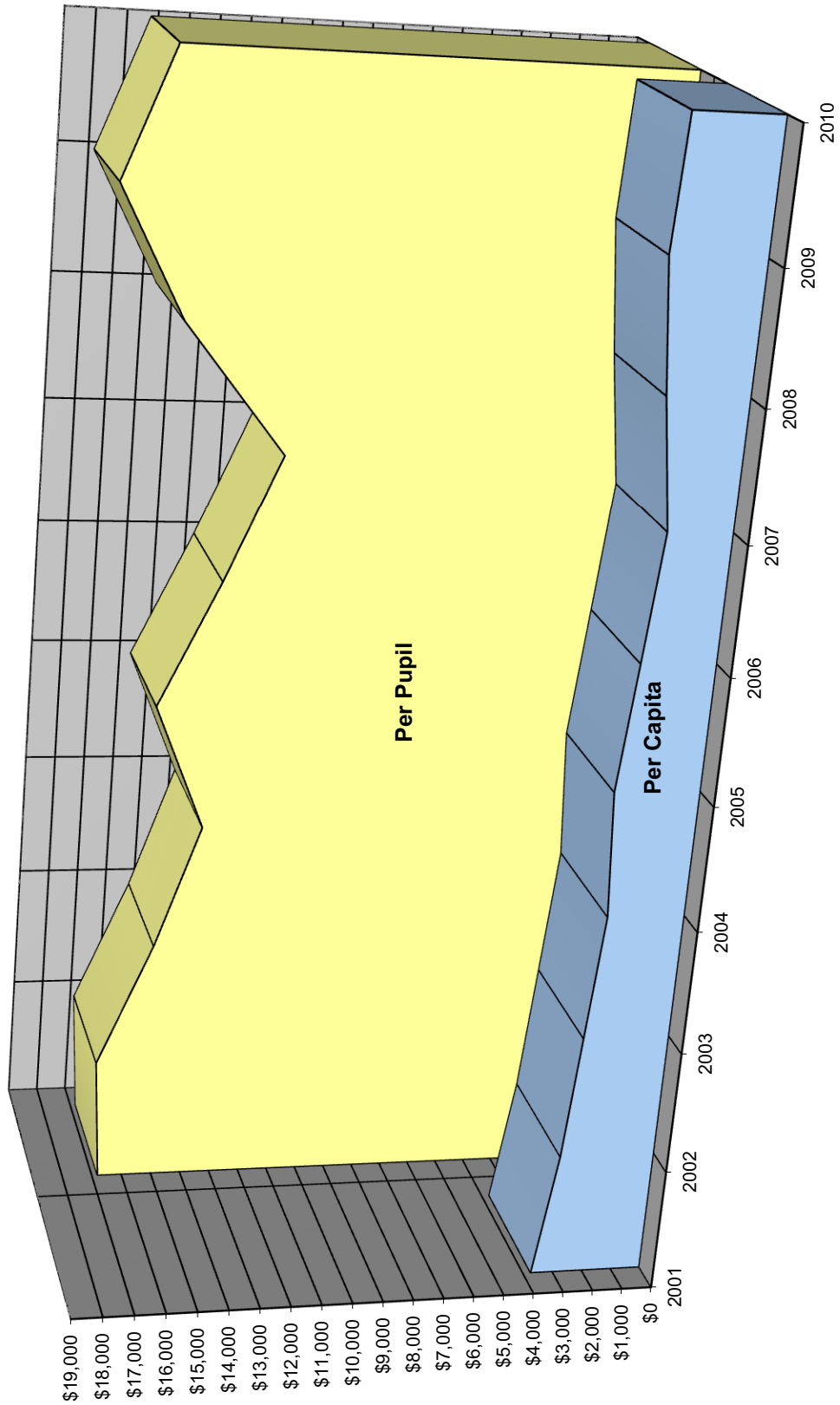
Source: Johnson County Department of Records and Tax Administration and Blue Valley USD #229 records

**TABLE 13**  
**1 of 2**  
**(UNAUDITED)**

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**TABLE 13**  
**2 of 2**  
**(UNAUDITED)**

**Blue Valley USD #229, Kansas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**



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BLUE VALLEY USD #229, KANSAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2010

	Principal Amount of Outstanding Debt	Percent Applicable to School District	Amount Applicable to School District
<b>Direct</b>			
Blue Valley USD #229	\$ 342,416,432	100.00%	\$ 342,416,432
<b>Overlapping</b>			
Johnson County (1)	\$ 240,565,000	29.22%	\$ 70,293,093
Johnson County Parks & Recreation (1)	3,625,000	29.22%	1,059,225
City of Olathe	264,538,000	5.64%	14,919,943
City of Leawood	73,030,000	79.30%	57,912,790
City of Overland Park	191,415,000	55.87%	106,943,561
Johnson County Fire District #2 (1)	4,645,000	58.46%	2,715,467
Miami County	10,415,000	0.0153%	1,593
<b>Total Overlapping Debt</b>			<u>253,845,672</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 596,262,104</u>

(1) Johnson County debt is as of 11/01/2010. All other debt is as of 06/30/2010.

Source: Johnson County Department of Records and Tax Administration, Miami County Clerk's Office and Blue Valley USD #229 records

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BLUE VALLEY USD #229, KANSAS  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Assessed Valuation of Taxable Property	\$ 1,494,443,408	\$ 1,634,927,881	\$ 1,716,230,851	\$ 1,794,167,010	\$ 1,904,101,939	\$ 2,025,466,333	\$ 2,191,204,196	\$ 2,369,204,487	\$ 2,393,060,121	\$ 2,342,424,880
Debt Limit Percent of Assessed Value	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Debt Limit	209,222,077	228,889,903	240,272,319	251,183,381	266,574,271	283,565,287	306,768,587	331,688,628	335,028,417	327,939,483
Total net debt applicable to limit	285,485,608	301,358,992	280,739,424	262,969,298	302,770,973	273,731,881	246,352,866	320,810,695	368,947,118	342,416,432
Legal Debt Margin	\$ [76,263,531]	\$ [72,469,089]	\$ [40,467,105]	\$ [11,785,917]	\$ [36,196,702]	\$ [9,833,406]	\$ [60,415,721]	\$ [10,877,933]	\$ [33,918,701]	\$ [14,476,949]
Total Net Debt Applicable To The Limit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
As A Percentage of Debt Limit	136.45%	131.66%	116.84%	104.69%	113.58%	96.53%	80.31%	96.72%	110.12%	104.41%

(1) Per order of the Kansas State Board of Education, Blue Valley USD #229 was authorized to exceed the general bond debt limitation prescribed in K.S.A. 72-6761, and to call an election for voting additional bonds pursuant to the provisions of K.S.A. 75-2315.

Source: Assessed valuation from Johnson County Department of Records and Tax Administration  
Statutory limits per K.S.A. 72-6761.

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**BLUE VALLEY USD #229, KANSAS  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year	School				Total Student Enrollment <sup>(1)</sup>	Average		Total District Population	Personal Income	Per Capita Personal Income	Unemployment Rate <sup>(2)</sup>
	Elementary School	Middle School	High School	Enrollment		Daily Attendance	Personal Income				
2001	7,912	4,014	5,060	16,986	96.8%	76,437	3,386,645,000	44,306	2.4%		
2002	8,225	4,209	5,251	17,685	96.5%	95,023	3,386,645,000	35,640	3.4%		
2003	8,525	4,304	5,415	18,244	96.5%	98,095	3,386,645,000	34,524	3.8%		
2004	8,696	4,456	5,551	18,703	96.6%	103,120	3,386,645,000	32,842	4.1%		
2005	8,848	4,519	5,737	19,104	96.5%	107,333	4,433,181,800	41,303	4.8%		
2006	9,092	4,634	5,864	19,590	96.4%	111,000	4,433,181,800	39,939	4.7%		
2007	9,351	4,732	5,975	20,058	96.2%	116,256	4,433,181,800	38,133	4.1%		
2008	9,433	4,864	6,067	20,364	96.3%	120,256	4,433,181,800	36,865	3.7%		
2009	9,474	4,838	6,165	20,477	96.6%	118,687	4,433,181,800	37,352	4.8%		
2010	9,515	4,929	6,371	20,815	96.3%	116,914	5,658,666,600	48,400	6.0%		

(1) Enrollment counts as of September 20th count date.

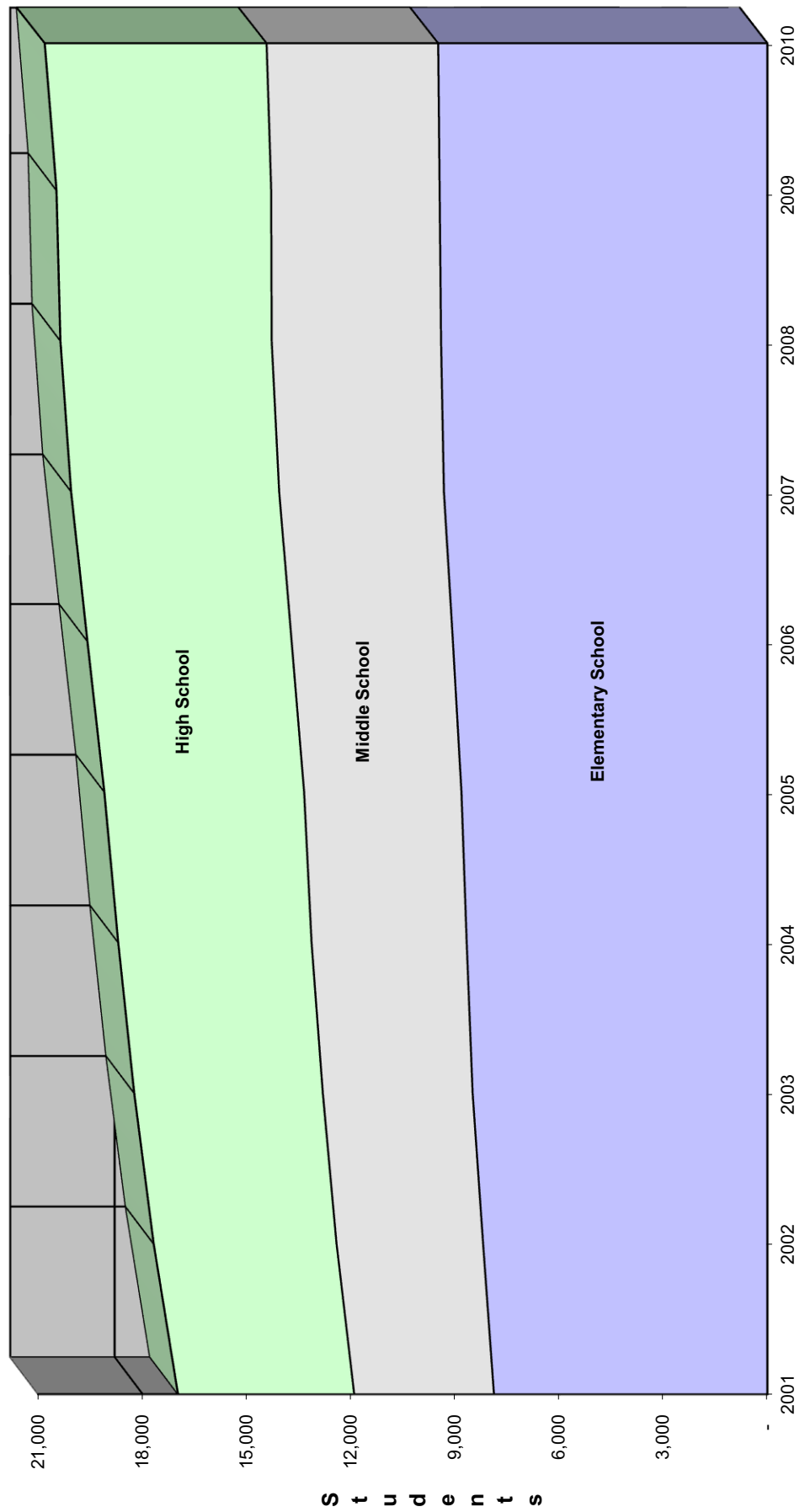
(2) Unemployment rates are for all of Johnson County.

Source: 2009 Johnson County CAFR , Kansas State Department of Education and Blue Valley USD #229 records

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**TABLE 16**  
**2 of 2**  
**(UNAUDITED)**

**Blue Valley USD #229, Kansas**  
**Demographic Statistics**  
**Enrollment - Last Ten Fiscal Years**



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**TABLE 17  
(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS  
PRINCIPAL EMPLOYERS  
JUNE 30, 2010 AND 2001**

<u>Employer</u>	<u>June 30, 2010</u>			<u>June 30, 2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Sprint-Nextel	7,300	1	6.24%	10,000	1	13.08%
Black & Veatch	3,247	2	2.78%	2,500	2	3.27%
Blue Valley School District #229	3,061	3	2.62%	2,295	3	3.00%
CenturyLink	2,100	4	1.80%			
YRC Worldwide	2,078	5	1.78%	1,000	4	1.31%
Ericsson	2,000	6	1.71%			
Zurich North America Commercial	843	7	0.72%	660	6	0.86%
Menorah Medical Center	840	8	0.72%	675	5	0.88%
Saint Lukes South Hospital	776	9	0.66%	450	8	0.59%
SPX Cooling Technologies	555	10	0.47%			
Southwestern Bell (AT&T)				550	7	0.72%
Farmers Insurance Group				400	9	0.52%
Children's Mercy South Hospital				275	10	0.36%
<b>Total</b>	<u>22,800</u>		<u>19.50%</u>	<u>18,805</u>		<u>24.60%</u>

(1) Only estimates are available for June 30, 2001

Source: Overland Park Economic Development Council (as of April 2010) and Blue Valley USD #229 records

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TABLE 18  
(UNAUDITED)

BLUE VALLEY USD #229, KANSAS  
DIRECTORY OF SCHOOL FACILITIES  
AS OF JUNE 30, 2010

<u>School</u>	<u>Year Opened</u>	<u>(1) ES Current Capacity</u>	<u>(2) Present Usage</u>	<u>(3) HS/MS Current Capacity</u>	<u>Enrollment As Of Sept. 20, 2009</u>	<u>Percent of Student Capacity</u>
Blue Valley High School	1970			1,461	1477	101.10%
Blue Valley North High School	1986			1,672	1490	89.11%
Blue Valley Northwest High School	1993			1,672	1673	100.06%
Blue Valley West High School	2001			1,748	1650	94.39%
Blue Valley Academy	1997			81	81	100.00%
Blue Valley Middle School	1997			728	535	73.49%
Harmony Middle School	1992			644	591	91.77%
Lakewood Middle School	2002			728	678	93.13%
Leawood Middle School	1981			588	478	81.29%
Overland Trail Middle School	1990			644	615	95.50%
Oxford Middle School	1988			588	644	109.52%
Pleasant Ridge Middle School	1997			756	724	95.77%
Prairie Star Middle School	1996			728	664	91.21%
Blue River Elementary School	1997	26	24		562	92.31%
Cedar Hills Elementary School	2004	24	22		461	91.67%
Cottonwood Point Elementary School	1990	21	18		398	85.71%
Harmony Elementary School	1992	26	28		642	107.69%
Heartland Elementary School	1995	21	20		410	95.24%
Indian Valley Elementary School	1982	18	14		308	77.78%
Lakewood Elementary School	1999	26	29		690	111.54%
Leawood Elementary School	1978	19	20		453	105.26%
Liberty View Elementary School	2002	26	30		643	115.38%
Mission Trail Elementary School	1989	23	20		441	86.96%
Morse Elementary School	1980	18	19		420	105.56%
Oak Hill Elementary School	1987	21	18		435	85.71%
Overland Trail Elementary School	1990	24	26		584	108.33%
Prairie Star Elementary School	1993	22	23		534	104.55%
Stanley Elementary School	1988	21	19		404	90.48%
Stilwell Elementary School	1955	22	17		339	77.27%
Sunrise Point Elementary School	2006	24	24		520	100.00%
Sunset Ridge Elementary School	1998	25	25		544	100.00%
Timber Creek Elementary School	2009	15	15		261	100.00%
Valley Park Elementary School	1985	20	21		466	105.00%
<b>Total</b>					<u>20,815</u>	

Source: Blue Valley USD #229 records

- (1) Current % of student capacity at elementary schools is calculated by section capacity.
- (2) Present Usage refers to number of sections currently at the building.
- (3) MS/HS capacity is figured based upon the number of students.

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**TABLE 19  
(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS  
MISCELLANEOUS STATISTICAL DATA  
AS OF JUNE 30, 2010**

<b>Year of Incorporation</b>	1965
<b>Form of Government</b>	Elected Board
<b>Area of District</b>	91 Square Miles
<b>Population of District</b>	116,914
<b>Ending Enrollment 2009/2010</b>	20,815
<b>Number of Schools</b>	
Elementary Schools	20
Middle Schools	8
High Schools	4
<b>Total</b>	<u><u>32</u></u>
<b>Average Class Size - Elementary</b>	21.5
<b>Number of Full-Time Equivalent Employees</b>	
Classified	1,322.00
Certified	1,739.00
<b>Total</b>	<u><u>3,061.00</u></u>

**Teacher Summary**

<b>Degree</b>	<b>Number of Teachers</b>	<b>% of Total</b>	<b>Salary Range</b>	
			<b>Low</b>	<b>High</b>
Bachelors	205	12.9%	\$ 38,583	\$ 50,206
Bachelors + 12	68	4.4%	39,510	53,544
Bachelors + 24	161	9.0%	40,437	54,657
Masters	384	21.3%	42,601	59,942
Masters + 12	202	11.1%	43,837	66,897
Masters + 24	124	7.1%	45,074	68,288
Masters + 36	100	6.2%	46,310	69,678
Masters + 48	68	4.3%	47,546	71,069
Masters + 60	396	22.5%	49,710	73,016
Doctorate	16	1.2%	50,710	74,016

**Certified Employee Allocation**

	<b>Elementary</b>				<b>Total</b>
	<b>District Office</b>	<b>School</b>	<b>Middle School</b>	<b>High School</b>	
Superintendent	1.00	-	-	-	1.00
Asst. Superintendent	3.00	-	-	-	3.00
Adm. Assistants	-	1.00	-	3.20	4.20
Principals	-	20.00	8.00	6.00	34.00
Asst. Principals	-	-	8.00	12.00	20.00
Directors Special Ed.	6.00	-	-	-	6.00
Director Career Tech. Ed.	1.00	-	-	-	1.00
Instructional Coordinators	20.50	4.00	-	3.60	28.10
Other Directors	10.00	-	-	-	10.00
Curriculum Specialists	13.80	-	-	-	13.80
Vocational Arts Teachers	-	-	-	47.50	47.50
Special Ed. Teachers	-	109.70	57.30	57.90	224.90
Pre-Kindergarten	-	22.60	-	-	22.60
Kindergarten	-	60.50	-	-	60.50
Other Teachers	-	466.00	282.10	304.80	1,052.90
Library Media	-	20.00	8.00	8.00	36.00
Counselors	-	20.00	16.00	20.00	56.00
School Psychologists	2.60	10.90	3.90	4.50	21.90
Nurses	-	20.00	8.00	4.50	32.50
Speech Pathologists	1.00	26.60	5.00	2.60	35.20
Audiologists	1.80	-	-	-	1.80
Social Workers	3.00	-	-	-	3.00
Reading	-	20.00	0.30	1.80	22.10
Other	1.00	-	-	-	1.00
	<u>64.70</u>	<u>801.30</u>	<u>396.60</u>	<u>476.40</u>	<u>1,739.00</u>

Source: Blue Valley USD #229 records - 2009-10 Personnel Report

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BLUE VALLEY USD #229, KANSAS  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Total Expenses (3)	Cost Per Pupil	Teaching Staff	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
2001	16,986	123,853,247	7,291	N/A	N/A	1,378	12	1.62%
2002	17,685	134,208,323	7,589	\$ 154,143,897	\$ 8,716	1,451	12	1.87%
2003	18,244	145,777,609	7,990	168,399,095	9,230	1,492	12	2.14%
2004	18,703	149,670,356	8,002	173,400,928	9,271	1,502	12	2.69%
2005	19,104	161,502,497	8,454	185,193,908	9,694	1,532	12	3.33%
2006	19,590	172,610,511	8,811	198,004,127	10,107	1,568	12	3.42%
2007	20,058	188,845,028	9,415	225,120,541	11,223	1,650	12	3.73%
2008	20,364	197,721,445	9,709	250,785,364	12,315	1,722	12	3.74%
2009	20,477	207,346,396	10,126	243,979,113	11,915	1,735	12	5.12%
2010	20,815	206,244,201	9,908	256,140,907	12,306	1,739	12	6.13%

- (1) Enrollment counts as of September 20th count date.
- (2) Total expenditures net of Capital Outlay and Debt Service
- (3) Total Primary Government expenses

Source: Blue Valley USD #229 records and Kansas State Department of Education

TABLE 20  
(UNAUDITED)

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GOVERNMENTAL AUDIT SECTION



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I	84.010	\$ -	\$ 519,961	\$ 519,961	\$ -
Title VI-B Special Education	84.027	-	2,986,776	2,986,776	-
Title VI-B Special Education (ARRA)	84.391	-	2,015,986	2,015,986	-
C.P. Prog. Impr. Sec.	84.048	-	86,509	86,509	-
Early Childhood Act	84.173	-	91,137	91,137	-
Early Childhood Act (ARRA)	84.392	-	84,899	84,899	-
Drug-Free Schools - Title IV	84.186	3,504	21,520	25,024	-
Title V Innovative Programs	84.298	-	6,776	6,776	-
School Preparedness	84.302	-	5,000	5,000	-
Title II-D	84.318	-	2,041	2,041	-
Title II-D (ARRA)	84.386	-	4,194	4,194	-
Title III English Language	84.365	-	39,892	39,892	-
Title II-A Teacher Quality	84.367	-	276,265	276,265	-
Data Use Grant	84.372	-	800	800	-
State Fiscal Stabilization Funds (ARRA)	84.394	-	<u>5,143,255</u>	<u>5,143,255</u>	-
Total U.S. Department of Education			<u>11,285,011</u>	<u>11,288,515</u>	
 <u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	51,571	51,571	-
National School Lunch Program	10.555	-	<u>1,206,733</u>	<u>1,206,733</u>	-
Total U.S. Department of Agriculture			<u>1,258,304</u>	<u>1,258,304</u>	
Total Expenditures of Federal Awards			<u>\$ 12,543,315</u>	<u>\$ 12,546,819</u>	

The accompanying notes are an integral part of this schedule.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2010

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Blue Valley Unified School District No. 229. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with accounting principles generally accepted in the United States of America.



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: \_\_\_\_\_ Unqualified \_\_\_\_\_

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.391, 84.173, 84.392	Title VI-B Special Education Cluster
84.394	State Fiscal Stabilization Funds (ARRA)
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_ \$376,405 \_\_\_\_\_

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended June 30, 2010

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted

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# LOWENTHAL, WEBB & ODERMANN, P.A.

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

Board of Education  
Blue Valley Unified School District No. 229

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the budgetary comparison information and the aggregate remaining fund information of Blue Valley Unified School District No. 229 as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 5, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards."

However, we noted certain matters we have reported to the District's management in a separate letter dated October 5, 2010.

This report is intended solely for the information and use of the Board of Education, administration and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Lowenthal, Wett & Odummann, P.A.*

October 5, 2010

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# LOWENTHAL, WEBB & ODERMANN, P.A.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education  
Blue Valley Unified School District No. 229

### Compliance

We have audited the compliance of Blue Valley Unified School District No. 229 with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2010. Blue Valley Unified School District No. 229's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Blue Valley Unified School District No. 229 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Education, administration and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Lowenthal, Wett & Odummann, P.A.*

October 5, 2010

