

UNIFIED SCHOOL DISTRICT NO. 233

**Financial Statements
and Schedule of Expenditures of
Federal Awards**

**For the Fiscal Year Ended
June 30, 2010**

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UNIFIED SCHOOL DISTRICT NO. 233

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

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Education
Unified School District No. 233

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Unified School District No. 233 (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; 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 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 and the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Supplemental General and Special Education 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 8 and the schedule of funding progress and schedule of employer contributions on page 40 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 September 27, 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 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 the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations," and is not a required part of the basic 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.

September 27, 2010

UNIFIED SCHOOL DISTRICT NO. 233
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010
Unaudited

Our discussion and analysis of Unified School District No. 233, Olathe District Schools financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2010. The District's overall financial position improved for the year ended June 30, 2010. This narrative should be read in conjunction with the District's financial statements, which begin on page nine.

Financial Highlights

- The District-wide net assets totaled \$130 million at the end of the current fiscal year.
- The District-wide current assets exceed the current liabilities by \$49 million, representing the District's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at June 30, 2010 totaled \$421 million.
- During the year ended June 30, 2010, the District's total revenues (which include charges for services, local taxes and state and federal aid) were more than total expenses by \$1.3 million.
- The District's general obligation indebtedness decreased by \$29 million.
- The District's net capital assets increased \$59 million in the current fiscal year.

Using This Financial Report

This annual report consists of two distinct series of financial statements: district-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The district-wide statements are designed to provide information about the Olathe District School's activities as a whole and provide a longer-term view of the District's finances. The fund financial statements tell how the District's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in greater detail than the district-wide statements by providing information about the District's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The District also holds agency funds on behalf of various building level organizations. These funds are reported in a separate statement.

Reporting on the School District as a Whole (District Wide)

Statement of Net Assets and the Statement of Activities

The view of the Olathe District Schools as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Assets and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the District's net assets and current year change in those net assets. The change in net assets is important because it tells the reader whether the District, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, state and federal educational mandates, state public education funding formulas, and the financial condition of the State of Kansas general fund.

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010
Unaudited

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, non-instructional services and other.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The District's Food Services, Summer School and Driver Training are reported as business-type activities. In addition, the District's self-insured workers' compensation fund, the health insurance fund and the risk management fund are treated as internal service funds.

Reporting the District's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the District's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the District's non-major governmental funds.

Governmental Funds - Most of the District's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal year end available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the District's educational programs. Major differences between the District's governmental activities as reported in the Statement of Net Assets and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds - Proprietary funds (Food Services, Summer School and Driver Training) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the District-wide financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010
Unaudited

The School District as a Whole

Government-Wide Net Assets

The Statement of Net Assets provides the financial position of the School District as a whole. The following is a summary of the Olathe District School's Statement of Net Assets as of June 30, 2010:

Olathe District Schools
Condensed Statement of Net Assets
June 30, 2010

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	\$ 115,814,197	\$ 200,878,566	\$ 2,070,645	\$ 1,766,758	\$ 117,884,842	\$ 202,645,324
Net capital assets	<u>417,043,007</u>	<u>358,358,139</u>	<u>3,638,109</u>	<u>3,055,563</u>	<u>420,681,116</u>	<u>361,413,702</u>
Total assets	<u>\$ 532,857,204</u>	<u>\$ 559,236,705</u>	<u>\$ 5,708,754</u>	<u>\$ 4,822,321</u>	<u>\$ 538,565,958</u>	<u>\$ 564,059,026</u>
Current liabilities	\$ 68,790,667	\$ 64,485,782	\$ 441,842	\$ 364,020	\$ 69,232,509	\$ 64,849,802
Noncurrent liabilities	<u>339,426,240</u>	<u>370,445,493</u>	<u>-</u>	<u>-</u>	<u>339,426,240</u>	<u>370,445,493</u>
Total liabilities	<u>\$ 408,216,907</u>	<u>\$ 434,931,275</u>	<u>\$ 441,842</u>	<u>\$ 364,020</u>	<u>\$ 408,658,749</u>	<u>\$ 435,295,295</u>
Net Assets:						
Invested in capital assets, net of related debt	\$ 85,322,250	\$ 86,736,658	\$ 3,638,109	\$ 3,055,563	\$ 88,960,359	\$ 89,792,221
Restricted for :						
Debt Service	37,817,834	35,782,679	-	-	37,817,834	35,782,679
Unrestricted	<u>1,500,213</u>	<u>1,786,093</u>	<u>1,628,803</u>	<u>1,402,738</u>	<u>3,129,016</u>	<u>3,188,831</u>
Total net assets	<u>\$ 124,640,297</u>	<u>\$ 124,305,430</u>	<u>\$ 5,266,912</u>	<u>\$ 4,458,301</u>	<u>\$ 129,907,209</u>	<u>\$ 128,763,731</u>

The assets of the District are classified as current assets and capital assets. Cash and investments and property taxes in process of collection are the largest current assets. These are assets that are available to provide resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, land improvements, buildings, building improvements, vehicles, furniture, equipment and technology.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, payroll-related liabilities, compensated absences and early retirement, and current portion of long-term obligations. Current assets exceed current liabilities by \$49 million, representing the District's ability to meet current obligations when due.

The District has \$348 in long-term debt, consisting of general obligation bonds, of which \$32 million is due within the next fiscal year.

The District had total assets at June 30, 2010 totaling \$539 million. The total assets of the District exceeded the total liabilities by \$130 million. Net assets invested in capital assets (including cash balances in capital project funds); net of general obligation debt, totaled \$89 million, restricted net assets totaled \$38 million and unrestricted net assets totaled \$3 million.

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010
Unaudited

Government-Wide Activities

The following is a condensed statement of the District's change in net assets for the year ended June 30, 2010. Major items of program revenues, grants and general revenues are detailed. District-wide activities increased the net assets of the District by \$1.3 million for the year ended June 30, 2010. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located at page 16 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of long-term debt of \$27 million which is treated as expenditures in the funds statements, but is treated as a reduction of long term debt in the District wide statement of activities. Also, the \$73 million of capital outlays to purchase or rebuild assets are reported in the governmental funds as expenditures, however, for governmental activities these costs are shown as assets.

	Governmental Activities		Business-Type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,828,149	\$ 1,694,560	\$ 7,001,806	\$ 7,247,836	\$ 8,829,955	\$ 8,942,396
Operating grants	64,036,392	57,933,339	4,220,647	3,043,209	68,257,039	60,976,548
General revenues:						
Property taxes	126,628,575	133,371,331	-	-	126,628,575	133,371,331
State aid	98,371,439	109,754,665	-	-	98,371,439	109,754,665
Other	10,831,336	11,115,410	595,140	648,180	11,426,476	11,763,590
Total revenues	<u>301,695,891</u>	<u>313,869,305</u>	<u>11,817,593</u>	<u>10,939,225</u>	<u>313,513,484</u>	<u>324,808,530</u>
Program expenses:						
Instruction	192,477,244	191,685,956	-	-	192,477,244	191,685,956
Support services	79,631,660	89,608,500	-	-	79,631,660	89,608,500
Other	14,821,980	15,040,862	11,008,982	11,199,510	25,830,962	26,240,372
Interest on long term debt	14,256,033	12,530,322	-	-	14,256,033	12,530,322
Total expenses	<u>301,186,917</u>	<u>308,865,640</u>	<u>11,008,982</u>	<u>11,199,510</u>	<u>312,195,899</u>	<u>320,065,150</u>
Increase [decrease] in net assets	<u>\$ 508,974</u>	<u>\$ 5,003,665</u>	<u>\$ 808,611</u>	<u>\$ [260,285]</u>	<u>\$ 1,317,585</u>	<u>\$ 4,743,380</u>

Financial Analysis of the District's Funds

The District uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the District provide information on near-term inflows, outflows and balances of spend - able resources. Unreserved fund balances, in particular, measures the District's net resources available for spending at the end of the District's fiscal year.

Total fund balances at June 30, 2010 for the governmental funds totaled \$79 million. Total unreserved and undesignated fund balances at June 30, 2010 totaled nearly \$15 million, of which approximately \$3 million was attributable to the Supplemental General Fund.

UNIFIED SCHOOL DISTRICT NO. 233
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010
Unaudited

The General Fund is the chief operating fund of the District. The ending fund balance of the General Fund was approximately \$1.8 million at June 30, 2010.

The Supplemental 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 ending fund balance of the Supplemental General Fund was approximately \$3 million at June 30, 2010.

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 ending fund balance of the Special Education Fund was approximately \$1.5 million at June 30, 2010.

The Bond and Interest Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general long-term debt. The fund has adequate funds accumulated to make the September, 2010 principal and interest requirements.

The Capital Outlay Fund is used to account for tax revenues that are primarily utilized for the acquisition, construction, and remodeling of school district buildings. The ending fund balance of the Capital Outlay Fund was approximately \$6.7 million at June 30, 2010.

The 2007 Construction Fund, fund balance began the year with a \$39 million balance and was reduced by expenditures of \$28 million.

The 2009 Construction Fund, fund balance began the year with a \$54 million balance and was reduced by expenditures of \$49 million.

General Fund Budgeting Highlights

The Olathe District School's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances.

The District's original budgeted expenditures was \$159,567,362 and the final General Fund budgeted expenditures was \$149,840,577. The decrease was due to a decrease in the base state aid per pupil dollar amount.

Kansas statutes allow for the Board of Education to increase the original budget for previously unbudgeted increases in revenues other than ad valorem taxes.

Capital Assets and Debt Administration

The Olathe District School's investment in capital assets for its governmental and business-type activities increased \$59 million to a total of \$421 million as of June 30, 2010. The District is actively involved in new construction and major renovation projects, funded by bond election authority, in order to accommodate the rapid growth of the District.

Additional information on the District's capital assets can be found in Note 4 of the financial statements.

At June 30, 2010, the District had total bonded debt outstanding of \$348 million, backed by the full faith and credit of the Olathe District Schools. Total long-term debt decreased for the fiscal year ended June 30, 2010, in the amount of \$29 million. The decrease is primarily due to the regularly scheduled payment of the general obligation bonds.

Additional information on the District's general long term debt can be found in Note 4 to the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010
Unaudited

Contacting the District

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the District's Controller at PO Box 2000, Olathe, Kansas 66063-2000.

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Current assets:			
Cash and investments	\$ 68,592,290	\$ 1,927,373	\$ 70,519,663
Cash and investments restricted for capital projects	28,378,790	-	28,378,790
Cash with fiscal agent	336	-	336
Receivables (net of allowance for uncollectibles)			
Taxes	848,759	-	848,759
Interest and other	14,062,815	-	14,062,815
Material and supplies inventory	592,205	143,272	735,477
Deferred charges	<u>3,339,002</u>	<u>-</u>	<u>3,339,002</u>
Total current assets	<u>115,814,197</u>	<u>2,070,645</u>	<u>117,884,842</u>
Noncurrent assets:			
Nondepreciable capital assets			
Land	45,731,911	-	45,731,911
Construction in progress	69,594,862	-	69,594,862
Depreciable capital assets	448,166,230	5,924,558	454,090,788
Less: Accumulated depreciation	<u>[146,449,996]</u>	<u>[2,286,449]</u>	<u>[148,736,445]</u>
Total noncurrent assets	<u>417,043,007</u>	<u>3,638,109</u>	<u>420,681,116</u>
Total assets	<u>\$ 532,857,204</u>	<u>\$ 5,708,754</u>	<u>\$ 538,565,958</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 7,472,049	\$ -	\$ 7,472,049
Retainage payable	5,351,053	-	5,351,053
Accrued liabilities	16,398,846	441,842	16,840,688
Compensated absences	2,819,095	-	2,819,095
Net OPEB obligation	2,870,953	-	2,870,953
Early retirement payable	2,105,481	-	2,105,481
Matured bonds payable	336	-	336
Unearned revenue	1,249,100	-	1,249,100
Long-term liabilities			
Due within one year	<u>31,902,086</u>	<u>-</u>	<u>31,902,086</u>
Total current liabilities	<u>70,168,999</u>	<u>441,842</u>	<u>70,610,841</u>
Noncurrent liabilities:			
Early retirement payable	3,405,605	-	3,405,605
Compensated absences	19,733,665	-	19,733,665
Long-term liabilities			
Due in more than one year	<u>316,286,970</u>	<u>-</u>	<u>316,286,970</u>
Total noncurrent liabilities	<u>339,426,240</u>	<u>-</u>	<u>339,426,240</u>
Total liabilities	<u>\$ 409,595,239</u>	<u>\$ 441,842</u>	<u>\$ 410,037,081</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 85,322,250	\$ 3,638,109	\$ 88,960,359
Restricted for:			
Debt service	37,817,834	-	37,817,834
Unrestricted	<u>121,881</u>	<u>1,628,803</u>	<u>1,750,684</u>
Total net assets	<u>\$ 123,261,965</u>	<u>\$ 5,266,912</u>	<u>\$ 128,528,877</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

	Program Revenues			Net [Expenses] Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	\$ 192,477,244	\$ 1,828,149	\$ 64,036,392	\$ [126,612,703]	\$ -	\$ [126,612,703]
Support services	17,404,112	-	-	[17,404,112]	-	[17,404,112]
Instructional support staff	14,082,823	-	-	[14,082,823]	-	[14,082,823]
General administration	1,220,108	-	-	[1,220,108]	-	[1,220,108]
School administration	14,215,837	-	-	[14,215,837]	-	[14,215,837]
Noninstructional services	1,769,866	-	-	[1,769,866]	-	[1,769,866]
Operations and maintenance	26,160,379	-	-	[26,160,379]	-	[26,160,379]
Other support services	6,156,867	-	-	[6,156,867]	-	[6,156,867]
Student transportation	9,640,570	-	-	[9,640,570]	-	[9,640,570]
Student activities	5,181,410	-	-	[5,181,410]	-	[5,181,410]
Interest on long-term debt	14,256,033	-	-	[14,256,033]	-	[14,256,033]
Total governmental activities	<u>302,565,249</u>	<u>1,828,149</u>	<u>64,036,392</u>	<u>[236,700,708]</u>	<u>-</u>	<u>[236,700,708]</u>
Business-type activities:						
Food Service	10,503,337	6,648,670	4,196,447	-	341,780	341,780
Summer School	354,426	244,279	-	-	[110,147]	[110,147]
Driver Training	151,219	108,857	24,200	-	[18,162]	[18,162]
Total business-type activities	<u>11,008,982</u>	<u>7,001,806</u>	<u>4,220,647</u>	<u>-</u>	<u>213,471</u>	<u>213,471</u>
Total school district	<u>\$ 313,574,231</u>	<u>\$ 8,829,955</u>	<u>\$ 68,257,039</u>	<u>[236,700,708]</u>	<u>213,471</u>	<u>[236,487,237]</u>
General Revenues:						
Local property taxes						
General				71,695,341	-	71,695,341
Debt service				38,797,406	-	38,797,406
Capital projects				16,135,828	-	16,135,828
State aid				98,371,439	-	98,371,439
Interest and investment earnings				1,159,257	-	1,159,257
Miscellaneous				9,796,589	470,630	10,267,219
Transfer				[124,510]	124,510	-
Total general revenues and transfe				<u>235,831,350</u>	<u>595,140</u>	<u>236,426,490</u>
Change in net assets				<u>[869,358]</u>	<u>808,611</u>	<u>[60,747]</u>
Net assets - beginning				124,305,431	4,458,301	128,763,732
Prior period adjustment				<u>[174,108]</u>	<u>-</u>	<u>[174,108]</u>
Net assets - beginning, restated				<u>124,131,323</u>	<u>4,458,301</u>	<u>128,589,624</u>
Net assets - ending				<u>\$ 123,261,965</u>	<u>\$ 5,266,912</u>	<u>\$ 128,528,877</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010

	<u>General</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>Bond and Interest</u>
ASSETS				
Cash and investments	\$ 340,268	\$ 2,971,379	\$ 2,807,442	\$ 38,536,934
Cash with fiscal agent	-	-	-	336
Receivables (net)				
Taxes	40,267	327,415	-	335,455
Other	12,240,074	-	1,738,057	-
Material and supplies inventory	<u>592,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 13,212,814</u>	<u>\$ 3,298,794</u>	<u>\$ 4,545,499</u>	<u>\$ 38,872,725</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 60,176	\$ -	\$ 97,935	\$ -
Retainage payable	-	-	-	-
Accrued payroll	9,532,505	-	2,977,649	-
Accrued liabilities	1,794,008	-	-	-
Matured bonds payable	-	-	-	336
Unearned revenue	<u>40,267</u>	<u>327,415</u>	<u>-</u>	<u>1,054,555</u>
Total liabilities	<u>11,426,956</u>	<u>327,415</u>	<u>3,075,584</u>	<u>1,054,891</u>
Fund balance:				
Reserved for encumbrances	1,193,653	-	3,471	-
Reserved for materials and supplies	592,205	-	-	-
Reserved for debt service	-	-	-	37,817,834
Reserved for capital projects	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue fund	<u>-</u>	<u>2,971,379</u>	<u>1,466,444</u>	<u>-</u>
Total fund balances	<u>1,785,858</u>	<u>2,971,379</u>	<u>1,469,915</u>	<u>37,817,834</u>
Total liabilities and fund balance	<u>\$ 13,212,814</u>	<u>\$ 3,298,794</u>	<u>\$ 4,545,499</u>	<u>\$ 38,872,725</u>

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

<u>Capital Outlay</u>	<u>2007 Construction</u>	<u>2009 Construction</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 7,618,504	\$ 15,040,820	\$ 13,337,970	\$ 12,703,040	\$ 93,356,357
-	-	-	-	336
53,307	-	-	92,315	848,759
76,560	-	-	8,124	14,062,815
-	-	-	-	592,205
<u>\$ 7,748,371</u>	<u>\$ 15,040,820</u>	<u>\$ 13,337,970</u>	<u>\$ 12,803,479</u>	<u>\$ 108,860,472</u>
\$ 958,810	\$ 2,241,681	\$ 3,787,757	\$ 325,690	\$ 7,472,049
-	1,324,644	4,026,409	-	5,351,053
-	-	-	876,818	13,386,972
-	-	-	-	1,794,008
-	-	-	-	336
53,307	347,998	182,002	92,315	2,097,859
<u>1,012,117</u>	<u>3,914,323</u>	<u>7,996,168</u>	<u>1,294,823</u>	<u>30,102,277</u>
1,615,413	330,600	196,683	396,114	3,735,934
-	-	-	-	592,205
-	-	-	735,433	38,553,267
5,120,841	10,795,897	5,145,119	-	21,061,857
-	-	-	10,377,109	14,814,932
<u>6,736,254</u>	<u>11,126,497</u>	<u>5,341,802</u>	<u>11,508,656</u>	<u>78,758,195</u>
<u>\$ 7,748,371</u>	<u>\$ 15,040,820</u>	<u>\$ 13,337,970</u>	<u>\$ 12,803,479</u>	<u>\$ 108,860,472</u>

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

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UNIFIED SCHOOL DISTRICT NO. 233

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

June 30, 2010

Total Governmental Fund Balances		\$ 78,758,195
Amounts reported for governmental activities in the statement of net assets are different because		
Issuance costs are shown as current year expenditures in the funds.		3,339,002
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
The cost of capital assets is	563,493,003	
Accumulated depreciation is	<u>[146,449,996]</u>	417,043,007
Property taxes receivable to be collected, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		848,759
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets of liabilities of certain internal service funds are included in governmental activities in the statement of net assets.		2,396,857
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Compensated absences	[22,552,760]	
Net OPEB obligation	[2,870,953]	
Bonds payable	[348,189,056]	
Early retirement payable	<u>[5,511,086]</u>	<u>[379,123,855]</u>
Net Assets of Governmental Activities		<u>\$ 123,261,965</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

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

	<u>General</u>	Supplemental <u>General</u>	Special <u>Education</u>	Bond and <u>Interest</u>
REVENUES:				
Taxes	\$ 34,687,300	\$ 37,882,780	\$ -	\$ 38,797,563
Intergovernmental	115,106,770	14,466,848	9,927,908	3,657,359
Charges for services	-	-	1,043	-
Investment revenue	-	-	-	1,018,750
Other local sources	<u>4,085,841</u>	<u>-</u>	<u>776,802</u>	<u>1,281,876</u>
Total revenues	<u>153,879,911</u>	<u>52,349,628</u>	<u>10,705,753</u>	<u>44,755,548</u>
EXPENDITURES:				
Current				
Instruction	77,592,449	26,099,287	31,910,395	-
Support services	6,059,921	1,885,844	4,407,831	-
Instructional support staff	8,193,748	2,560,716	-	-
General administration	846,087	261,312	-	-
School administration	9,136,599	2,832,347	1,303,404	-
Operations and maintenance	14,500,591	3,992,836	130,930	-
Student transportation services	2,343,482	715,710	5,807,555	-
Other support services	3,991,402	1,804,759	-	-
Food service operations	-	-	-	-
Student activities	4,204,802	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	27,420,687
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,299,706</u>
Total expenditures	<u>126,869,081</u>	<u>40,152,811</u>	<u>43,560,115</u>	<u>42,720,393</u>
Excess [deficiency] of revenues over [under] expenditures	<u>27,010,830</u>	<u>12,196,817</u>	<u>[32,854,362]</u>	<u>2,035,155</u>
OTHER FINANCING SOURCES [USES]				
Transfers in	-	-	27,190,483	-
Transfers [out]	<u>[26,613,669]</u>	<u>[12,584,331]</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[26,613,669]</u>	<u>[12,584,331]</u>	<u>27,190,483</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	397,161	[387,514]	[5,663,879]	2,035,155
Fund balance - Beginning of year	<u>1,388,697</u>	<u>3,358,893</u>	<u>7,133,794</u>	<u>35,782,679</u>
Fund balance - End of year	<u>\$ 1,785,858</u>	<u>\$ 2,971,379</u>	<u>\$ 1,469,915</u>	<u>\$ 37,817,834</u>

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

Capital Outlay	2007 Construction	2009 Construction	Non-major Governmental Funds	Total Governmental Funds
\$ 6,102,226	\$ -	\$ -	\$ 10,585,572	\$ 128,055,441
-	-	-	19,248,946	162,407,831
-	-	-	1,827,106	1,828,149
140,507	-	-	-	1,159,257
9,023	-	-	667,247	6,820,789
<u>6,251,756</u>	<u>-</u>	<u>-</u>	<u>32,328,871</u>	<u>300,271,467</u>
2,657,944	3,232,921	1,796,962	36,816,135	180,106,093
1,114,978	-	-	1,710,856	15,179,430
-	-	-	3,318,997	14,073,461
-	-	-	112,709	1,220,108
-	-	-	906,693	14,179,043
3,907,056	-	-	694,592	23,226,005
-	-	-	660,248	9,526,995
-	-	-	104,409	5,900,570
-	-	-	256,297	256,297
-	-	-	14,066	4,218,868
1,669,862	24,302,321	47,032,352	836,522	73,841,057
-	-	-	-	27,420,687
-	-	-	-	15,299,706
<u>9,349,840</u>	<u>27,535,242</u>	<u>48,829,314</u>	<u>45,431,524</u>	<u>384,448,320</u>
<u>[3,098,084]</u>	<u>[27,535,242]</u>	<u>[48,829,314]</u>	<u>[13,102,653]</u>	<u>[84,176,853]</u>
-	-	-	11,883,007	39,073,490
-	-	-	-	[39,198,000]
-	-	-	11,883,007	[124,510]
[3,098,084]	[27,535,242]	[48,829,314]	[1,219,646]	[84,301,363]
<u>9,834,338</u>	<u>38,661,739</u>	<u>54,171,116</u>	<u>12,728,302</u>	<u>163,059,558</u>
<u>\$ 6,736,254</u>	<u>\$ 11,126,497</u>	<u>\$ 5,341,802</u>	<u>\$ 11,508,656</u>	<u>\$ 78,758,195</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

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

Total Net Change In Fund Balances - Governmental Funds		\$ [84,301,363]
Amounts reported for governmental activities in the statement of activities are different because		
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.		[514,015]
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.		
Capital outlays	73,264,573	
Loss on sale of assets	[1,418,863]	
Depreciation expense	<u>[13,160,842]</u>	58,684,868
Property taxes receivable are treated as deferred revenues in the governmental funds, but are treated as revenues in the statement of activities.		[1,426,865]
In the statement of activities, compensated absences 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, compensated absence paid were less than amount earned.		[918,779]
In the statement of activities, early retirement 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, early retirement benefits paid were less than amount earned.		[175,606]
In the statement of activities, current year net other post employment benefit obligations 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.		[1,378,332]
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The revenues and expenses of certain internal service funds are included in governmental activities in the statement of activities.		182,360
Bond proceeds are an other financing source in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities		
Amortization of bond discount		1,557,687
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.		
Principal retirement		<u>27,420,687</u>
Changes In Net Assets of Governmental Activities		<u>\$ [869,358]</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

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	
REVENUES:						
Taxes:						
Ad valorem	\$ 34,687,300	\$ -	\$ 34,687,300	\$ 32,648,442	\$ 32,648,442	\$ 2,038,858
Total taxes	<u>34,687,300</u>	<u>-</u>	<u>34,687,300</u>	<u>32,648,442</u>	<u>32,648,442</u>	<u>2,038,858</u>
Intergovernmental:						
General aid	87,581,425	-	87,581,425	96,916,797	87,190,012	391,413
Federal aid	6,743,912	-	6,743,912	6,743,912	6,743,912	-
Special education aid	<u>20,781,433</u>	<u>-</u>	<u>20,781,433</u>	<u>23,211,711</u>	<u>23,211,711</u>	<u>[2,430,278]</u>
Total intergovernmental	<u>115,106,770</u>	<u>-</u>	<u>115,106,770</u>	<u>126,872,420</u>	<u>117,145,635</u>	<u>[2,038,865]</u>
Other local sources	<u>4,085,841</u>	<u>[4,085,841]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>153,879,911</u>	<u>[4,085,841]</u>	<u>149,794,070</u>	<u>159,520,862</u>	<u>149,794,077</u>	<u>[7]</u>
EXPENDITURES:						
Instructional	77,592,449	[3,986,831]	73,605,618	79,834,084	70,107,299	[3,498,319]
Student support	6,059,921	23,218	6,083,139	5,661,599	5,661,599	[421,540]
Instructional staff support	8,193,748	66,556	8,260,304	8,893,020	8,893,020	632,716
General administration	846,087	[3,139]	842,948	945,566	945,566	102,618
School administration	9,136,599	-	9,136,599	8,511,387	8,511,387	[625,212]
Operations and maintenance	14,500,591	30,323	14,530,914	13,906,000	13,906,000	[624,914]
Student transportation services	2,343,482	-	2,343,482	2,423,038	2,423,038	79,556
Other support services	3,991,402	185,307	4,176,709	5,746,579	5,746,579	1,569,870
Student activities	<u>4,204,802</u>	<u>42,393</u>	<u>4,247,195</u>	<u>-</u>	<u>-</u>	<u>[4,247,195]</u>
Total expenditures	<u>126,869,081</u>	<u>[3,642,173]</u>	<u>123,226,908</u>	<u>125,921,273</u>	<u>116,194,488</u>	<u>[7,032,420]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>27,010,830</u>	<u>[443,668]</u>	<u>26,567,162</u>	<u>33,599,589</u>	<u>33,599,589</u>	<u>[7,032,427]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers [out]	<u>[26,613,669]</u>	<u>-</u>	<u>[26,613,669]</u>	<u>[33,646,089]</u>	<u>[33,646,089]</u>	<u>7,032,420</u>
Total other financing sources [uses]	<u>[26,613,669]</u>	<u>-</u>	<u>[26,613,669]</u>	<u>[33,646,089]</u>	<u>[33,646,089]</u>	<u>7,032,420</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	397,161	[443,668]	[46,507]	\$ [46,500]	\$ [46,500]	\$ [7]
FUND BALANCE - Beginning of year	<u>1,388,697</u>	<u>[1,342,190]</u>	<u>46,507</u>			
FUND BALANCE - End of year	<u>\$ 1,785,858</u>	<u>\$ [1,785,858]</u>	<u>\$ -</u>			

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

UNIFIED SCHOOL DISTRICT NO. 233

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	
REVENUES:						
Taxes:						
Ad valorem	\$ 34,615,729	\$ -	\$ 34,615,729	\$ 33,939,697	\$ 33,939,697	\$ 676,032
Motor/Recreational vehicles	<u>3,267,051</u>	<u>-</u>	<u>3,267,051</u>	<u>3,351,343</u>	<u>3,351,343</u>	<u>[84,292]</u>
Total taxes	<u>37,882,780</u>	<u>-</u>	<u>37,882,780</u>	<u>37,291,040</u>	<u>37,291,040</u>	<u>591,740</u>
Intergovernmental:						
Supplemental state aid	10,790,014	-	10,790,014	14,603,352	14,383,750	[3,593,736]
Stabilization federal aid	<u>3,676,834</u>	<u>-</u>	<u>3,676,834</u>	<u>-</u>	<u>-</u>	<u>3,676,834</u>
Total intergovernmental	<u>14,466,848</u>	<u>-</u>	<u>14,466,848</u>	<u>14,603,352</u>	<u>14,383,750</u>	<u>83,098</u>
Total revenues	<u>52,349,628</u>	<u>-</u>	<u>52,349,628</u>	<u>51,894,392</u>	<u>51,674,790</u>	<u>674,838</u>
EXPENDITURES:						
Instructional	26,099,287	-	26,099,287	26,299,597	26,079,995	[19,292]
Student support	1,885,844	-	1,885,844	1,755,426	1,755,426	[130,418]
Instructional staff support	2,560,716	-	2,560,716	2,756,176	2,756,176	195,460
General administration	261,312	-	261,312	294,176	294,176	32,864
School administration	2,832,347	-	2,832,347	2,638,711	2,638,711	[193,636]
Operations and maintenance	3,992,836	-	3,992,836	4,310,000	4,310,000	317,164
Transportation	715,710	-	715,710	751,012	751,012	35,302
Other support services	<u>1,804,759</u>	<u>-</u>	<u>1,804,759</u>	<u>1,783,110</u>	<u>1,783,110</u>	<u>[21,649]</u>
Total expenditures	<u>40,152,811</u>	<u>-</u>	<u>40,152,811</u>	<u>40,588,208</u>	<u>40,368,606</u>	<u>215,795</u>
Excess [deficiency] of revenues over [under] expenditures	<u>12,196,817</u>	<u>-</u>	<u>12,196,817</u>	<u>11,306,184</u>	<u>11,306,184</u>	<u>890,633</u>
OTHER FINANCING SOURCES [USES]:						
Transfers [out]	<u>[12,584,331]</u>	<u>-</u>	<u>[12,584,331]</u>	<u>[12,368,536]</u>	<u>[12,368,536]</u>	<u>[215,795]</u>
Total other financing sources [uses]	<u>[12,584,331]</u>	<u>-</u>	<u>[12,584,331]</u>	<u>[12,368,536]</u>	<u>[12,368,536]</u>	<u>[215,795]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[387,514]</u>	<u>-</u>	<u>[387,514]</u>	<u>\$ [1,062,352]</u>	<u>\$ [1,062,352]</u>	<u>\$ 674,838</u>
FUND BALANCE - Beginning of year	<u>3,358,893</u>	<u>-</u>	<u>3,358,893</u>			
FUND BALANCE - End of year	<u>\$ 2,971,379</u>	<u>\$ -</u>	<u>\$ 2,971,379</u>			

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

UNIFIED SCHOOL DISTRICT NO. 233

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	
REVENUES:						
Intergovernmental:						
State and local	\$ 9,927,908	\$ -	\$ 9,927,908	\$ 8,426,185	\$ 8,426,185	\$ 1,501,723
Total intergovernmental	9,927,908	-	9,927,908	8,426,185	8,426,185	1,501,723
Charges for services						
Other local sources	1,043	-	1,043	3,000,000	3,000,000	[2,998,957]
	<u>776,802</u>	<u>-</u>	<u>776,802</u>	<u>-</u>	<u>-</u>	<u>776,802</u>
Total revenues	<u>10,705,753</u>	<u>-</u>	<u>10,705,753</u>	<u>11,426,185</u>	<u>11,426,185</u>	<u>[720,432]</u>
EXPENDITURES:						
Instructional	31,910,395	903	31,911,298	34,255,837	34,255,837	2,344,539
Student support	4,407,831	[20]	4,407,811	4,569,467	4,569,467	161,656
School administration	1,303,404	[114]	1,303,290	1,293,501	1,293,501	[9,789]
Operations and maintenance	130,930	-	130,930	151,700	151,700	20,770
Student transportation services	<u>5,807,555</u>	<u>-</u>	<u>5,807,555</u>	<u>6,400,390</u>	<u>6,400,390</u>	<u>592,835</u>
Total expenditures	<u>43,560,115</u>	<u>769</u>	<u>43,560,884</u>	<u>46,670,895</u>	<u>46,670,895</u>	<u>3,110,011</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[32,854,362]</u>	<u>[769]</u>	<u>[32,855,131]</u>	<u>[35,244,710]</u>	<u>[35,244,710]</u>	<u>2,389,579</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>27,190,483</u>	<u>-</u>	<u>27,190,483</u>	<u>35,245,000</u>	<u>35,245,000</u>	<u>[8,054,517]</u>
Total other financing sources [uses]	<u>27,190,483</u>	<u>-</u>	<u>27,190,483</u>	<u>35,245,000</u>	<u>35,245,000</u>	<u>[8,054,517]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[5,663,879]</u>	<u>[769]</u>	<u>[5,664,648]</u>	<u>\$ 290</u>	<u>\$ 290</u>	<u>\$ [5,664,938]</u>
FUND BALANCE - Beginning of year	<u>7,133,794</u>	<u>[2,702]</u>	<u>7,131,092</u>			
FUND BALANCE - End of year	<u>\$ 1,469,915</u>	<u>\$ [3,471]</u>	<u>\$ 1,466,444</u>			

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2010

	Business-Type Activities: Enterprise Funds			Total	Governmental
	Food Service	Summer School	Driver Training		Activities: Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,218,020	\$ 517,479	\$ 191,874	\$ 1,927,373	\$ 3,614,723
Inventory	143,272	-	-	143,272	-
Total current assets	<u>1,361,292</u>	<u>517,479</u>	<u>191,874</u>	<u>2,070,645</u>	<u>3,614,723</u>
Capital assets:					
Capital assets	5,924,558	-	-	5,924,558	-
Less: accumulated depreciation	<u>2,286,449</u>	<u>-</u>	<u>-</u>	<u>2,286,449</u>	<u>-</u>
Total capital assets	<u>3,638,109</u>	<u>-</u>	<u>-</u>	<u>3,638,109</u>	<u>-</u>
Total assets	<u>\$ 4,999,401</u>	<u>\$ 517,479</u>	<u>\$ 191,874</u>	<u>\$ 5,708,754</u>	<u>\$ 3,614,723</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accrued payroll	\$ 369,552	\$ 72,290	\$ -	\$ 441,842	\$ 53,554
Estimated loss reserves	-	-	-	-	1,164,312
Total liabilities	<u>\$ 369,552</u>	<u>\$ 72,290</u>	<u>\$ -</u>	<u>\$ 441,842</u>	<u>\$ 1,217,866</u>
Net Assets					
Invested in capital assets	\$ 3,638,109	\$ -	\$ -	\$ 3,638,109	\$ -
Unrestricted	<u>991,740</u>	<u>445,189</u>	<u>191,874</u>	<u>1,628,803</u>	<u>2,396,857</u>
Total net assets	<u>\$ 4,629,849</u>	<u>\$ 445,189</u>	<u>\$ 191,874</u>	<u>\$ 5,266,912</u>	<u>\$ 2,396,857</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-Type Activities: Enterprise Funds			Total	Governmental
	Food Service	Summer School	Driver Training		Internal Service Funds
Operating revenues					
Charges for services	\$ 6,648,670	\$ 244,279	\$ 108,857	\$ 7,001,806	\$ -
Other local services	2,731	70,985	-	73,716	2,975,800
Miscellaneous	394,304	2,610	-	396,914	-
Total operating revenues	<u>7,045,705</u>	<u>317,874</u>	<u>108,857</u>	<u>7,472,436</u>	<u>2,975,800</u>
Operating expenses					
Instruction	-	208,750	100,542	309,292	183,622
Support services	-	-	-	-	8,600
Instructional support staff	-	39,106	-	39,106	9,362
General administration	-	6,954	-	6,954	-
School administration	-	-	19,475	19,475	36,794
Operations and maintenance	-	559	31,202	31,761	715,879
Student transportation services	-	99,057	-	99,057	27,595
Noninstructional services	10,503,337	-	-	10,503,337	1,612,950
Student activities	-	-	-	-	198,638
Total operating expenses	<u>10,503,337</u>	<u>354,426</u>	<u>151,219</u>	<u>11,008,982</u>	<u>2,793,440</u>
Operating income [loss]	<u>[3,457,632]</u>	<u>[36,552]</u>	<u>[42,362]</u>	<u>[3,536,546]</u>	<u>182,360</u>
Nonoperating revenues [expenses]					
State grants	92,769	-	24,200	116,969	-
Contributed capital	789,442	-	-	789,442	-
Federal grants	3,314,236	-	-	3,314,236	-
Total nonoperating revenues [expenses]	<u>4,196,447</u>	<u>-</u>	<u>24,200</u>	<u>4,220,647</u>	<u>-</u>
Income [loss] before operating transfers	<u>738,815</u>	<u>[36,552]</u>	<u>[18,162]</u>	<u>684,101</u>	<u>182,360</u>
Transfers from other funds					
Transfers in	124,510	-	-	124,510	-
Total transfers	<u>124,510</u>	<u>-</u>	<u>-</u>	<u>124,510</u>	<u>-</u>
Change in net assets	<u>863,325</u>	<u>[36,552]</u>	<u>[18,162]</u>	<u>808,611</u>	<u>182,360</u>
Net assets, Beginning of year	3,766,524	481,741	210,036	4,458,301	2,041,605
Prior period adjustment	-	-	-	-	172,892
Net assets, Beginning of year, Restated	<u>3,766,524</u>	<u>481,741</u>	<u>210,036</u>	<u>4,458,301</u>	<u>2,214,497</u>
Net assets, End of year	<u>\$ 4,629,849</u>	<u>\$ 445,189</u>	<u>\$ 191,874</u>	<u>\$ 5,266,912</u>	<u>\$ 2,396,857</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2010

	Business-Type Activities: Enterprise Funds			Total	Governmental
	Food Service	Summer School	Driver Training		Activities: Internal Service Funds
Cash flows from operating activities					
Cash received from customers and users	\$ 6,648,670	\$ 315,264	\$ 108,857	\$ 7,072,791	\$ 2,975,800
Cash payments to suppliers and employees for services	[10,278,108]	[283,695]	[153,206]	[10,715,009]	[2,931,094]
Other operating receipts	397,035	2,610	-	399,645	-
Net cash provided by [used in] operating activities	<u>[3,232,403]</u>	<u>34,179</u>	<u>[44,349]</u>	<u>[3,242,573]</u>	<u>44,706</u>
Cash flows from noncapital financing activities					
State grants	92,769	-	24,200	116,969	-
Federal grants	3,314,236	-	-	3,314,236	-
Transfers from other funds	124,510	-	-	124,510	-
Net cash provided by [used in] noncapital financing activities	<u>3,531,515</u>	<u>-</u>	<u>24,200</u>	<u>3,555,715</u>	<u>-</u>
Net increase [decrease] in cash and cash equivalents	299,112	34,179	[20,149]	313,142	44,706
Cash and cash equivalents - Beginning of year	<u>918,908</u>	<u>483,300</u>	<u>212,023</u>	<u>1,614,231</u>	<u>3,570,017</u>
Cash and cash equivalents - End of year	<u>\$ 1,218,020</u>	<u>\$ 517,479</u>	<u>\$ 191,874</u>	<u>\$ 1,927,373</u>	<u>\$ 3,614,723</u>
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities					
Operating income [loss]	\$ [3,457,632]	\$ [36,552]	\$ [42,362]	\$ [3,536,546]	\$ 182,360
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation	206,896	-	-	206,896	-
Loss on sale of assets	-	-	-	-	-
Change in assets and liabilities					
[Increase] decrease in inventory	9,255	-	-	9,255	-
Increase [decrease] in accrued payroll	9,078	70,731	[1,987]	77,822	2,112
Increase [decrease] in estimated loss reserve	-	-	-	-	[139,766]
Net cash provided by [used in] operating activities	<u>\$ [3,232,403]</u>	<u>\$ 34,179</u>	<u>\$ [44,349]</u>	<u>\$ [3,242,573]</u>	<u>\$ 44,706</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2010

ASSETS:

Cash and investments \$ 984,376

Total assets \$ 984,376

LIABILITIES AND FUND BALANCES:

Liabilities:

Due to student organizations \$ 984,376

Total liabilities \$ 984,376

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

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Unified School District No. 233 (the District) is a municipal corporation governed by an elected seven-member board.

As required by generally accepted accounting principles (GAAP), the financial statements present data for all funds of the District.

According to GAAP, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units. The District has no component units, in addition, the District is not included in any other governmental "reporting entity" as defined by GAAP.

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. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual 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.

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.

UNIFIED SCHOOL DISTRICT NO. 233

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)

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 certain compensated absences and 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 the general operations of the District and all unrestricted revenues and expenditures not provided for in other funds.

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 Bond and Interest 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 Outlay Fund is used to account for revenues that are primarily utilized for the acquisition, construction, repair and remodeling of school district buildings.

The 2007 Construction Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues.

UNIFIED SCHOOL DISTRICT NO. 233

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)

The 2009 Construction 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 District reports the following major proprietary funds:

The Food Service Fund is established pursuant to state law to account for all monies received and expended attributable to the district's breakfast and lunch programs.

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

The Driver Training Fund is used to account for state aid and user fees used to provide driver's education to students.

Additionally, the District reports the following fund within the proprietary fund type:

The Internal Service Fund accounts for the financing of goods and services provided to other funds of the district on a cost reimbursement basis and uses the accrual basis of accounting. The District's internal service funds include the Workers' Compensation Fund, the Health Insurance Fund and the Risk Management Fund.

The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and ARBs.

For purpose of the statement of cash flows, cash and cash equivalents includes cash, and short-term investments with original maturities of ninety days or less.

D. Material and Supplies Inventory

Material and supplies inventory is valued using the average cost method. Inventories recorded in the Food Services Fund consist of purchased commodities. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when 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 applicable governmental or business-type 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 \$10,000, for buildings and \$2,500, for all other capital assets. District capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated market value on the date donated. The costs of normal maintenance and repairs that do not

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets (Continued)

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. The District does not capitalize interest on the construction of capital assets.

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	20
Furniture	10
Vehicles	10
Equipment	5
Technology	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

District certified and classified employees are allowed paid sick leave between 12 and 15 days per year based on their contract period. Unused sick leave has unlimited accumulation and is intended for use on an extended illness. There are some instances, upon retirement, when sick leave can be converted to additional pay or used to purchase District offered insurance at the time of retirement.

District certified and classified employees are allowed paid personal leave between 1 and 4 days per year based on length of service. If these days are not used, they can be converted to double the amount of sick leave each fiscal year.

District classified employees are allowed paid vacation between 10 and 15 days per year based on length of service. Vacation days must be used prior to the end of the fiscal year after the year in which it was earned.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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. 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.

I. 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.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Net Assets (Continued)

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. 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.

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 year ended June 30, 2010, was not amended.

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. 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, Capital Outlay, Driver Training, Food Service, Professional Development,

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Property Taxes

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. State statutes proscribe the County Treasurer from distributing second half taxes collected prior to July 1 of the ensuing year, unless the County Commission enters into a special agreement with the District to distribute taxes early.

C. Statutory Violations

The following fund had deficit fund equity at June 30, 2010: Workers' Compensation \$[263,950] which is a violation of KSA 10-1113. The deficit will be recovered from premiums in the following year.

Note 3. RESTATEMENT OF EQUITY

Following the close of the previous fiscal year, it was discovered that long term debt was misstated in the governmental activities. The effects of which are as follows:

	Governmental Activities
Beginning net assets	\$ 124,305,431
Prior period adjustment	<u>[174,108]</u>
Beginning net assets	<u>\$ 124,131,323</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 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 in 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 KSA 12-1675. The statute requires that at 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. Treasuries or Notes, the Municipal Investment Pool (KMIP) and certain other investments if the municipality has extended investment authority. 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 KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in KSA 10-131.

UNIFIED SCHOOL DISTRICT NO. 233

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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasuries	\$ 59,744,864	NA
AEGON Institutional Markets		
Guaranteed Investment Contract	29,238,065	S&P AA+
Kansas Municipal Investment Pool	<u> 2</u>	S&P AAAf/S1+
Total fair value	<u>\$ 88,982,931</u>	

The District does not have any formal investment policies that would further limit interest rate, credit or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. The Kansas State Treasurer's Fiscal Agency Department held an unsecured and uncollateralized deposit of \$336.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2010

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets

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

	Balance July 1, 2009	Adjustments	Additions	Retirements	Balance June 30, 2010
District governmental activities:					
Nondepreciable capital assets:					
Land and improvements	\$ 42,042,949	\$ -	\$ 3,688,962	\$ -	\$ 45,731,911
Construction in progress	<u>34,619,591</u>	<u>[29,324,078]</u>	<u>64,299,349</u>	<u>-</u>	<u>69,594,862</u>
Total nondepreciable capital assets	<u>76,662,540</u>	<u>[29,324,078]</u>	<u>67,988,311</u>	<u>-</u>	<u>115,326,773</u>
Depreciable capital assets:					
Buildings and improvements	382,568,191	29,324,078	2,008,796	-	413,901,065
Vehicles	2,346,205	-	85,458	[81,094]	2,350,569
Equipment, furniture and fixtures	<u>30,294,692</u>	<u>-</u>	<u>3,180,280</u>	<u>[1,560,376]</u>	<u>31,914,596</u>
Total depreciable capital assets	<u>415,209,088</u>	<u>29,324,078</u>	<u>5,274,534</u>	<u>[1,641,470]</u>	<u>448,166,230</u>
Totals at historical cost	<u>491,871,628</u>	<u>-</u>	<u>73,262,845</u>	<u>[1,641,470]</u>	<u>563,493,003</u>
Less accumulated depreciation for:					
Buildings and improvements	125,033,514	-	12,113,714	-	137,147,228
Vehicles	1,536,017	-	194,034	[79,744]	1,650,307
Equipment, furniture and fixtures	<u>6,943,958</u>	<u>-</u>	<u>853,094</u>	<u>[144,591]</u>	<u>7,652,461</u>
Total accumulated depreciation	<u>133,513,489</u>	<u>-</u>	<u>13,160,842</u>	<u>[224,335]</u>	<u>146,449,996</u>
Governmental activities capital assets, net	<u>\$ 358,358,139</u>	<u>\$ -</u>	<u>\$ 60,102,003</u>	<u>\$ [1,417,135]</u>	<u>\$ 417,043,007</u>
Business-type activities:					
Depreciable capital assets:					
Buildings and improvements	\$ 4,314,476	\$ -	\$ 789,442	\$ -	\$ 5,103,918
Vehicles	174,782	-	-	-	174,782
Equipment, furniture and fixtures	<u>645,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,858</u>
Totals at historical cost	<u>5,135,116</u>	<u>-</u>	<u>789,442</u>	<u>-</u>	<u>5,924,558</u>
Less accumulated depreciation for:					
Buildings and improvements	1,713,096	-	144,971	-	1,858,067
Vehicles	122,942	-	14,028	-	136,970
Equipment, furniture and fixtures	<u>243,515</u>	<u>-</u>	<u>47,897</u>	<u>-</u>	<u>291,412</u>
Total accumulated depreciation	<u>2,079,553</u>	<u>-</u>	<u>206,896</u>	<u>-</u>	<u>2,286,449</u>
Business-type activities capital assets, net	<u>\$ 3,055,563</u>	<u>\$ -</u>	<u>\$ 582,546</u>	<u>\$ -</u>	<u>\$ 3,638,109</u>

UNIFIED SCHOOL DISTRICT NO. 233
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2010

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets (Continued)

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

Instruction	\$ 11,093,144
Support services	837,750
Operations and maintenance	223,148
Transportation services	85,980
Student activities	763,904
Noninstructional	<u>156,916</u>
 Total depreciation	 <u>\$ 13,160,842</u>
 Business-type activities:	
Food service	<u>\$ 206,896</u>
 Total depreciation	 <u>\$ 206,896</u>

C. Long - Term Liabilities

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

	Restated Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2010</u>	Amounts Due Within <u>One Year</u>
District Governmental Activities					
General Obligation Bonds	\$ 369,800,687	\$ -	\$ 27,420,687	\$342,380,000	\$30,775,000
Premium on General Obligation Bonds	<u>7,366,744</u>	<u>-</u>	<u>1,557,688</u>	<u>5,809,056</u>	<u>1,127,086</u>
Net General Obligation Bonds	377,167,431	-	28,978,375	348,189,056	31,902,086
Compensated Absences	<u>21,633,981</u>	<u>3,623,027</u>	<u>2,704,248</u>	<u>22,552,760</u>	<u>2,819,095</u>
 Total governmental activities					
Long-term liabilities	<u>\$ 398,801,412</u>	<u>\$ 3,623,027</u>	<u>\$ 31,682,623</u>	<u>\$370,741,816</u>	<u>\$34,721,181</u>

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2010

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Long - Term Liabilities (Continued)

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

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2010</u>
General obligation bonds					
2001B	03/15/01	09/01/17	3.40% to 5.50%	\$ 39,240,000	\$ 33,540,000
2002A	02/15/02	09/01/12	3.00% to 4.12%	39,240,000	13,435,000
2003A	02/28/03	09/01/13	3.25% to 4.00%	28,084,165	25,845,250
2004A	04/15/04	09/01/18	2.00% to 4.00%	37,207,352	24,755,206
2005A	08/15/05	09/01/11	5.00%	27,856,009	16,990,505
2006A	02/15/06	09/01/20	3.50% to 4.50%	34,416,140	30,095,195
2008A	02/15/08	09/01/08	3.25% to 4.25%	50,751,622	50,751,623
2009A	06/01/09	09/01/29	3.625% to 5.90%	95,000,000	95,000,000
2009B	06/01/09	09/01/18	2.00% to 4.00%	22,405,000	22,405,001
2009C	06/01/09	09/01/08	3.25% to 4.25%	<u>35,371,277</u>	<u>35,371,277</u>
Total general obligation bonds payable				<u>\$ 409,571,565</u>	<u>\$ 348,189,056</u>

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

<u>Year Ending June 30</u>	<u>Cumulative Discount/ Premium Accretion</u>	<u>Interest Due</u>	<u>Totals</u>
2010 - 2011	\$ 31,902,086	\$ 14,363,004	\$ 46,265,090
2011 - 2012	34,172,086	13,081,801	47,253,887
2012 - 2013	36,109,335	11,735,798	47,845,132
2013 - 2014	34,154,182	10,454,416	44,608,598
2014 - 2015	26,324,182	9,365,623	35,689,805
2015 - 2016 to 2019 - 2020	87,390,681	33,173,340	120,564,021
2020 - 2021 to 2024 - 2025	47,188,268	19,193,057	66,381,325
2025 - 2026 to 2029 - 2030	<u>50,948,236</u>	<u>6,797,154</u>	<u>57,745,390</u>
Total	<u>\$ 348,189,056</u>	<u>\$ 118,164,191</u>	<u>\$ 466,353,247</u>

The District has entered into various long-term commitments with other municipalities to finance special assessments related to sewer, street, sidewalk and other improvements made involving District property. The funds to satisfy these assessments are generated as a component of the annual property tax levy which is recorded in the Special Assessments Fund.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2010

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

D. Operating Leases

The District leases certain equipment under the terms of operating lease agreements. The amount of the operating lease payments for year ending June 30, 2010 were \$869,177. The future minimum lease payments for the lease are as follows:

Year ending <u>June 30,</u>	<u>Amount</u>
2011	\$ 884,783
2012	884,783
2013	26,411
2014	<u>26,412</u>
Total	<u>\$ 1,822,389</u>

Note 5. OTHER INFORMATION

A. 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 contributed 8.57% of covered payroll. These contribution requirements are established by KPERS and periodically revised. The State of Kansas contributions to KPERS for the District employees for the years ending June 30, 2010, 2009 and 2008 was \$12,801,332, \$13,301,119, and \$11,409,071, respectively, equal to the required contributions for each year. The District recognizes these on-behalf payments as revenues and expenditures in the KPERS Special Retirement Contribution Fund as required.

B. 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.

<u>Transfers Out:</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Special Education</u>	<u>Other Governmental</u>	<u>Food Service</u>	
General	\$20,781,433	\$ 5,737,191	\$ 95,045	\$ 26,613,669
Supplemental General	<u>6,409,050</u>	<u>6,145,816</u>	<u>29,465</u>	<u>12,584,331</u>
Total	<u>\$27,190,483</u>	<u>\$ 11,883,007</u>	<u>\$ 124,510</u>	<u>\$ 39,198,000</u>

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2010

Note 5. OTHER INFORMATION (Continued)

C. Voluntary Early Retirement Plan

The District offers a voluntary early retirement plan, available to its certified and administrative staff. Employees must have completed at least 15 years of service with the District and must be eligible to receive unreduced retirement benefits from KPERS during the next school year in order to be eligible to receive benefits under the plan. Benefits apply for a maximum of five years, or until the employee reaches age 65, whichever occurs first. The District's contributions are financed on a pay-as-you-go basis. The contributions for the year ended June 30, 2010 were \$2,008,775. At June 30, 2010, the District's liability under this plan was \$5,511,086.

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 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 has a self-insured workers' compensation program for all District employees. The fund is accounted for as a District Internal Service Fund. The program is administered by a third-party administrator. In order to mitigate the risk associated with this program, the District has purchased individual and aggregate "stop loss" insurance of \$300,000 per occurrence, annual aggregate of \$2,973,096 and total aggregate of \$1,000,000. The District has on deposit funds for a claims payment account with its third party administrator, but there remains no transfer of risk. The District's liability for claims incurred but not paid, including IBNR claims, is \$1,164,312 as of June 30, 2010. This liability is based on estimates provided by the third party administrator.

Changes in the District's claim liability in fiscal 2010 and 2009 are as follows:

	<u>Year ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
Claims liability, beginning of year	\$ 1,304,078	\$ 1,330,657
Claims incurred, including IBNR	1,649,965	591,980
Claims payments	<u>[1,789,731]</u>	<u>[618,559]</u>
Claims liability, end of year	<u>\$ 1,164,312</u>	<u>\$ 1,304,078</u>

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2010

Note 5. OTHER INFORMATION (Continued)

D. Contingent Liabilities (Continued)

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.

A potential liability exists regarding rebatable arbitrage on several series General Obligation Bonds. An arbitrage rebate calculation will be completed to determine if such a liability exists.

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 construction funds, project-length budgets are prepared. The projects budgeted, approved budgets, and cumulative expenditures, as of June 30, 2010, are as follows:

<u>Project Name</u>	<u>Project Budget</u>	<u>Cumulative expenditures through June 30, 2010</u>	<u>Remaining Budget</u>
Construction Projects 2007	\$ 86,771,179	\$ 75,644,682	\$ 11,126,497
Construction Projects 2009	59,000,000	53,658,198	5,341,802

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 and pharmacy benefits to eligible retirees and their dependents. 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 \$629,505 to the Plan (100% of total premiums) through their required contribution ranging from \$381 to \$572 for retiree-only coverage and ranging from \$705 to \$1,602 for retiree and dependent coverage.

UNIFIED SCHOOL DISTRICT NO. 233

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	\$ 2,018,142
Interest on Net OPEB Obligation	97,020
Adjustment to Annual Required Contribution	<u>[107,325]</u>
Annual OPEB cost (expense)	2,007,837
Benefit payments	<u>629,505</u>
Change in net OPEB obligation	1,378,332
Net OPEB obligation - beginning of year	<u>1,492,621</u>
Net OPEB obligation - end of year	<u>\$ 2,870,953</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 Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	\$ 1,305,127	\$ 481,857	\$ 823,270
June 30, 2009	1,393,287	723,936	1,492,621
June 30, 2010	2,007,837	629,505	2,870,953

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 \$11,270,141 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,270,141. The covered payroll (annual payroll of active employees covered by the plan) was \$139,365,150, and the ratio of the UAAL to the covered payroll was 8.1%.

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.

UNIFIED SCHOOL DISTRICT NO. 233

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 6.5% 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 5% after ten years. The UAAL is being amortized as a level dollar over an open thirty-year period.

G. Subsequent Event

On July 1, 2010 the District issued General Obligation Bond Series 2010A, 2010B, and 2010C. Series 2010A, Build America Bonds were issued in the amount of \$26,500,000 with interest rates ranging from 2.15% to 5.70%. Payment on the bonds will begin on March 1, 2011 and the final maturity on the bonds will be September 1, 2030. Series 2010B, Refunding Bonds were issued in the amount of \$13,155,000 with interest rates ranging from 2.00% to 4.00%. Payment on the bonds will begin on March 1, 2011 and the final maturity on the bonds will be September 1, 2016. Series 2010C, Refunding Bonds were issued in the amount of \$20,510,000 with interest rates ranging from 2.00% to 4.00%. Payment on the bonds will begin on March 1, 2011 and the final maturity on the bonds will be September 1, 2019.

H. Reclassifications

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

UNIFIED SCHOOL DISTRICT NO. 233

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

Schedule of Employer Contributions:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2008	\$ 1,305,127	\$ 481,857	\$ 823,270
June 30, 2009	1,393,287	723,936	1,492,621
June 30, 2010	2,007,837	629,505	2,870,953

Schedule of Funding Progress:

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL <u>(b) - (a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as Percent of Payroll <u>(b-a)/(c)</u>
6/30/2008	\$ -	\$ 8,703,471	\$ 8,703,471	0.0%	\$ 131,263,814	6.6%
6/30/2009	-	8,703,471	8,703,471	0.0%	135,726,784	6.4%
6/30/2010	-	11,270,141	11,270,141	0.0%	139,365,150	8.1%

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENTS - NONMAJOR FUNDS

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

BUDGETED FUNDS:

Extraordinary Growth Fund: This fund is used to provide the legal vehicle to levy taxes for costs associated with commencing operation of new school facilities.

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

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

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.

Parent As Teachers 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.

At Risk (4 Year Old) Fund: This fund is used to account for monies received and expended for programs for at risk students meeting the specific age requirement.

At Risk (K-12) Fund: This fund is used to account for monies received and expended for extended year, extended day, alternative schools, dropout prevention and tutorial assistance programs administered for at risk students.

KPERS Special Retirement Contribution Fund: This fund is used to account for the state's on-behalf payments to the District's retirement fund as revenue and expense. The state is required to contribute based on a predetermined percentage of payroll each year.

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

Cost of Living: This fund is available to districts who exceed state averages for Cost of Living factors. The Cost of Living fund's only revenue is from local sources.

Special Liability: This fund is used to pay for District liability insurance premiums and potential liability claims against the District. The Special Liability fund's only revenue is from local sources.

Federal Awards: This fund has been established to account for the revenues and expenditures associated with federal and state grants that have been awarded to the District for specific purposes.

NON - BUDGETED FUNDS:

Instructional Materials Fund: This fund is used to account for revenue collected and expenditures incurred in conjunction with the purchase of classroom teaching supplies and printing of teaching aides.

Contingency Reserve Fund: This fund is used to account for monies transferred from the General Fund in accordance with Kansas statutes (limited to 4% of General Fund budget) and expended for contingency purposes.

Donations Fund: This fund is used to account for revenues collected and expenditures incurred in conjunction with local donations for youth services, youth court, drug-free emphasis, and various other activities used to enhance student learning.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENTS - NONMAJOR FUNDS - CONTINUED

DEBT SERVICE FUND:

Special Assessments Fund: This fund is used to accumulate resources to pay long-term commitments with other municipalities to finance special assessments related to sewer, street, sidewalk and other improvements made involving District property.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	Total Nonmajor Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 11,967,607	\$ 735,433	\$ 12,703,040
Taxes receivable	88,785	3,530	92,315
Other receivable	<u>8,124</u>	<u>-</u>	<u>8,124</u>
Total assets	<u>\$ 12,064,516</u>	<u>\$ 738,963</u>	<u>\$ 12,803,479</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 325,690	\$ -	\$ 325,690
Accrued payroll	876,818	-	876,818
Deferred revenue	<u>88,785</u>	<u>3,530</u>	<u>92,315</u>
Total liabilities	<u>1,291,293</u>	<u>3,530</u>	<u>1,294,823</u>
Fund balances:			
Reserved for encumbrances	396,114	-	396,114
Reserved for debt service	-	735,433	735,433
Unreserved	<u>10,377,109</u>	<u>-</u>	<u>10,377,109</u>
Total fund balances	<u>10,773,223</u>	<u>735,433</u>	<u>11,508,656</u>
Total liabilities and fund balances	<u>\$ 12,064,516</u>	<u>\$ 738,963</u>	<u>\$ 12,803,479</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

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

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES:			
Taxes	\$ 10,058,584	\$ 526,988	\$ 10,585,572
Intergovernmental	19,248,946	-	19,248,946
Charges for services	1,827,106	-	1,827,106
Other local sources	<u>667,247</u>	<u>-</u>	<u>667,247</u>
Total revenues	<u>31,801,883</u>	<u>526,988</u>	<u>32,328,871</u>
EXPENDITURES:			
Current			
Instruction	36,816,135	-	36,816,135
Student support services	1,710,856	-	1,710,856
Instructional support staff	3,318,997	-	3,318,997
General administration	112,709	-	112,709
School administration	906,693	-	906,693
Operations and maintenance	694,592	-	694,592
Student transportation services	660,248	-	660,248
Other support services	104,409	-	104,409
Food service operations	256,297	-	256,297
Student activities	14,066	-	14,066
Capital outlay			
Facility acquisition and construction	<u>-</u>	<u>836,522</u>	<u>836,522</u>
Total expenditures	<u>44,595,002</u>	<u>836,522</u>	<u>45,431,524</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[12,793,119]</u>	<u>[309,534]</u>	<u>[13,102,653]</u>
OTHER FINANCING SOURCES [USES]:			
Transfers in	<u>11,883,007</u>	<u>-</u>	<u>11,883,007</u>
Total other financing sources [uses]	<u>11,883,007</u>	<u>-</u>	<u>11,883,007</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[910,112]</u>	<u>[309,534]</u>	<u>[1,219,646]</u>
Fund balance - Beginning of year	<u>11,683,335</u>	<u>1,044,967</u>	<u>12,728,302</u>
Fund balance - End of year	<u>\$ 10,773,223</u>	<u>\$ 735,433</u>	<u>\$ 11,508,656</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2010

	Extraordinary <u>Growth</u>	Bilingual <u>Education</u>	Professional <u>Development</u>	Vocational <u>Education</u>
ASSETS				
Cash and investments	\$ -	\$ 227,284	\$ 65,049	\$ 96,917
Taxes receivable	64,485	-	-	-
Other receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 64,485</u>	<u>\$ 227,284</u>	<u>\$ 65,049</u>	<u>\$ 96,917</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 3,999	\$ -
Accrued payroll	-	158,134	2,600	34,540
Unearned revenue	64,485	-	-	-
	<u>64,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>64,485</u>	<u>158,134</u>	<u>6,599</u>	<u>34,540</u>
Fund balances:				
Reserved for encumbrances	-	19,149	8,449	17,164
Unreserved	-	50,001	50,001	45,213
	<u>-</u>	<u>69,150</u>	<u>58,450</u>	<u>62,377</u>
Total fund balances	<u>-</u>	<u>69,150</u>	<u>58,450</u>	<u>62,377</u>
Total liabilities and fund balances	<u>\$ 64,485</u>	<u>\$ 227,284</u>	<u>\$ 65,049</u>	<u>\$ 96,917</u>

See independent auditor's report on the financial statements.

<u>Instructional Materials</u>	<u>Contingency Reserve</u>	<u>Parents as Teachers</u>	<u>At Risk (4 Year Old)</u>	<u>At Risk (K-12)</u>
\$ 1,323,062	\$ 9,041,388	\$ 314,187	\$ 70,586	\$ 276,594
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>8,124</u>	<u>-</u>	<u>-</u>
<u>\$ 1,323,062</u>	<u>\$ 9,041,388</u>	<u>\$ 322,311</u>	<u>\$ 70,586</u>	<u>\$ 276,594</u>
\$ 313,984	\$ -	\$ -	\$ -	\$ 850
-	50,986	547	20,570	223,382
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>313,984</u>	<u>50,986</u>	<u>547</u>	<u>20,570</u>	<u>224,232</u>
266,175	-	132	15	2,360
<u>742,903</u>	<u>8,990,402</u>	<u>321,632</u>	<u>50,001</u>	<u>50,002</u>
<u>1,009,078</u>	<u>8,990,402</u>	<u>321,764</u>	<u>50,016</u>	<u>52,362</u>
<u>\$ 1,323,062</u>	<u>\$ 9,041,388</u>	<u>\$ 322,311</u>	<u>\$ 70,586</u>	<u>\$ 276,594</u>

See independent auditor's report on the financial statements.

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UNIFIED SCHOOL DISTRICT NO. 233

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2010

	KPERS Special Retirement Contribution	Donations	Virtual Education	Cost of Living	Special Liability	Federal Awards	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and investments	\$ -	\$ 379,468	\$ 10,081	\$ -	\$ 81,901	\$ 81,090	\$ 11,967,607
Taxes receivable	-	-	-	21,178	3,122	-	88,785
Other receivable	-	-	-	-	-	-	8,124
Total assets	\$ -	\$ 379,468	\$ 10,081	\$ 21,178	\$ 85,023	\$ 81,090	\$ 12,064,516
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,857	\$ 325,690
Accrued payroll	-	-	-	-	-	386,059	876,818
Unearned revenue	-	-	-	21,178	3,122	-	88,785
Total liabilities	-	-	-	21,178	3,122	392,916	1,291,293
Fund balances:							
Reserved for encumbrances	-	38,179	-	-	-	44,491	396,114
Unreserved	-	341,289	10,081	-	81,901	[356,317]	10,377,109
Total fund balances	-	379,468	10,081	-	81,901	[311,826]	10,773,223
Total liabilities and fund balances	\$ -	\$ 379,468	\$ 10,081	\$ 21,178	\$ 85,023	\$ 81,090	\$ 12,064,516

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2010

	Extraordinary Growth	Bilingual Education	Professional Development	Vocational Education
REVENUES:				
Taxes	\$ 7,683,248	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	139,991
Charges for services	-	-	-	220,000
Other local sources	-	-	42,654	58,437
Total revenues	<u>7,683,248</u>	<u>-</u>	<u>42,654</u>	<u>418,428</u>
EXPENDITURES:				
Current				
Instruction	7,683,248	2,088,640	-	3,825,783
Student support services	-	-	-	-
Instructional staff support	-	57,547	240,491	26,840
General administration	-	-	-	-
School administration	-	-	-	127,752
Operations and maintenance	-	-	-	177,800
Student transportation services	-	-	-	3,820
Other support services	-	-	-	-
Food service operations	-	-	-	-
Student activities	-	-	-	10,369
Total expenditures	<u>7,683,248</u>	<u>2,146,187</u>	<u>240,491</u>	<u>4,172,364</u>
Excess [deficiency] of revenues over [under] expenditures	<u>-</u>	<u>[2,146,187]</u>	<u>[197,837]</u>	<u>[3,753,936]</u>
OTHER FINANCING SOURCES [USES]:				
Transfers in	-	2,163,731	206,286	3,755,449
Total other financing sources [uses]	<u>-</u>	<u>2,163,731</u>	<u>206,286</u>	<u>3,755,449</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	-	17,544	8,449	1,513
Fund balance - Beginning of year	-	51,606	50,001	60,864
Fund balance - End of year	<u>\$ -</u>	<u>\$ 69,150</u>	<u>\$ 58,450</u>	<u>\$ 62,377</u>

See independent auditor's report on the financial statements.

<u>Instructional Materials</u>	<u>Contingency Reserve</u>	<u>Parents as Teachers</u>	<u>At Risk (4 Year Old)</u>	<u>At Risk (K-12)</u>	<u>KPERS Special Retirement Contribution</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,813,699	-	-	12,801,332
1,463,346	-	-	-	143,760	-
<u>12,113</u>	<u>-</u>	<u>154,533</u>	<u>-</u>	<u>26,765</u>	<u>-</u>
<u>1,475,459</u>	<u>-</u>	<u>1,968,232</u>	<u>-</u>	<u>170,525</u>	<u>12,801,332</u>
877,592	930,966	35,306	202,114	4,695,607	9,792,058
-	122,310	593,980	-	113,044	730,659
366,286	58,043	1,578,746	-	-	521,900
-	-	-	-	-	46,971
-	87,799	-	-	64,862	626,280
-	84,756	-	-	381	208,760
-	14,880	-	-	7,459	626,280
-	31,199	-	-	-	39,664
-	46,567	-	-	-	208,760
-	-	-	-	190	-
<u>1,243,878</u>	<u>1,376,520</u>	<u>2,208,032</u>	<u>202,114</u>	<u>4,881,543</u>	<u>12,801,332</u>
<u>231,581</u>	<u>[1,376,520]</u>	<u>[239,800]</u>	<u>[202,114]</u>	<u>[4,711,018]</u>	<u>-</u>
<u>-</u>	<u>616,922</u>	<u>222,418</u>	<u>202,129</u>	<u>4,714,663</u>	<u>-</u>
<u>-</u>	<u>616,922</u>	<u>222,418</u>	<u>202,129</u>	<u>4,714,663</u>	<u>-</u>
231,581	[759,598]	[17,382]	15	3,645	-
<u>777,497</u>	<u>9,750,000</u>	<u>339,146</u>	<u>50,001</u>	<u>48,717</u>	<u>-</u>
<u>\$ 1,009,078</u>	<u>\$ 8,990,402</u>	<u>\$ 321,764</u>	<u>\$ 50,016</u>	<u>\$ 52,362</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2010

	<u>Donations</u>	<u>Virtual Education</u>	<u>Cost of Living</u>	<u>Special Liability</u>	<u>Federal Awards</u>	<u>Total Nonmajor Special Revenue Funds</u>
REVENUES:						
Taxes	\$ -	\$ -	\$ 2,070,540	\$ 304,796	\$ -	\$ 10,058,584
Intergovernmental	-	-	-	-	4,493,924	19,248,946
Charges for services	-	-	-	-	-	1,827,106
Other local sources	<u>372,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>667,247</u>
Total revenues	<u>372,745</u>	<u>-</u>	<u>2,070,540</u>	<u>304,796</u>	<u>4,493,924</u>	<u>31,801,883</u>
EXPENDITURES:						
Current						
Instruction	292,526	41,328	2,070,540	-	4,280,427	36,816,135
Student support services	40,408	-	-	-	110,455	1,710,856
Instructional support staff	51,041	-	-	-	418,103	3,318,997
General administration	-	-	-	-	65,738	112,709
School administration	-	-	-	-	-	906,693
Operations and maintenance	-	-	-	222,895	-	694,592
Student transportation services	-	-	-	-	7,809	660,248
Other support services	-	-	-	-	33,546	104,409
Food service operations	-	-	-	-	970	256,297
Student activities	-	-	-	-	3,507	14,066
Total expenditures	<u>383,975</u>	<u>41,328</u>	<u>2,070,540</u>	<u>222,895</u>	<u>4,920,555</u>	<u>44,595,002</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[11,230]</u>	<u>[41,328]</u>	<u>-</u>	<u>81,901</u>	<u>[426,631]</u>	<u>[12,793,119]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>-</u>	<u>1,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,883,007</u>
Total other financing sources [uses]	<u>-</u>	<u>1,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,883,007</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[11,230]</u>	<u>[39,919]</u>	<u>-</u>	<u>81,901</u>	<u>[426,631]</u>	<u>[910,112]</u>
Fund balance - Beginning of year	<u>390,698</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>114,805</u>	<u>11,683,335</u>
Fund balance - End of year	<u>\$ 379,468</u>	<u>\$ 10,081</u>	<u>\$ -</u>	<u>\$ 81,901</u>	<u>\$ [311,826]</u>	<u>\$ 10,773,223</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 EXTRAORDINARY GROWTH 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:						
Ad valorem	\$ 6,856,293	\$ [100,746]	\$ 6,755,547	\$ 6,733,783	\$ 6,733,783	\$ 21,764
Motor/Recreational vehicles	826,955	-	826,955	848,719	848,719	[21,764]
Total revenues	<u>7,683,248</u>	<u>[100,746]</u>	<u>7,582,502</u>	<u>7,582,502</u>	<u>7,582,502</u>	<u>-</u>
EXPENDITURES:						
Instructional	<u>7,683,248</u>	<u>[100,746]</u>	<u>7,582,502</u>	<u>7,582,502</u>	<u>7,582,502</u>	<u>-</u>
Total expenditures	<u>7,683,248</u>	<u>[100,746]</u>	<u>7,582,502</u>	<u>7,582,502</u>	<u>7,582,502</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-			
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

UNIFIED SCHOOL DISTRICT NO. 233

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	
REVENUES:						
Intergovernmental:						
State and local	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ [300,000]
Total revenues	-	-	-	300,000	300,000	[300,000]
EXPENDITURES:						
Instructional	2,088,640	17,710	2,106,350	2,302,082	2,302,082	195,732
Instructional staff support	57,547	-	57,547	68,431	68,431	10,884
Total expenditures	2,146,187	17,710	2,163,897	2,370,513	2,370,513	206,616
Excess [deficiency] of revenues over [under] expenditures	[2,146,187]	[17,710]	[2,163,897]	[2,070,513]	[2,070,513]	[93,384]
OTHER FINANCING SOURCES [USES]:						
Transfers in	2,163,731	-	2,163,731	2,070,513	2,070,513	93,218
Total other financing sources [uses]	2,163,731	-	2,163,731	2,070,513	2,070,513	93,218
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	17,544	[17,710]	[166]	\$ -	\$ -	\$ [166]
FUND BALANCE - Beginning of year	51,606	[1,439]	50,167			
FUND BALANCE - End of year	\$ 69,150	\$ [19,149]	\$ 50,001			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

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	
REVENUES:						
Other local sources	\$ 42,654	\$ -	\$ 42,654	\$ 124,000	\$ 124,000	\$ [81,346]
Total revenues	<u>42,654</u>	<u>-</u>	<u>42,654</u>	<u>124,000</u>	<u>124,000</u>	<u>[81,346]</u>
EXPENDITURES:						
Student support	<u>240,491</u>	<u>8,449</u>	<u>248,940</u>	<u>432,000</u>	<u>432,000</u>	<u>183,060</u>
Total expenditures	<u>240,491</u>	<u>8,449</u>	<u>248,940</u>	<u>432,000</u>	<u>432,000</u>	<u>183,060</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[197,837]</u>	<u>[8,449]</u>	<u>[206,286]</u>	<u>[308,000]</u>	<u>[308,000]</u>	<u>101,714</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>206,286</u>	<u>-</u>	<u>206,286</u>	<u>308,000</u>	<u>308,000</u>	<u>[101,714]</u>
Total other financing sources [uses]	<u>206,286</u>	<u>-</u>	<u>206,286</u>	<u>308,000</u>	<u>308,000</u>	<u>[101,714]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>8,449</u>	<u>[8,449]</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of year	<u>50,001</u>	<u>-</u>	<u>50,001</u>			
FUND BALANCE - End of year	<u>\$ 58,450</u>	<u>\$ [8,449]</u>	<u>\$ 50,001</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

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	
REVENUES:						
Intergovernmental:						
Federal	\$ 139,991	\$ -	\$ 139,991	\$ 139,991	\$ 139,991	\$ -
Total intergovernmental	139,991	-	139,991	139,991	139,991	-
Charges for services	220,000	-	220,000	215,000	215,000	5,000
Other local sources	58,437	-	58,437	1,060,000	1,060,000	[1,001,563]
Total revenues	418,428	-	418,428	1,414,991	1,414,991	[996,563]
EXPENDITURES:						
Instructional	3,825,783	11,457	3,837,240	4,962,347	4,962,347	1,125,107
Instructional staff support	26,840	[3,274]	23,566	-	-	[23,566]
School administration	127,752	-	127,752	126,444	126,444	[1,308]
Operations and maintenance	177,800	[327]	177,473	184,782	184,782	7,309
Other supplemental services	-	-	-	4,800	4,800	4,800
Student transportation services	3,820	[909]	2,911	-	-	[2,911]
Student activities	10,369	-	10,369	-	-	[10,369]
Total expenditures	4,172,364	6,947	4,179,311	5,278,373	5,278,373	1,099,062
Excess [deficiency] of revenues over [under] expenditures	[3,753,936]	[6,947]	[3,760,883]	[3,863,382]	[3,863,382]	102,499
OTHER FINANCING SOURCES [USES]:						
Transfers in	3,755,449	-	3,755,449	3,863,382	3,863,382	[107,933]
Total other financing sources [uses]	3,755,449	-	3,755,449	3,863,382	3,863,382	[107,933]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	1,513	[6,947]	[5,434]	\$ -	\$ -	\$ [5,434]
FUND BALANCE - Beginning of year	60,864	[10,217]	50,647			
FUND BALANCE - End of year	\$ 62,377	\$ [17,164]	\$ 45,213			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 PARENTS AS TEACHERS 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:						
Intergovernmental:						
State and local	\$ 1,813,699	\$ -	\$ 1,813,699	\$ 1,714,882	\$ 1,714,882	\$ 98,817
Total intergovernmental	<u>1,813,699</u>	<u>-</u>	<u>1,813,699</u>	<u>1,714,882</u>	<u>1,714,882</u>	<u>98,817</u>
Other local sources	<u>154,533</u>	<u>-</u>	<u>154,533</u>	<u>271,793</u>	<u>271,793</u>	<u>[117,260]</u>
Total revenues	<u>1,968,232</u>	<u>-</u>	<u>1,968,232</u>	<u>1,986,675</u>	<u>1,986,675</u>	<u>[18,443]</u>
EXPENDITURES:						
Instruction	35,306	-	35,306	-	-	[35,306]
Student support	593,980	[553]	593,427	2,140,100	2,140,100	1,546,673
Instructional support staff	<u>1,578,746</u>	<u>-</u>	<u>1,578,746</u>	<u>181,211</u>	<u>181,211</u>	<u>[1,397,535]</u>
Total expenditures	<u>2,208,032</u>	<u>[553]</u>	<u>2,207,479</u>	<u>2,321,311</u>	<u>2,321,311</u>	<u>113,832</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[239,800]</u>	<u>553</u>	<u>[239,247]</u>	<u>[334,636]</u>	<u>[334,636]</u>	<u>95,389</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>222,418</u>	<u>-</u>	<u>222,418</u>	<u>242,192</u>	<u>242,192</u>	<u>[19,774]</u>
Total other financing sources [uses]	<u>222,418</u>	<u>-</u>	<u>222,418</u>	<u>242,192</u>	<u>242,192</u>	<u>[19,774]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[17,382]</u>	<u>553</u>	<u>[16,829]</u>	<u>\$ [92,444]</u>	<u>\$ [92,444]</u>	<u>\$ 75,615</u>
FUND BALANCE - Beginning of year	<u>339,146</u>	<u>[685]</u>	<u>338,461</u>			
FUND BALANCE - End of year	<u>\$ 321,764</u>	<u>\$ [132]</u>	<u>\$ 321,632</u>			

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)
 AT RISK (4 YEAR OLD) 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	
REVENUES:						
Other local sources	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ [50,000]
Total revenues	-	-	-	50,000	50,000	[50,000]
EXPENSES:						
Instructional	202,114	15	202,129	249,400	249,400	47,271
Total expenses	202,114	15	202,129	249,400	249,400	47,271
Excess [deficiency] of revenues over [under] expenses	[202,114]	[15]	[202,129]	[199,400]	[199,400]	[2,729]
OTHER FINANCING SOURCES [USES]:						
Transfers in	202,129	-	202,129	199,400	199,400	2,729
Total other financing sources [uses]	202,129	-	202,129	199,400	199,400	2,729
Change in net assets	15	[15]	-	\$ -	\$ -	\$ -
NET ASSETS - Beginning of year	50,001	-	50,001			
NET ASSETS - End of year	\$ 50,016	\$ [15]	\$ 50,001			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)
 AT RISK (K-12) 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	
REVENUES:						
Charges for services	\$ 143,760	\$ -	\$ 143,760	\$ 165,000	\$ 165,000	\$ [21,240]
Other local sources	<u>26,765</u>	<u>-</u>	<u>26,765</u>	<u>840,000</u>	<u>840,000</u>	<u>[813,235]</u>
Total revenues	<u>170,525</u>	<u>-</u>	<u>170,525</u>	<u>1,005,000</u>	<u>1,005,000</u>	<u>[834,475]</u>
EXPENSES:						
Instructional	4,695,607	2,187	4,697,794	4,728,239	4,728,239	30,445
Student support services	113,044	-	113,044	162,770	162,770	49,726
Instructional staff support	-	-	-	500	500	500
School administration	64,862	-	64,862	15,398	15,398	[49,464]
Operations and maintenance	381	-	381	29,700	29,700	29,319
Student transportation services	7,459	-	7,459	-	-	[7,459]
Student activities	<u>190</u>	<u>-</u>	<u>190</u>	<u>2,200</u>	<u>2,200</u>	<u>2,010</u>
Total expenses	<u>4,881,543</u>	<u>2,187</u>	<u>4,883,730</u>	<u>4,938,807</u>	<u>4,938,807</u>	<u>55,077</u>
Excess [deficiency] of revenues over [under] expenses	<u>[4,711,018]</u>	<u>[2,187]</u>	<u>[4,713,205]</u>	<u>[3,933,807]</u>	<u>[3,933,807]</u>	<u>[779,398]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>4,714,663</u>	<u>-</u>	<u>4,714,663</u>	<u>3,935,266</u>	<u>3,935,266</u>	<u>779,397</u>
Total other financing sources [uses]	<u>4,714,663</u>	<u>-</u>	<u>4,714,663</u>	<u>3,935,266</u>	<u>3,935,266</u>	<u>779,397</u>
Change in net assets	3,645	[2,187]	1,458	<u>\$ 1,459</u>	<u>\$ 1,459</u>	<u>\$ [1]</u>
NET ASSETS - Beginning of year	<u>48,717</u>	<u>[173]</u>	<u>48,544</u>			
NET ASSETS - End of year	<u>\$ 52,362</u>	<u>\$ [2,360]</u>	<u>\$ 50,002</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 KPERS SPECIAL RETIREMENT CONTRIBUTION 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:						
Intergovernmental	\$ 12,801,332	\$ -	\$ 12,801,332	\$ 16,227,419	\$ 16,227,419	\$ [3,426,087]
Total revenues	<u>12,801,332</u>	<u>-</u>	<u>12,801,332</u>	<u>16,227,419</u>	<u>16,227,419</u>	<u>[3,426,087]</u>
EXPENDITURES:						
Instruction	9,792,058	-	9,792,058	11,261,942	11,261,942	1,469,884
Student support	730,659	-	730,659	1,097,023	1,097,023	366,364
Instructional support	521,900	-	521,900	865,942	865,942	344,042
General administration	46,971	-	46,971	84,023	84,023	37,052
School administration	626,280	-	626,280	1,073,164	1,073,164	446,884
Other supplemental services	39,664	-	39,664	442,927	442,927	403,263
Operations and maintenance	208,760	-	208,760	943,849	943,849	735,089
Student transportation services	626,280	-	626,280	95,898	95,898	[530,382]
Food service	<u>208,760</u>	<u>-</u>	<u>208,760</u>	<u>362,651</u>	<u>362,651</u>	<u>153,891</u>
Total expenditures	<u>12,801,332</u>	<u>-</u>	<u>12,801,332</u>	<u>16,227,419</u>	<u>16,227,419</u>	<u>3,426,087</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	\$ -	\$ -	\$ -
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.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)
 COST OF LIVING 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	
REVENUES:						
Ad valorem	\$ 2,070,540	\$ [80,340]	\$ 1,990,200	\$ 1,990,200	\$ 1,990,200	\$ -
Total revenues	<u>2,070,540</u>	<u>[80,340]</u>	<u>1,990,200</u>	<u>1,990,200</u>	<u>1,990,200</u>	<u>-</u>
EXPENSES:						
Instructional	<u>2,070,540</u>	<u>[80,340]</u>	<u>1,990,200</u>	<u>1,990,200</u>	<u>1,990,200</u>	<u>-</u>
Total expenses	<u>2,070,540</u>	<u>[80,340]</u>	<u>1,990,200</u>	<u>1,990,200</u>	<u>1,990,200</u>	<u>-</u>
Change in net assets	-	-	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS - Beginning of year	-	-	-			
NET ASSETS - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL (NON - GAAP BASIS)
 VIRTUAL EDUCATION 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	
REVENUES:						
Other local sources	\$ -	\$ -	\$ -	\$ 100,100	\$ 100,100	\$ [100,100]
Total revenues	-	-	-	100,100	100,100	[100,100]
EXPENSES:						
Instructional	41,328	-	41,328	150,972	150,972	109,644
Total expenses	41,328	-	41,328	150,972	150,972	109,644
Excess [deficiency] of revenues over [under] expenses	[41,328]	-	[41,328]	[50,872]	[50,872]	9,544
OTHER FINANCING SOURCES [USES]:						
Transfers in	1,409	-	1,409	50,872	50,872	[49,463]
Total other financing sources [uses]	1,409	-	1,409	50,872	50,872	[49,463]
Change in net assets	[39,919]	-	[39,919]	\$ -	\$ -	\$ [39,919]
NET ASSETS - Beginning of year	50,000	-	50,000			
NET ASSETS - End of year	\$ 10,081	\$ -	\$ 10,081			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 FEDERAL AWARDS 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:						
Intergovernmental	\$ 4,493,924	\$ -	\$ 4,493,924	\$ 6,385,166	\$ 6,385,166	\$ [1,891,242]
Total revenues	<u>4,493,924</u>	<u>-</u>	<u>4,493,924</u>	<u>6,385,166</u>	<u>6,385,166</u>	<u>[1,891,242]</u>
EXPENDITURES:						
Instruction	4,280,427	4,438	4,284,865	6,199,742	6,199,742	1,914,877
Student support services	110,455	[8,900]	101,555	76,806	76,806	[24,749]
Instructional staff support	418,103	-	418,103	51,508	51,508	[366,595]
General administration	65,738	-	65,738	88,496	88,496	22,758
Operations and maintenance	-	-	-	342	342	342
Student transportation services	7,809	-	7,809	22,085	22,085	14,276
Other support services	33,546	-	33,546	1,087	1,087	[32,459]
Food service operations	970	-	970	25,013	25,013	24,043
Student activities	<u>3,507</u>	<u>-</u>	<u>3,507</u>	<u>-</u>	<u>-</u>	<u>[3,507]</u>
Total expenditures	<u>4,920,555</u>	<u>[4,462]</u>	<u>4,916,093</u>	<u>6,465,079</u>	<u>6,465,079</u>	<u>1,548,986</u>
Excess [deficiency] of revenues over [under] expenditures	[426,631]	4,462	[422,169]	\$ <u>[79,913]</u>	\$ <u>[79,913]</u>	\$ <u>[342,256]</u>
FUND BALANCE - Beginning of year	<u>114,805</u>	<u>[48,953]</u>	<u>65,852</u>			
FUND BALANCE - End of year	\$ <u>[311,826]</u>	\$ <u>[44,491]</u>	\$ <u>[356,317]</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

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:						
Ad valorem	\$ 416,963	\$ -	\$ 416,963	\$ 397,656	\$ 397,656	\$ 19,307
Motor/Recreational vehicles	<u>110,025</u>	<u>-</u>	<u>110,025</u>	<u>111,697</u>	<u>111,697</u>	<u>[1,672]</u>
Total revenues	<u>526,988</u>	<u>-</u>	<u>526,988</u>	<u>509,353</u>	<u>509,353</u>	<u>17,635</u>
EXPENDITURES:						
Site improvements	<u>836,522</u>	<u>-</u>	<u>836,522</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>563,478</u>
Total expenditures	<u>836,522</u>	<u>-</u>	<u>836,522</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>563,478</u>
Excess [deficiency] of revenues over [under] expenditures	[309,534]	-	[309,534]	<u>\$ [890,647]</u>	<u>\$ [890,647]</u>	<u>\$ 581,113</u>
FUND BALANCE - Beginning of year	<u>1,044,967</u>	<u>-</u>	<u>1,044,967</u>			
FUND BALANCE - End of year	<u>\$ 735,433</u>	<u>\$ -</u>	<u>\$ 735,433</u>			

UNIFIED SCHOOL DISTRICT NO. 233

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	
REVENUES:						
Taxes	\$ 304,796	\$ -	\$ 304,796	\$ 292,950	\$ 292,950	\$ 11,846
Total revenues	<u>304,796</u>	<u>-</u>	<u>304,796</u>	<u>292,950</u>	<u>292,950</u>	<u>11,846</u>
EXPENDITURES:						
Operations and maintenance	<u>222,895</u>	<u>-</u>	<u>222,895</u>	<u>250,000</u>	<u>250,000</u>	<u>27,105</u>
Total expenditures	<u>222,895</u>	<u>-</u>	<u>222,895</u>	<u>250,000</u>	<u>250,000</u>	<u>27,105</u>
Excess [deficiency] of revenues over [under] expenditures	81,901	-	81,901	<u>\$ 42,950</u>	<u>\$ 42,950</u>	<u>\$ 38,951</u>
FUND BALANCE - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>			
FUND BALANCE - End of year	<u>\$ 81,901</u>	<u>\$ -</u>	<u>\$ 81,901</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 BOND AND INTEREST 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:						
Ad valorem	\$ 35,585,508	\$ -	\$ 35,585,508	\$ 34,137,129	\$ 34,137,129	\$ 1,448,379
Motor/Recreational vehicles	<u>3,212,055</u>	<u>-</u>	<u>3,212,055</u>	<u>3,312,810</u>	<u>3,312,810</u>	<u>[100,755]</u>
Total taxes	38,797,563	-	38,797,563	37,449,939	37,449,939	1,347,624
Intergovernmental	3,657,359	-	3,657,359	4,953,628	4,953,628	[1,296,269]
Other local sources	1,281,876	-	1,281,876	-	-	1,281,876
Investment revenue	<u>1,018,750</u>	<u>-</u>	<u>1,018,750</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>[181,250]</u>
Total revenues	<u>44,755,548</u>	<u>-</u>	<u>44,755,548</u>	<u>43,603,567</u>	<u>43,603,567</u>	<u>1,151,981</u>
EXPENDITURES:						
Debt Service						
Principal retirement	27,420,687	-	27,420,687	27,420,687	27,420,687	-
Interest and other charges	<u>15,299,706</u>	<u>-</u>	<u>15,299,706</u>	<u>16,248,058</u>	<u>16,248,058</u>	<u>948,352</u>
Total expenditures	<u>42,720,393</u>	<u>-</u>	<u>42,720,393</u>	<u>43,668,745</u>	<u>43,668,745</u>	<u>948,352</u>
Excess [deficiency] of revenues over [under] expenditures	2,035,155	-	2,035,155	<u>\$ [65,178]</u>	<u>\$ [65,178]</u>	<u>\$ 2,100,333</u>
FUND BALANCE - Beginning of year	<u>35,782,679</u>	<u>-</u>	<u>35,782,679</u>			
FUND BALANCE - End of year	<u>\$37,817,834</u>	<u>\$ -</u>	<u>\$37,817,834</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE 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	
REVENUES:						
Taxes:						
Ad valorem	\$ 5,373,563	\$ -	\$ 5,373,563	\$ 5,075,443	\$ 5,075,443	\$ 298,120
Motor/Recreational vehicles	<u>728,663</u>	<u>-</u>	<u>728,663</u>	<u>726,107</u>	<u>726,107</u>	<u>2,556</u>
Total taxes	6,102,226	-	6,102,226	5,801,550	5,801,550	300,676
Investment revenue	140,507	-	140,507	875,000	875,000	[734,493]
Other local sources	<u>9,023</u>	<u>-</u>	<u>9,023</u>	<u>4,830,000</u>	<u>4,830,000</u>	<u>[4,820,977]</u>
Total revenues	<u>6,251,756</u>	<u>-</u>	<u>6,251,756</u>	<u>11,506,550</u>	<u>11,506,550</u>	<u>[5,254,794]</u>
EXPENDITURES:						
Instructional	2,657,944	445,987	3,103,931	3,000,000	3,000,000	[103,931]
Support services	1,114,978	[29,420]	1,085,558	3,000,000	3,000,000	1,914,442
Operations and maintenance	3,907,056	166,797	4,073,853	4,000,000	4,000,000	[73,853]
Capital outlay	<u>1,669,862</u>	<u>[172,165]</u>	<u>1,497,697</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>2,002,303</u>
Total expenditures	<u>9,349,840</u>	<u>411,199</u>	<u>9,761,039</u>	<u>13,500,000</u>	<u>13,500,000</u>	<u>3,738,961</u>
Excess [deficiency] of revenues over [under] expenditures	[3,098,084]	[411,199]	[3,509,283]	<u>\$ [1,993,450]</u>	<u>\$ [1,993,450]</u>	<u>\$ [1,515,833]</u>
FUND BALANCE - Beginning of year	<u>9,834,338</u>	<u>[1,204,214]</u>	<u>8,630,124</u>			
FUND BALANCE - End of year	<u>\$ 6,736,254</u>	<u>\$ [1,615,413]</u>	<u>\$ 5,120,841</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - 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	
REVENUES:						
Intergovernmental:						
Federal	\$ 3,314,236	\$ -	\$ 3,314,236	\$ 2,927,354	\$ 2,927,354	\$ 386,882
State and local	92,769	-	92,769	103,063	103,063	[10,294]
Contributed capital	789,442	[789,442]	-	-	-	-
Charges for services	6,648,670	-	6,648,670	8,349,302	8,349,302	[1,700,632]
Investment	-	-	-	10,000	10,000	[10,000]
Miscellaneous	397,035	-	397,035	430,000	430,000	[32,965]
Total revenues	11,242,152	[789,442]	10,452,710	11,819,719	11,819,719	[1,367,009]
EXPENSES:						
Operations and maintenance	-	-	-	903,500	903,500	903,500
Noninstructional	10,503,337	[214,140]	10,289,197	10,838,200	10,838,200	549,003
Total expenses	10,503,337	[214,140]	10,289,197	11,741,700	11,741,700	1,452,503
Excess [deficiency] of revenues over [under] expenses	738,815	[575,302]	163,513	78,019	78,019	85,494
OTHER FINANCING SOURCES [USES]:						
Transfers in	124,510	-	124,510	100,000	100,000	24,510
Total other financing sources [uses]	124,510	-	124,510	100,000	100,000	24,510
Change in net assets	863,325	[575,302]	288,023	\$ 178,019	\$ 178,019	\$ 110,004
Net Assets, Beginning of year	3,766,524	[3,208,408]	558,116			
Net assets, End of year	\$ 4,629,849	\$ [3,783,710]	\$ 846,139			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS - 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:						
Other local sources	\$ 73,595	\$ -	\$ 73,595	\$ -	\$ -	\$ 73,595
Charges for services	<u>244,279</u>	<u>-</u>	<u>244,279</u>	<u>430,000</u>	<u>430,000</u>	<u>[185,721]</u>
Total revenues	<u>317,874</u>	<u>-</u>	<u>317,874</u>	<u>430,000</u>	<u>430,000</u>	<u>[112,126]</u>
EXPENSES:						
Instructional	208,750	[4,230]	204,520	347,833	347,833	143,313
Instructional staff support	39,106	-	39,106	57,200	57,200	18,094
School administration	6,954	-	6,954	5,700	5,700	[1,254]
Operations and maintenance	559	-	559	-	-	[559]
Student transportation services	<u>99,057</u>	<u>-</u>	<u>99,057</u>	<u>108,500</u>	<u>108,500</u>	<u>9,443</u>
Total expenses	<u>354,426</u>	<u>[4,230]</u>	<u>350,196</u>	<u>519,233</u>	<u>519,233</u>	<u>169,037</u>
Change in net assets	[36,552]	4,230	[32,322]	<u>\$ [89,233]</u>	<u>\$ [89,233]</u>	<u>\$ 56,911</u>
NET ASSETS - Beginning of year	<u>481,741</u>	<u>[8,790]</u>	<u>472,951</u>			
NET ASSETS - End of year	<u>\$445,189</u>	<u>\$ [4,560]</u>	<u>\$440,629</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - 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	
REVENUES:						
Intergovernmental:						
State	\$ 24,200	\$ -	\$ 24,200	\$ 35,000	\$ 35,000	\$ [10,800]
Charges for services	<u>108,857</u>	<u>-</u>	<u>108,857</u>	<u>220,000</u>	<u>220,000</u>	<u>[111,143]</u>
Total revenues	<u>133,057</u>	<u>-</u>	<u>133,057</u>	<u>255,000</u>	<u>255,000</u>	<u>[121,943]</u>
EXPENSES:						
Instructional	100,542	1,061	101,603	228,000	228,000	126,397
School administration	19,475	-	19,475	27,007	27,007	7,532
Operations and maintenance	31,202	-	31,202	46,800	46,800	15,598
Noninstructional	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>400</u>	<u>400</u>
Total expenses	<u>151,219</u>	<u>1,061</u>	<u>152,280</u>	<u>302,207</u>	<u>302,207</u>	<u>149,927</u>
Excess [deficiency] of revenues over [under] expenses	[18,162]	[1,061]	[19,223]	<u>\$ [47,207]</u>	<u>\$ [47,207]</u>	<u>\$ 27,984</u>
NET ASSETS - Beginning of year	<u>210,036</u>	<u>[61]</u>	<u>209,975</u>			
NET ASSETS - End of year	<u>\$191,874</u>	<u>\$ [1,122]</u>	<u>\$190,752</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2010

	Health Insurance <u>Fund</u>	Part-Time Health Insurance <u>Fund</u>	Workers' Compensation <u>Fund</u>	Risk Management <u>Fund</u>	Total Internal Service <u>Funds</u>
ASSETS					
Cash and investments	\$ 934,407	\$ 927,332	\$ 900,636	\$ 852,348	\$ 3,614,723
Total assets	<u>\$ 934,407</u>	<u>\$ 927,332</u>	<u>\$ 900,636</u>	<u>\$ 852,348</u>	<u>\$ 3,614,723</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Accrued payroll	\$ 53,280	\$ -	\$ 274	\$ -	\$ 53,554
Estimated loss reserves	<u>-</u>	<u>-</u>	<u>1,164,312</u>	<u>-</u>	<u>1,164,312</u>
Total liabilities	<u>\$ 53,280</u>	<u>\$ -</u>	<u>\$ 1,164,586</u>	<u>\$ -</u>	<u>\$ 1,217,866</u>
Net Assets					
Unrestricted	<u>\$ 881,127</u>	<u>\$ 927,332</u>	<u>\$ [263,950]</u>	<u>\$ 852,348</u>	<u>\$ 2,396,857</u>
Total net assets	<u>\$ 881,127</u>	<u>\$ 927,332</u>	<u>\$ [263,950]</u>	<u>\$ 852,348</u>	<u>\$ 2,396,857</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2010

	Health Insurance Fund	Part-Time Health Insurance Fund	Workers' Compensation Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues					
Other local sources	\$ -	\$ 1,472,980	\$ 862,113	\$ 640,707	\$ 2,975,800
Total operating revenues	-	1,472,980	862,113	640,707	2,975,800
Operating expenses					
Instruction	52,594	-	131,028	-	183,622
Student support services	-	-	8,600	-	8,600
Instructional support staff	-	-	9,362	-	9,362
School administration	-	-	36,794	-	36,794
Operations and maintenance	-	-	276,158	439,721	715,879
Student transportation services	-	-	27,595	-	27,595
Noninstructional services	-	1,380,484	232,466	-	1,612,950
Student activities	-	-	-	198,638	198,638
Total operating expenses	52,594	1,380,484	722,003	638,359	2,793,440
Change in net assets	[52,594]	92,496	140,110	2,348	182,360
Net assets, Beginning of year	933,721	661,944	[404,060]	850,000	2,041,605
Prior period adjustment	-	172,892	-	-	172,892
Net assets, Beginning of year, Restated	933,721	834,836	[404,060]	850,000	2,214,497
Net assets, End of year	\$ 881,127	\$ 927,332	\$ [263,950]	\$ 852,348	\$ 2,396,857

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2010

	Health Insurance Fund	Part-Time Health Insurance Fund	Workers' Compensation Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities					
Cash received from customers and users	\$ -	\$ 1,472,980	\$ 862,113	\$ 640,707	\$ 2,975,800
Cash payments to suppliers and employees for services	<u>[49,731]</u>	<u>[1,380,484]</u>	<u>[861,495]</u>	<u>[639,384]</u>	<u>[2,931,094]</u>
Net cash provided by [used in] operating activities	<u>[49,731]</u>	<u>92,496</u>	<u>618</u>	<u>1,323</u>	<u>44,706</u>
Net increase [decrease] in cash and cash equivalents	[49,731]	92,496	618	1,323	44,706
Cash and cash equivalents - Beginning of year	<u>984,138</u>	<u>834,836</u>	<u>900,018</u>	<u>851,025</u>	<u>3,570,017</u>
Cash and cash equivalents - End of year	<u>\$ 934,407</u>	<u>\$ 927,332</u>	<u>\$ 900,636</u>	<u>\$ 852,348</u>	<u>\$ 3,614,723</u>
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities					
Operating income [loss]	\$ [52,594]	\$ 92,496	\$ 140,110	\$ 2,348	\$ 182,360
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Change in assets and liabilities					
Increase [decrease] in accrued payroll	2,863	-	274	[1,025]	2,112
Increase [decrease] in estimated loss reserve	<u>-</u>	<u>-</u>	<u>[139,766]</u>	<u>-</u>	<u>[139,766]</u>
Net cash provided by [used in] operating activities	<u>\$ [49,731]</u>	<u>\$ 92,496</u>	<u>\$ 618</u>	<u>\$ 1,323</u>	<u>\$ 44,706</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING BALANCE SHEET
 AGENCY FUNDS
 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>
Student/Faculty Activity Accounts				
Arbor Creek Elementary	\$ 7,600	\$ 60,098	\$ 58,457	\$ 9,241
Bentwood Elementary	2,543	23,045	23,447	2,141
Black Bob Elementary	1,700	14,136	15,528	308
Briarwood Elementary	1,109	16,808	11,354	6,563
Brougham Elementary	5,502	26,888	26,067	6,323
California Trail Junior High	49,242	174,004	190,228	33,018
Cedar Creek Elementary	2,926	18,166	19,699	1,393
Central Elementary	2,905	6,451	4,931	4,425
Chisholm Trail Junior High	27,049	166,080	160,308	32,821
Countryside Elementary	5,068	10,395	14,456	1,007
Fairview Elementary	-	3,828	1,906	1,922
Frontier Trail Junior High	37,921	115,055	126,607	26,369
Green Springs Elementary	7,893	23,709	22,187	9,415
Havencroft Elementary	6,256	13,082	16,336	3,002
Heartland Learning Center/DLC	-	6,375	5,274	1,101
Heatherstone Elementary	1,032	16,623	16,267	1,388
Heritage Elementary	483	6,896	6,956	423
Indian Creek Elementary	1,577	12,511	9,591	4,497
Indian Trail Junior High	29,597	54,898	58,733	25,762
Mahaffie Elementary	2,722	17,148	17,521	2,349
Meadow Lane Elementary	3,073	7,658	9,512	1,219
Northview Elementary	595	12,050	12,287	358
Olathe East Senior High	204,531	456,621	490,646	170,576
Olathe North Senior High	127,355	327,764	341,239	113,880
Olathe South Senior High	175,971	403,827	379,080	200,718
Olathe Northwest Senior High	129,075	427,238	387,599	168,714
Oregon Trail Junior High	12,061	84,631	78,455	18,237
Pioneer Trail Junior High	20,838	112,315	114,562	18,591
Pleasant Ridge Elementary	3,856	21,815	20,682	4,989
Prairie Center Elementary	2,887	7,167	6,516	3,538
Regency Place Elementary	2,459	25,832	22,563	5,728
Ridgeview Elementary	2,224	10,059	8,408	3,875
Rolling Ridge Elementary	1,612	11,731	12,558	785
Santa Fe Trail Junior High	22,585	73,177	68,187	27,575
Scarborough Elementary	1,872	15,131	12,856	4,147
Sunnyside Elementary	3,154	8,881	8,894	3,141
Tomahawk Elementary	1,403	2,408	3,231	580
Walnut Grove Elementary	10	7,259	6,969	300
Washington Elementary	437	2,509	1,176	1,770
Westview Elementary	-	5,204	5,204	-
Prairie Trail Junior High	40,095	140,808	141,734	39,169
Clearwater Creek Elementary	2,623	10,233	10,725	2,131
Manchester Park Elementary	5,104	22,773	25,765	2,112
Harmony Early Childhood	168	1,560	1,637	91
Millcreek Center	4,300	8,577	10,062	2,815
Madison Place Elementary	1,307	5,284	6,281	310
Woodland Elementary	2,917	17,960	18,795	2,082
Mission Trail Junior High	-	10,310	4,449	5,861
Forest View Elementary	-	6,904	5,382	1,522
Ravenwood Elementary	2,235	22,494	18,635	6,094
Assets - Cash and investments	<u>\$ 967,872</u>	<u>\$ 3,056,376</u>	<u>\$ 3,039,942</u>	<u>\$ 984,376</u>
Liabilities - Due to student organizations	<u>\$ 967,872</u>	<u>\$ 3,056,376</u>	<u>\$ 3,039,942</u>	<u>\$ 984,376</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

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>					
Teaching American History	84.215X	\$ [15,200]	\$ 17,150	\$ 1,950	\$ -
Passed Through State Department of Education:					
Title I	84.010	46,546	1,938,750	2,108,846	[123,550]
Title I Migrant	84.011	[125]	40,000	40,370	[495]
Title VIB	84.027	-	6,005,274	6,038,798	[33,524]
Personnel Training	84.048	-	139,014	139,014	-
Early Childhood - Preschool Grants	84.173	-	169,449	171,694	[2,245]
Drug Free	84.186	2,506	34,041	32,452	4,095
Homeless Child	84.196	-	45,080	48,305	[3,225]
Chapter II	84.298	-	9,548	9,548	-
School Preparedness	84.302	-	5,000	5,000	-
Tech Literacy	84.318	1,109	51,000	48,792	3,317
Advance Placement Program	84.330	2,072	5,816	7,888	-
English Language Acquisition	84.365	3,613	104,676	118,539	[10,250]
Title II A	84.367	40,164	469,036	556,060	[46,860]
Data Use Grant	84.372	-	800	800	-
School Improvement Fund Section 1003(g)	84.377A	16,250	35,000	48,380	2,870
ARRA Homeless Child	84.387	-	9,415	9,415	-
ARRA Title I Low Income	84.389	-	742,086	762,445	[20,359]
ARRA Special Education Part B	84.391	-	2,732,443	2,649,212	83,231
ARRA Special Education Preschool	84.392	-	116,583	116,583	-
ARRA Stabilization	84.394	-	<u>10,420,746</u>	<u>10,420,746</u>	-
Total U.S. Department of Education			<u>23,090,907</u>	<u>23,334,837</u>	
<u>U.S. Department of Health and Human Services</u>					
Head Start	93.600	4,061	942,012	1,062,999	[116,926]
Passed Through State Department of Education					
Youth Risk Behavior Survey	93.938	-	<u>500</u>	<u>500</u>	-
Total U.S. Department of Health and Human Services			<u>942,512</u>	<u>1,063,499</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	363,269	363,269	-
National School Lunch Program	10.555	-	2,843,032	2,843,032	-
Special Milk	10.556	-	34,970	34,970	-
Cash for commodities	10.558	-	61,676	61,676	-
Federal School Food Service	10.559	-	11,463	11,463	-
NSLP Equipment	10.579	-	<u>61,500</u>	<u>61,500</u>	-
Total U.S. Department of Agriculture			<u>3,375,910</u>	<u>3,375,910</u>	
Total Expenditures of Federal Awards			<u>\$ 27,409,329</u>	<u>\$ 27,774,246</u>	

See independent auditor's report on the financial statements and notes to the schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 233

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 Unified School District No. 233. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental 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.

UNIFIED SCHOOL DISTRICT NO. 233

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, 84.173, 84.391, 84.392	Special Education Cluster
84.394	ARRA Stabilization

Dollar threshold used to distinguish between type A and type B programs: \$783,926

Auditee qualified as low-risk auditee? X Yes No

UNIFIED SCHOOL DISTRICT NO. 233

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

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
Unified School District No. 233

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Unified School District No. 233 (the District) 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 September 27, 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 control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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 other matters that we have reported to management in a separate letter dated September 27, 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 & Odumann, P.A.

September 27, 2010

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
Unified School District No. 233

Compliance

We have audited the compliance of Unified School District No. 233 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. Unified School District No. 233'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, Unified School District No. 233 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 Unified School District No. 233 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 Unified School District No. 233'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 & Odermann, P.A.

September 27, 2010