

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

***Comprehensive Annual Financial Report***  
***For the fiscal year ending June 30, 2012***







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

**OVERLAND PARK, KANSAS**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012**

Prepared by:  
Business and Finance Office

Jenni Newell  
Treasurer

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

Financial Statements and Schedule  
of Expenditures of Federal Awards  
Year ended June 30, 2012

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Financial Statements and Schedule  
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## INTRODUCTORY SECTION





# Blue Valley Schools

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

October 2, 2012

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Blue Valley School District (the "district") for the fiscal year ended June 30, 2012.

This report contains financial statements, supplemental statements and other related information to provide complete and full disclosure of all material financial aspects of the district for the 2012 fiscal year. It includes information on all funds as identified by the Governmental Accounting Standards Board (GASB), and all activities considered to be part of the district by Kansas statutes.

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

The district's financial statements have been audited by the firm of Mize Houser & Company P.A. The goal of the independent audit was to provide reasonable assurance that the financial statements of the district for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the district's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE DISTRICT**

The Blue Valley School District was created in 1965 when the Stilwell, Stanley and Oxford Districts unified to create a 91-square mile district in southeastern Johnson County. As of June 30, 2012 the district was comprised of 20 elementary schools, 9 middle schools and 5 high schools with a total enrollment of 21,330 students. Blue Valley has averaged approximately 565 new students per year since 1993. Additionally, District enrollment has grown by nearly 21 percent since 2002. However, during the last five years the average increase has leveled to approximately 254 students per year.

Throughout its history, the Blue Valley School District has been known for the accomplishments of its students and staff. For the 2011-12 school year, the district as a whole achieved Adequate Yearly Progress (AYP), as mandated by the No Child Left Behind Act. This is the ninth year in a row that Blue Valley has made AYP and we are the only school district in the nation with more than 20,000 students to accomplish this (according to research conducted by the University of Missouri – Kansas City). Additionally, nearly every Blue Valley student scored at proficient or above in reading and math on the Kansas State Assessments. On the Kansas Math Assessment 96.8 percent of Blue Valley students met standards or better and 97.4 percent met standards or better on the Kansas Reading Assessment. Every school in the district achieved the Standard of Excellence from the Kansas State Department of Education in reading and 32 schools earned the Standard of Excellence in math. Of 234 possible opportunities for achieving the Standard of Excellence in reading and math, Blue Valley earned 233, which is greater than 99 percent. If science is included, Blue Valley schools earned 265 out of 267 opportunities. The district's ACT and SAT composite scores were 24.8 and 1,780, compared to the national averages of 21.1 and 1,500 respectively. The district had 38 seniors named National Merit Finalists and one senior was named a Presidential Scholar.

All five of the district's high schools were named to *Newsweek's* list of America's top 1,000 public high schools. Additionally, for the sixth year in a row, four of the district's high schools were named to a list of America's top public high schools compiled by the *Washington Post*. Three of the district's high schools were also named to the *U.S. News & World Report's* list of America's top high schools. Seven Blue Valley schools were recognized with the Governor's Achievement Award, an honor that recognizes top performing schools in the state of Kansas. Since the inception of this award six years ago, Blue Valley Schools have been honored with 60 Governor's Achievement Awards. Blue Valley was also recognized as a top 10 digital school district by the Center for Digital Education and the National School Boards Association. This honor is given to districts that showcase exemplary use of technology to govern the district, communicate with students, parents and the community and to improve district operations.

The district is governed by a seven-member Board of Education. Members of the Board are elected for staggered four-year terms. In addition to making final district policy decisions, the Board appoints the Superintendent of Schools, who is responsible for carrying out Board policies. In fiscal year 2012, the Superintendent was assisted by two Deputy Superintendents and one Assistant Superintendent. During that same year, the district employed a staff of approximately 3,144 personnel, of whom approximately 1,766 were certified staff.

## **ECONOMIC CONDITION AND OUTLOOK**

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

New businesses, office and industrial parks, shopping centers, and residential developments are still being constructed and much of this growth is located in the district, though growth has slowed over the past few years. Although assessed valuation has grown at an average rate of 2.5% over the past 10 years, it only increased by approximately 1.4% from the published values of the prior year. The residential population has increased in the school district by 16,298 since 2003. Over the last five years, the district has averaged approximately 204 new single family building permits per year. Although the district anticipates continued growth in the coming years, the pace has slowed recently. Residential development continues to include primarily middle and upper bracket single family homes.

## **MAJOR INITIATIVES**

### **New School Openings**

In the fall of 2011 the district successfully opened its ninth middle school, Aubry Bend Middle School (ABMS). Aubry Bend was built to alleviate overcrowding at two existing middle schools (Pleasant Ridge Middle and Blue Valley Middle) as both schools were near or over capacity. Aubry Bend has a capacity of 783 students and is located adjacent to Blue Valley Southwest High School, which opened in the fall of 2010.

## **Blue Valley Hilltop Campus**

During the 2011-2012 fiscal year, the district purchased a new home for the community's youngest children and future Blue Valley students. The new site will house the district's existing Early Childhood Special Education Program, Parents as Teachers and professional development space. The 51 acre site and building (formerly known as the First Family Church) was acquired with bond funds earmarked for an Early Childhood Center. Renovations are already underway to repurpose the facility to support the district strategic plan's goals of unprecedented academic success and unparalleled personal growth for every student. The space, which has an August 2014 anticipated opening date, will be designed with young children in mind.

## **Bond Election**

Blue Valley voters showed their commitment and dedication to *Education Beyond Expectations* in January 2012 by passing a bond election. Nearly 18,000 voters, or 62 percent, approved a \$271 million bond issue that will provide for technology replacements and upgrades, re-investment in the district's facilities and school safety improvements at 34 school campuses across the district. Re-investment in the district's aging facilities and safety enhancements are needed to create and maintain exceptional learning environments for student success. Technology replacements and upgrades will propel the district forward to meet the goals of the 2010-2015 strategic plan. The first phase of bond projects began in the summer of 2012.

## **FINANCIAL INFORMATION**

### **Budgetary Principles**

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

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

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

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

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

### **Reporting Policies**

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

## **Property Tax Collections**

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

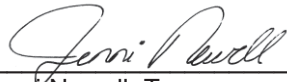
Ad valorem tax statements are mailed to Kansas taxpayers each November 1<sup>st</sup> and may be paid in half or in full by December 20<sup>th</sup>, with the remaining one-half due by the following May 20<sup>th</sup>. Motor vehicles are assessed on January 1<sup>st</sup> of the current year and the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

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

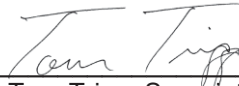
## **ACKNOWLEDGMENTS**

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

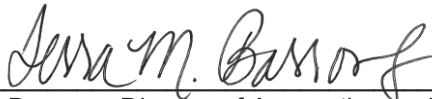
Sincerely,



Jenni Newell, Treasurer



Dr. Tom Trigg, Superintendent



Terra M. Barrows, Director of Accounting and Auditing

**BLUE VALLEY USD #229, KANSAS**  
**List of Principal Officials**  
**June 30, 2012**

**BOARD OF EDUCATION**

President .....	Sue Matson
Vice President .....	Tony Thill
Board Member .....	Cindy Bowling
Board Member .....	Steve Klika
Board Member .....	Tom Mitchell
Board Member .....	Pam Robinson
Board Member .....	Mike Seitz
Board Clerk .....	Madeline Prelogar
Treasurer .....	Jenni Newell, CPA

**ADMINISTRATIVE OFFICIALS**

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

## 2011-2012





## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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Board of Education  
Blue Valley Unified School District No. 229

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Blue Valley Unified School District No. 229 (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States and the "Kansas Municipal Audit Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparison for the General, Supplemental General, Special Education and Capital Outlay Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

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900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 and the schedule of funding progress on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mike Houser: Company PA

October 2, 2012

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

This section of the Blue Valley School District's annual financial report presents its discussion and analysis of the district's financial performance during the fiscal year ended June 30, 2012. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- Total net assets increased by \$25.6 million (\$26.4 million including the restatement noted on p. 13). Overall revenues were \$283.6 million.
- District voters approved a bond referendum totaling \$271,285,031. It is anticipated that this referendum will be sold in 5-7 installments over the next 7 years.
- The District's current assets increased by \$38.1 million which is primarily attributable to the April 2012 bond sale of \$47 million that was authorized under the 2012 referendum. This was the first sale from this referendum.
- The District's total outstanding non-current liabilities increased by \$24.2 million during fiscal year 2011-12. The issuance of \$47.0 million in new debt offset by the debt service payments made during the fiscal year were the key factors in this increase.
- In accordance with GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, the District had an actuarial evaluation completed to determine their obligation for other post-employment benefits. As a result of that evaluation, the District booked an additional liability for the net annual OPEB obligation of \$2.3 million. The total liability booked to date is \$9.2 million.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

The first of the government-wide statements is the *Statement of Net Assets*. The *Statement of Net Assets* presents balance information for the entire district operations at a given point in time (June 30, 2012). The assets include all cash and investments, receivables including interest and taxes assessed that remain uncollected, materials inventory, bond issuance costs and capital assets reduced by accumulated depreciation. Liabilities include accounts payable, accrued payroll earnings not yet paid, accrued interest payable, retainage payable, unearned revenue, compensated absences, net OPEB obligation and outstanding general obligation debt. This results in a statement that encompasses the entire operations of the Blue Valley School District.

Although the *Statement of Net Assets* reports total net assets of \$326.5 million, the district has restrictions over the use of these funds. The investment in facilities and equipment is necessary to carry out the mission of the district. Kansas state law segregates funds and places restrictions on spending. This should be considered when reviewing the report.

The second of the government-wide financial statements is the *Statement of Activities*. This statement shows the results of operations that caused the net assets to change from the prior year amount reported to the amount reported on the *Statement of Net Assets* as of June 30, 2012. This statement answers the question, "How did we do financially during fiscal year 2012." This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors. Most notably, the results are influenced by:

- The property tax base,

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

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

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

### **Fund Financial Statements**

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

- Bond issuance costs, bonds payable and related accrued interest,
- Cost of capital assets less accumulated depreciation,
- Compensated absences,
- Net other post-employment benefit obligations, and

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

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

### **Governmental Funds**

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

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

### **Fiduciary Funds**

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

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

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

The district's net assets were larger on June 30, 2012 than they were the year before, increasing by \$25.6 million to \$326.5 million. The following are the major components of the district's net assets. Due to rounding, the numbers provided below may vary slightly from the amounts presented in the basic financial statements.

**Condensed Statement of Net Assets**

<b>Statement Classifications</b>	<b>Balance As Of June 30, 2011</b>	<b>Prior Period Adjustment</b>	<b>Balance, Restated June 30, 2011</b>	<b>Balance As Of June 30, 2012</b>
Current assets	\$ 166,423,573	\$ -	\$ 166,423,573	\$204,549,729
Non-current assets	1,744,841	-	1,744,841	1,430,606
Capital assets	<u>524,553,967</u>	<u>713,822</u>	<u>525,267,789</u>	<u>530,471,044</u>
<b>Total assets</b>	<b><u>\$692,722,381</u></b>	<b><u>\$ 713,822</u></b>	<b><u>\$693,436,203</u></b>	<b><u>\$736,451,379</u></b>
Current Liabilities	\$ 61,558,982	\$ -	\$ 61,558,982	\$ 54,735,209
Non-current liabilities	<u>331,138,983</u>	<u>[119,631]</u>	<u>331,019,352</u>	<u>355,262,834</u>
<b>Total liabilities</b>	<b><u>\$392,697,965</u></b>	<b><u>\$ [119,631]</u></b>	<b><u>\$392,578,334</u></b>	<b><u>\$409,998,043</u></b>
Net assets				
Invested in capital assets, net of related debt	\$194,275,817	\$ 713,822	\$194,989,639	\$167,779,104
Restricted	37,513,762	-	37,513,762	40,085,152
Unrestricted	<u>68,234,837</u>	<u>119,631</u>	<u>68,354,468</u>	<u>118,589,080</u>
<b>Total net assets</b>	<b><u>\$300,024,416</u></b>	<b><u>\$ 833,453</u></b>	<b><u>\$300,857,869</u></b>	<b><u>\$326,453,336</u></b>

The increase in total net assets is due to several factors. It includes an increase in current assets of \$38.1 million, a decrease in non-current assets of \$0.3 million and an increase in capital assets of \$5.2 million. It also includes a decrease in current liabilities of \$6.8 million and an increase in non-current liabilities of \$24.2 million. Net assets include \$167.8 million invested in capital assets, \$40.1 million restricted for debt service and \$118.6 million unrestricted.

The total costs of all programs and services amounted to \$258.0 million. The following table shows the breakdown of total costs by functional area:

<b><u>Expense Function</u></b>	<b><u>Percentage of Total</u></b>
Instruction	59%
Student support services	4%
Instructional support staff	5%
General administration	1%
School administration	4%
Central Services	1%
Operations and maintenance	10%
Student transportation services	3%
Food service operations	4%
Other support services	4%
Interest on long-term debt	5%

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

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

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

	<b>Totals For The Year Ended <u>June 30, 2011</u></b>	<b>Totals For The Year Ended <u>June 30, 2012</u></b>
<b><u>Revenues</u></b>		
Program revenues		
Charges for services	\$13.6	\$13.0
Operating grants and contributions	35.6	42.1
General revenues		
Property taxes	145.7	154.9
Grants and entitlements*	67.1	65.9
Investment earnings	0.5	0.2
Miscellaneous	<u>10.9</u>	<u>7.5</u>
<b>Total revenues</b>	<b>273.4</b>	<b>283.6</b>
*not restricted to specific programs		
<b><u>Expenses</u></b>		
Instruction	146.3	151.4
Student support services	10.6	11.1
Instructional support staff	11.8	12.2
General administration	2.2	2.7
School administration	11.0	11.1
Central services	2.2	0.8
Operations and maintenance	29.2	26.7
Student transportation services	5.9	6.8
Food service operations	8.9	9.5
Other support services	10.2	11.3
Interest on long term debt	<u>15.4</u>	<u>14.4</u>
<b>Total Expenses</b>	<b><u>253.7</u></b>	<b><u>258.0</u></b>
<b>Increase [decrease] in net assets</b>	<b><u>\$19.7</u></b>	<b><u>\$25.6</u></b>

Total revenues exceeded total expenses during the fiscal year by \$25.6 million and the district's total revenues increased overall by \$10.2 million. The increase was attributable to a combination of two primary factors and many other smaller factors. First, operating grants and contributions increased by \$6.5 million and the majority of this increase directly relates to an increase in KPERS state aid during the 2011-12 school year. Second, the district saw an increase of \$9.2 million in property taxes. This increase can be attributed to increases in both the General Fund and Supplemental General Fund tax collections, as well as an increase in the Bond and Interest tax collections. Overall expenses increased by \$4.3 million. The primary reason for this increase relates to a prior year KPERS payment of approximately \$4.3 million that the District recorded in the current year as instructed by the State.



**Blue Valley Unified School District No. 229**  
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The table presented below presents the cost of ten major district activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the district's taxpayers by each of these functions.

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

<b><u>Expense Functions</u></b>	<b><u>Total Cost of Services</u></b>	<b><u>Net Cost of Services</u></b>
Instruction	\$151.4	\$112.2
Student support services	11.1	10.0
Instructional support staff	12.2	10.6
General administration	2.7	2.6
School administration	11.1	10.2
Central services	0.8	0.8
Operations and maintenance	26.7	24.8
Student transportation services	6.8	6.8
Food service operations	9.5	0.1
Other support services	11.3	10.5
Interest on long-term debt	<u>14.4</u>	<u>14.4</u>
<b>Total</b>	<b><u>\$258.0</u></b>	<b><u>\$203.0</u></b>

- Costs of \$13.0 million were financed by users of the district's programs.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$42.1 million.
- Most of the district's net cost of services of \$203.0 million was financed by district and state taxpayers.
- This portion of governmental activities was financed with \$154.9 million in property taxes, \$65.9 million of grants and entitlements not restricted to specific programs, \$0.2 million in investment earnings and \$7.5 million in miscellaneous sources.

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

As the district completed the year, its governmental funds reported combined fund balances of \$183.1 million; an increase from last year's ending fund balance of \$136.0 million. Revenues of \$283.6 million, combined with other financing sources of \$94.1 million, exceeded expenditures of \$330.6 million by \$47.1 million. The reason for this increase in fund balance is detailed in the section below.

The general, supplemental general, special education and debt service funds are the primary source of revenues for the district. These funds account for \$214.2 million or 75.5% of the total revenues. Capital Outlay represents approximately 7.6% of the total and the 2005 and 2012 Capital Projects funds represent less than 0.1% of the total with the remaining approximately 16.8% in other governmental funds.

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

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

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

<b>Fund</b>	<b>Beginning Fund Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Other Sources/ Transfers</b>	<b>Ending Fund Balance</b>
<b>Basic Education</b>					
General	\$ 0.8	\$ 109.5	\$ 103.0	\$ [6.6]	\$ 0.7
Supplemental general	3.0	25.5	23.9	[1.2]	3.4
Special education	13.4	35.8	37.3	1.2	13.1
Vocational education	-	4.0	4.0	-	-
At Risk (K-12)	-	3.2	3.2	-	-
Professional development	0.8	1.4	1.4	-	0.8
Bilingual	-	1.5	1.5	-	-
Virtual education	0.2	0.3	0.3	-	0.2
Gate receipts	0.3	0.8	0.8	-	0.3
Student projects	0.2	2.9	2.9	-	0.2
Instructional materials	7.9	2.0	1.1	0.9	9.7
Contingency reserve	8.7	-	-	4.3	13.0
Special reserve	2.2	0.1	0.8	1.4	2.9
Special healthcare reserve	12.6	2.6	-	-	15.2
Special liability	0.6	0.9	0.3	-	1.2
KPERS	-	14.7	14.7	-	-
Federal and state grants*	0.2	0.9	1.0	-	0.1
<b>Total Basic Education</b>	<b>50.9</b>	<b>206.1</b>	<b>196.2</b>	<b>-</b>	<b>60.8</b>
<b>Expanded Education</b>					
Driver training	0.2	0.1	0.1	-	0.2
Summer school	0.1	0.1	0.1	-	0.1
Parent education program	0.3	0.6	0.6	-	0.3
Extraordinary school program	1.3	2.0	2.1	-	1.2
<b>Total Expanded Education</b>	<b>1.9</b>	<b>2.8</b>	<b>2.9</b>	<b>-</b>	<b>1.8</b>
<b>Capital</b>					
Capital outlay	23.3	21.4	17.6	-	27.1
Debt service	37.5	43.4	40.8	-	40.1
Capital projects (2005)	18.9	0.1	50.5	42.8	11.3
Capital projects (2012)	-	-	12.7	51.3	38.6
Special assessment	0.8	0.5	0.7	-	0.6
<b>Total Capital</b>	<b>80.5</b>	<b>65.4</b>	<b>122.3</b>	<b>94.1</b>	<b>117.7</b>
<b>Food Service</b>	<b>2.7</b>	<b>9.3</b>	<b>9.2</b>	<b>-</b>	<b>2.8</b>
<b>Total</b>	<b>\$136.0</b>	<b>\$283.6</b>	<b>\$330.6</b>	<b>\$ 94.1</b>	<b>\$183.1</b>

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

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
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Overall, total revenue plus other sources (issuance of bonds) exceeded total expenditures leaving an ending fund balance of \$183.1 million. An analysis of the above table's categories follows:

- Basic Education revenues exceeded expenditures by \$9.9 million. The general and supplemental general funds are subject to an expenditure limit. The limit is based upon a weighted number of students multiplied by the base state aid per pupil provided in the law. The number of students includes those who are enrolled and attending school on September 20. During the 2011-12 school year, the base state aid per pupil was budgeted at \$3,780. Additional weighting is provided for students receiving bilingual, vocational, at-risk or transportation services. Other weightings also apply, but are not discussed here in the interest of brevity. The school district has no ability to increase the resources in the general and supplemental general funds to cover inflationary increases in costs without annual changes in the statutory base aid per pupil. The textbook, student projects, student materials and gate receipts funds can be increased with school board approval, but are only a small part of the basic education group of funds.

Any balances remaining in the general and supplemental general funds are used to support the subsequent year limit. Therefore, remaining balances in these funds should not be considered as additional resources available to the district in excess of the expenditure limits. The general and supplemental general funds ending fund balances represent \$4.1 million (6.7%) of the basic education balance of \$60.8 million.

Kansas statutes allows school districts to carry a balance in the Special Education fund, the Vocational Education fund, the Professional Development fund, the Bilingual fund, the Contingency Reserve fund, the Special Reserve fund, the Special Liability fund and all other Special Revenue funds. The Contingency Reserve fund balance cannot exceed 10% of the general fund budget. During the 2011-12 school year, the District transferred approximately \$4.3 million into the contingency reserve fund to bring the balance in this fund to the legal limit. The Special Reserve fund has historically been used to protect the district from insurable losses that are not otherwise insured. The district has been self funding their workmen's compensation coverage from this fund. The district began self-insuring their health insurance plan on January 1, 2011 and all revenues and expenditures related to this plan are tracked in the Special Healthcare Reserve fund. The Special Liability fund is used to pay the cost of providing for the school district's defense pursuant to the Kansas tort claims act.

- Expanded Education resources (revenues and incoming transfers) closely balanced with expenditures. This group of funds had an ending fund balance of \$1.8 million at June 30, 2012. Tuition for the summer school program and driver's education program is collected prior to June 30<sup>th</sup>, but most of the expenditures are paid in July and August. The district can adjust revenue in the drivers' education, extraordinary schools and summer school programs because these are fee based programs supported by the users of the programs.
- Capital funds expenditures trailed revenue and other sources by \$37.2 million, with ending fund balances totaling \$117.7 million. Construction funds accounted for \$49.9 million of the total ending fund balance. As of June 30, 2012 there were bond proceeds available for expenditure in both the 2005 and 2012 Capital Projects funds. There are still \$20.2 million in bonds that have yet to be issued that were authorized as a part of the \$279.88 million 2005 referendum. During fiscal year 2012, voters also approved a new referendum totaling \$271.29 million. The district sold the first installment of \$47 million from this referendum in April 2012.

The capital outlay fund has a balance of \$27.1 million. The fund balance includes budgeted amounts for projects that are only partially completed and paid at June 30. The mill rate on this fund is currently at 8 mills which is the statutory limit.

The debt service balance of \$40.1 million is available to pay the bond and interest payment in October, 2012. The current mill rate is sufficient to pay the remaining bonds and interest as they become due.

- Food service revenues exceeded expenditures by \$0.1 million leaving an ending fund balance of \$2.8 million. Although transfers from other tax supported funds are allowed under Kansas law, Blue Valley's food service program operates without this support. The school board has the authority to adjust meal prices as necessary.

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

*General Fund Budgetary Highlights*

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

<u>Revenue</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase/ [Decrease]</u>	<u>Actual Amounts</u>	<u>Over/[Under] Final Budget</u>
Taxes	\$ 41.7	\$ 41.7	\$ -	\$ 44.6	\$[2.9]
Intergovernmental	87.5	88.1	0.6	85.2	2.9
Total Revenue	129.2	129.8	0.6	129.8	-
<u>Expenditures</u>					
Instruction	56.5	57.1	0.6	55.3	\$[1.8]
Student Support	5.3	5.3	-	5.3	-
Instructional Support	6.9	6.9	-	6.4	[0.5]
General Admin	1.4	1.4	-	1.3	-
School Administration	7.7	7.7	-	7.7	-
Operations/Maint.	16.7	16.7	-	16.1	[0.6]
Other Support Serv.	9.5	9.5	-	8.8	[0.7]
Transportation	2.5	2.5	-	1.5	[1.0]
Capital Outlay	-	-	-	0.1	-
Transfers Out	22.7	22.7	-	27.3	4.6
Total Expenditures	\$129.2	\$129.8	\$ 0.6	\$129.8	\$ -

The final general fund budget increased \$0.6 million from the original budget. The final general fund budget is based on the total student FTE (with all applicable weightings) as of September 20<sup>th</sup>, multiplied by the base state aid per pupil (BSAPP). The BSAPP amount for 2011-2012 was \$3,980. Due to larger than expected enrollment numbers in the 2011-2012 school year, the district republished their general fund budget which resulted in the increased budget amount.

**Capital Asset and Debt Administration**

*Capital Assets*

By the end of 2012, the district had invested \$714.8 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and administrative offices. The accumulated depreciation on the capital assets amounted to \$184.3 million, resulting in capital assets, net of depreciation of \$530.5 million. This amount represents an increase of \$5.2 million from last year. CIP decreased by \$18.0 million as construction was completed on Aubry Bend Middle School. This facility was put into service in the fall of 2011 resulting in increases in Buildings and Improvements, Site Improvements and Infrastructure.

**Blue Valley Unified School District No. 229**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012

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

	<u>Assets As Of</u> <u>June 30, 2011</u>	<u>Prior Period</u> <u>Adjustment</u>	<u>Balance,</u> <u>Restated</u> <u>June 30, 2011</u>	<u>Assets As Of</u> <u>June 30, 2012</u>	<u>%</u> <u>Depreciated</u>
Land	\$24.7	-	\$24.7	\$29.4	n/a
Construction in progress	22.9	-	22.9	4.9	n/a
Buildings and improvements	410.0	-	410.0	427.8	23.3%
Site improvements	37.0	-	37.0	38.6	30.5%
Infrastructure	14.6	-	14.6	16.6	9.9%
Furniture	0.2	-	0.2	0.4	83.9%
Technology	8.3	-	8.3	6.0	67.4%
Vehicles	1.5	-	1.5	1.6	47.4%
Food Service	0.6	-	0.6	0.8	82.1%
Equipment	<u>4.8</u>	<u>0.7</u>	<u>5.5</u>	<u>4.4</u>	<u>78.5%</u>
<b>Total</b>	<b>\$524.6</b>	<b>\$0.7</b>	<b>\$525.3</b>	<b>\$530.5</b>	<b>25.8%</b>

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

*Long-Term Debt*

Moody's Investors Services and Standard & Poor's have rated the Blue Valley School District at Aaa and AA, respectively. Kansas law limits the amount of outstanding indebtedness. The current limit for the district is at approximately \$317 million, but the district was given permission to exceed the limit by the State of Kansas. As of June 30, 2012, the district has \$374.0 million of outstanding debt. The district continued to pay down its debt, retiring approximately \$27.0 million of outstanding bonds. The district issued \$38.85 million in general obligation refunding bonds in 2012 which also resulted in the defeasance of the 2002A bonds. The district also issued \$47.0 million in General Obligation bonds in April, 2012. This was the first sale from the 2012 voter approved referendum of \$271,285,031. The district has a high debt per capita because of its continued growth. Building expansion has been funded with debt, and district management does not feel that the amount of debt is a burden to taxpayers.

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

**Contacting the District's Financial Management**

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF NET ASSETS

June 30, 2012

	Primary Government	Component Unit
	Total	Total
	Governmental	Governmental
	Activities	Activities
ASSETS		
Current assets:		
Cash and investments	\$ 198,416,544	\$ 5,944,961
Receivables		
Interest	32,108	-
Other	5,836,293	-
Material and supplies inventory	264,784	-
Total current assets	<u>204,549,729</u>	<u>5,944,961</u>
Noncurrent assets:		
Bond issuance costs	1,430,606	385,328
Capital assets		
Nondepreciable capital assets	34,295,485	219,862
Depreciable capital assets	680,501,775	32,365,360
Less: Accumulated depreciation	<u>[184,326,216]</u>	<u>[7,978,815]</u>
Total noncurrent assets	<u>531,901,650</u>	<u>24,991,735</u>
Total assets	<u>\$ 736,451,379</u>	<u>\$ 30,936,696</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,955,777	\$ 281,272
Accrued compensation, payroll withholdings and taxes	17,007,967	293,231
Current portion compensated absences	350,158	-
Accrued interest payable	3,685,855	155,048
Retainage payable	309,907	-
Unearned revenue	2,140,267	441,911
Long-term liabilities		
Due within one year	<u>29,285,278</u>	<u>816,691</u>
Total current liabilities	<u>54,735,209</u>	<u>1,988,153</u>
Noncurrent liabilities:		
Compensated absences	1,426,464	-
Net other post employment benefit obligation	9,161,363	-
Long-term liabilities		
Due in more than one year	<u>344,675,007</u>	<u>14,026,983</u>
Total noncurrent liabilities	<u>355,262,834</u>	<u>14,026,983</u>
Total liabilities	<u>\$ 409,998,043</u>	<u>\$ 16,015,136</u>
NET ASSETS		
Invested in capital assets, net of related debt	\$ 167,779,104	\$ 9,762,733
Restricted for:		
Debt service	40,085,152	-
Unrestricted	<u>118,589,080</u>	<u>5,158,827</u>
Total net assets	<u>\$ 326,453,336</u>	<u>\$ 14,921,560</u>

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

## BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2012

	Expenses	Program Revenues		Net [Expenses] Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Primary Government	Component Unit
				Total Governmental Activities	Total Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 151,436,812	\$ 5,297,180	\$ 33,966,393	\$ [112,173,239]	\$ -
Student support services	11,066,793	-	1,072,532	[9,994,261]	-
Instructional support staff	12,197,173	-	1,635,646	[10,561,527]	-
General administration	2,758,962	-	131,988	[2,626,974]	-
School administration	11,105,859	-	846,007	[10,259,852]	-
Central services	807,584	-	-	[807,584]	-
Operations and maintenance	26,665,460	-	1,888,711	[24,776,749]	-
Student transportation services	6,752,897	-	-	[6,752,897]	-
Food service operations	9,546,090	7,666,353	1,823,416	[56,321]	-
Other support services	11,278,685	-	720,663	[10,558,022]	-
Interest on long-term debt	14,412,321	-	-	[14,412,321]	-
Total primary government	<u>\$ 258,028,636</u>	<u>\$ 12,963,533</u>	<u>\$ 42,085,356</u>	<u>[202,979,747]</u>	<u>-</u>
<b>Component unit:</b>					
Blue Valley Recreation Commission					
Culture and recreation	\$ 8,165,834	\$ 4,201,273	\$ -	-	[3,964,561]
Total component unit	<u>\$ 8,165,834</u>	<u>\$ 4,201,273</u>	<u>\$ -</u>	<u>-</u>	<u>[3,964,561]</u>
<b>General Revenues:</b>					
Property taxes levied for					
General purposes				92,791,818	5,403,254
Debt service				42,195,297	-
Capital outlay				19,899,032	-
Grants and entitlements not restricted to specific programs				65,866,301	-
Investments earnings				260,204	9,368
Miscellaneous				<u>7,562,562</u>	<u>253,826</u>
Subtotal general revenues				<u>228,575,214</u>	<u>5,666,448</u>
Change in net assets				<u>25,595,467</u>	<u>1,701,887</u>
Net assets - beginning				300,024,416	13,219,673
Prior period adjustment				<u>833,453</u>	<u>-</u>
Net assets - beginning, restated				<u>300,857,869</u>	<u>13,219,673</u>
Net assets - ending				<u>\$ 326,453,336</u>	<u>\$ 14,921,560</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

BALANCE SHEET -  
GOVERNMENTAL FUNDS  
June 30, 2012

	<u>General</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>Capital Outlay</u>
<b>ASSETS</b>				
Cash and investments	\$ 12,759,274	\$ 3,421,602	\$ 13,163,335	\$ 27,334,888
Receivables				
Interest	-	-	32,108	-
Other	5,405,140	-	4,962	388,574
Due from other funds	21,075	-	-	-
Material and supplies inventory	<u>137,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 18,322,503</u>	<u>\$ 3,421,602</u>	<u>\$ 13,200,405</u>	<u>\$ 27,723,462</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 468,658	\$ 360	\$ 53,148	\$ 445,849
Accrued liabilities	16,954,264	-	-	-
Due to other funds	-	-	-	-
Retainage payable	-	-	-	142,222
Deferred revenue	<u>218,678</u>	<u>-</u>	<u>33,377</u>	<u>-</u>
Total liabilities	<u>17,641,600</u>	<u>360</u>	<u>86,525</u>	<u>588,071</u>
Fund balance:				
Nonspendable	137,014	-	-	-
Restricted	-	-	12,989,203	22,663,923
Assigned	543,889	-	124,677	4,471,468
Unassigned	<u>-</u>	<u>3,421,242</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>680,903</u>	<u>3,421,242</u>	<u>13,113,880</u>	<u>27,135,391</u>
Total liabilities and fund balance	<u>\$ 18,322,503</u>	<u>\$ 3,421,602</u>	<u>\$ 13,200,405</u>	<u>\$ 27,723,462</u>

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



<u>Debt Service</u>	<u>2005 Capital Projects</u>	<u>2012 Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 40,138,855	\$ 11,374,674	\$ 39,205,835	\$ 51,018,081	\$ 198,416,544
-	-	-	-	32,108
-	-	-	37,617	5,836,293
-	-	-	-	21,075
-	-	-	127,770	264,784
<u>\$ 40,138,855</u>	<u>\$ 11,374,674</u>	<u>\$ 39,205,835</u>	<u>\$ 51,183,468</u>	<u>\$ 204,570,804</u>
\$ -	\$ 46,932	\$ 500,305	\$ 440,525	\$ 1,955,777
53,703	-	-	-	17,007,967
-	-	-	21,075	21,075
-	59,397	108,288	-	309,907
-	-	-	1,888,212	2,140,267
<u>53,703</u>	<u>106,329</u>	<u>608,593</u>	<u>2,349,812</u>	<u>21,434,993</u>
-	-	-	127,770	264,784
40,085,152	7,533,469	34,360,359	32,912,516	150,544,622
-	3,734,876	4,236,883	15,793,370	28,905,163
-	-	-	-	3,421,242
<u>40,085,152</u>	<u>11,268,345</u>	<u>38,597,242</u>	<u>48,833,656</u>	<u>183,135,811</u>
<u>\$ 40,138,855</u>	<u>\$ 11,374,674</u>	<u>\$ 39,205,835</u>	<u>\$ 51,183,468</u>	<u>\$ 204,570,804</u>

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

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

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

June 30, 2012

Total Governmental Fund Balances	\$ 183,135,811
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Amounts reported for governmental activities in the  
statement of net assets are different because

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

Bond issuance costs	1,430,606
---------------------	-----------

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

The cost of capital assets is	714,797,260	
Accumulated depreciation is	<u>184,326,216</u>	530,471,044

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

Bonds payable	373,960,285	
Accrued compensation	1,776,622	
Net other post employment benefit obligation	9,161,363	
Accrued interest on the bonds	<u>3,685,855</u>	<u>[388,584,125]</u>

Net Assets of Governmental Activities	<u>\$ 326,453,336</u>
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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2012

	<u>General</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>Capital Outlay</u>
REVENUES:				
Taxes	\$ 43,207,273	\$ 25,541,627	\$ 12,303,205	\$ 19,899,032
Intergovernmental	66,259,421	-	22,931,160	-
Charges for services	37,700	-	-	-
Investment revenue	-	-	53,986	18,439
Use of money and property	-	-	231,327	-
Other local sources	-	-	291,967	1,549,542
Total revenues	<u>109,504,394</u>	<u>25,541,627</u>	<u>35,811,645</u>	<u>21,467,013</u>
EXPENDITURES:				
Current				
Instruction	55,736,634	18,951,185	27,544,996	2,995,869
Student support services	5,361,818	226,287	4,242,656	-
Instructional support staff	6,342,371	2,106,958	488,510	11,840
General administration	1,294,358	243,469	678,273	1,519
School administration	7,674,133	2,149,714	-	-
Central services	-	-	-	801,840
Operations and maintenance	16,084,431	261,594	5,854	3,026,083
Student transportation services	1,538,323	-	4,415,665	705,952
Food service operations	-	-	-	-
Other support services	8,938,565	-	-	75,896
Capital outlay	72,012	-	-	9,995,961
Debt service				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>103,042,645</u>	<u>23,939,207</u>	<u>37,375,954</u>	<u>17,614,960</u>
Excess [deficiency] of revenues over [under] expenditures	<u>6,461,749</u>	<u>1,602,420</u>	<u>[1,564,309]</u>	<u>3,852,053</u>
OTHER FINANCING SOURCES [USES]				
Sale of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	1,228,374	-
Transfers [out]	<u>[6,573,614]</u>	<u>[1,228,373]</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[6,573,614]</u>	<u>[1,228,373]</u>	<u>1,228,374</u>	<u>-</u>
Net change in fund balances	[111,865]	374,047	[335,935]	3,852,053
Fund balance - Beginning of year	<u>792,768</u>	<u>3,047,195</u>	<u>13,449,815</u>	<u>23,283,338</u>
Fund balance - End of year	<u>\$ 680,903</u>	<u>\$ 3,421,242</u>	<u>\$ 13,113,880</u>	<u>\$ 27,135,391</u>

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

<u>Debt Service</u>	<u>2005 Capital Projects</u>	<u>2012 Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 42,195,297	\$ -	\$ -	\$ 11,739,713	\$ 154,886,147
1,129,471	-	-	17,631,605	107,951,657
-	-	-	12,925,833	12,963,533
77,719	93,464	-	16,596	260,204
-	-	1,099	-	232,426
-	-	-	5,488,627	7,330,136
<u>43,402,487</u>	<u>93,464</u>	<u>1,099</u>	<u>47,802,374</u>	<u>283,624,103</u>
-	-	-	26,438,194	131,666,878
-	-	-	1,131,538	10,962,299
-	-	-	3,049,661	11,999,340
-	-	-	132,705	2,350,324
-	-	-	1,195,468	11,019,315
-	-	-	-	801,840
-	-	-	1,277,397	20,655,359
-	-	-	44,924	6,704,864
-	-	-	9,478,190	9,478,190
-	-	-	1,151,200	10,165,661
-	7,740,197	12,728,761	674,787	31,211,718
26,290,000	42,665,000	-	-	68,955,000
<u>14,541,097</u>	<u>94,276</u>	<u>-</u>	<u>-</u>	<u>14,635,373</u>
<u>40,831,097</u>	<u>50,499,473</u>	<u>12,728,761</u>	<u>44,574,064</u>	<u>330,606,161</u>
<u>2,571,390</u>	<u>[50,406,009]</u>	<u>[12,727,662]</u>	<u>3,228,310</u>	<u>[46,982,058]</u>
-	38,850,000	47,000,000	-	85,850,000
-	3,909,274	4,324,904	-	8,234,178
-	-	-	6,573,613	7,801,987
-	-	-	-	[7,801,987]
<u>-</u>	<u>42,759,274</u>	<u>51,324,904</u>	<u>6,573,613</u>	<u>94,084,178</u>
2,571,390	[7,646,735]	38,597,242	9,801,923	47,102,120
<u>37,513,762</u>	<u>18,915,080</u>	<u>-</u>	<u>39,031,733</u>	<u>136,033,691</u>
<u>\$ 40,085,152</u>	<u>\$ 11,268,345</u>	<u>\$ 38,597,242</u>	<u>\$ 48,833,656</u>	<u>\$ 183,135,811</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT - WIDE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2012

Total Net Change In Fund Balances - Governmental Funds		\$ 47,102,120
Amounts reported for governmental activities in the statement of activities are different because		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capitalizable capital outlays exceeds depreciation in the period.		
Loss on sale of assets	[1,299,339]	
Capital outlays	27,293,029	
Depreciation expense	<u>[20,790,435]</u>	5,203,255
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.		175,164
In the statement of activities, certain operating expenses - compensated absences and other post employment benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This year, other post employment benefits paid were less than the amounts earned by \$1,732,304. Compensated absences used were less than the amounts earned by \$71,477.		[1,803,781]
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.		47,887
Bond proceeds are an other financing source in the governmental funds, but are recorded as increases in long term liabilities in the statement of net assets and does not affect the statement of activities.		[94,084,178]
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		<u>68,955,000</u>
Changes In Net Assets of Governmental Activities		<u>\$ 25,595,467</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
GENERAL FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 798,886	\$ -	\$ 798,886	\$ 798,543	\$ 798,543	\$ 343
Current	40,727,670	1,412,395	42,140,065	40,452,707	40,452,707	1,687,358
Delinquent	1,680,717	-	1,680,717	441,797	441,797	1,238,920
Total taxes	43,207,273	1,412,395	44,619,668	41,693,047	41,693,047	2,926,621
Intergovernmental:						
State and local	66,202,127	[393,120]	65,809,007	68,483,101	69,043,675	[3,234,668]
Special education aid	-	19,273,594	19,273,594	19,060,540	19,060,540	213,054
ARRA stabilization funds	57,294	-	57,294	-	-	57,294
Total intergovernmental	66,259,421	18,880,474	85,139,895	87,543,641	88,104,215	[2,964,320]
Fees and charges	37,700	-	37,700	-	-	37,700
Total revenues	109,504,394	20,292,869	129,797,263	129,236,688	129,797,262	1
EXPENDITURES:						
Instruction	55,736,634	[408,797]	55,327,837	56,550,784	57,111,358	1,783,521
Student support services	5,361,818	[2,587]	5,359,231	5,346,839	5,346,839	[12,392]
Instructional support staff	6,342,371	68,479	6,410,850	6,860,835	6,860,835	449,985
General administration	1,294,358	2,772	1,297,130	1,375,748	1,375,748	78,618
School administration	7,674,133	599	7,674,732	7,721,944	7,721,944	47,212
Operations and maintenance	16,084,431	9,458	16,093,889	16,741,487	16,741,487	647,598
Other support services	8,938,565	[174,910]	8,763,655	9,497,065	9,497,065	733,410
Transportation	1,538,323	-	1,538,323	2,528,694	2,528,694	990,371
Capital outlay	72,012	-	72,012	-	-	[72,012]
Total expenditures	103,042,645	[504,986]	102,537,659	106,623,396	107,183,970	4,646,311
Excess [deficiency] of revenues over [under] expenditures	6,461,749	20,797,855	27,259,604	22,613,292	22,613,292	4,646,312
OTHER FINANCING SOURCES [USES]:						
Transfers out	[6,573,614]	[20,685,989]	[27,259,603]	[22,613,292]	[22,613,292]	[4,646,311]
Total other financing sources [uses]	[6,573,614]	[20,685,989]	[27,259,603]	[22,613,292]	[22,613,292]	[4,646,311]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[111,865]	111,866	1	\$ -	\$ -	\$ 1
FUND BALANCE - Beginning of year	792,768	[792,768]	-			
FUND BALANCE - End of year	\$ 680,903	\$ [680,902]	\$ 1			

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SUPPLEMENTAL GENERAL FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 768,532	\$ -	\$ 768,532	\$ 765,055	\$ 765,055	\$ 3,477
Current	19,973,897	21,065,725	41,039,622	40,866,953	40,866,953	172,669
Delinquent	1,417,686	-	1,417,686	427,553	427,553	990,133
Motor vehicle	3,356,955	-	3,356,955	3,701,167	3,701,167	[344,212]
Rental excise	24,557	-	24,557	-	-	24,557
Total revenues	<u>25,541,627</u>	<u>21,065,725</u>	<u>46,607,352</u>	<u>45,760,728</u>	<u>45,760,728</u>	<u>846,624</u>
EXPENDITURES:						
Instruction	18,951,185	-	18,951,185	19,141,573	19,141,573	190,388
Student support services	226,287	-	226,287	1,609,923	1,609,923	1,383,636
Instructional support staff	2,106,958	-	2,106,958	793,495	793,495	[1,313,463]
General administration	243,469	-	243,469	-	-	[243,469]
School administration	2,149,714	-	2,149,714	2,328,272	2,328,272	178,558
Operations and maintenance	261,594	-	261,594	88,302	88,302	[173,292]
Total expenditures	<u>23,939,207</u>	<u>-</u>	<u>23,939,207</u>	<u>23,961,565</u>	<u>23,961,565</u>	<u>22,358</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,602,420</u>	<u>21,065,725</u>	<u>22,668,145</u>	<u>21,799,163</u>	<u>21,799,163</u>	<u>868,982</u>
OTHER FINANCING SOURCES [USES]:						
Transfers out	<u>[1,228,373]</u>	<u>[21,065,725]</u>	<u>[22,294,098]</u>	<u>[22,271,740]</u>	<u>[22,271,740]</u>	<u>[22,358]</u>
Total other financing sources [uses]	<u>[1,228,373]</u>	<u>[21,065,725]</u>	<u>[22,294,098]</u>	<u>[22,271,740]</u>	<u>[22,271,740]</u>	<u>[22,358]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	374,047	-	374,047	\$ <u>[472,577]</u>	\$ <u>[472,577]</u>	\$ <u>846,624</u>
FUND BALANCE - Beginning of year	<u>3,047,195</u>	<u>-</u>	<u>3,047,195</u>			
FUND BALANCE - End of year	<u>\$ 3,421,242</u>	<u>\$ -</u>	<u>\$ 3,421,242</u>			

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



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL EDUCATION FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes						
Current	\$ 12,303,205	\$ [12,303,205]	\$ -	\$ -	\$ -	\$ -
Total taxes	12,303,205	[12,303,205]	-	-	-	-
Intergovernmental:						
Federal	3,281,227	-	3,281,227	3,135,610	3,135,610	145,617
State and local	19,649,933	[19,273,594]	376,339	630,454	630,454	[254,115]
Total intergovernmental	22,931,160	[19,273,594]	3,657,566	3,766,064	3,766,064	[108,498]
Use of money and property	231,327	-	231,327	-	-	231,327
Investment revenue	53,986	-	53,986	100,000	100,000	[46,014]
Other local sources	291,967	-	291,967	1,035,000	1,035,000	[743,033]
Total revenues	35,811,645	[31,576,799]	4,234,846	4,901,064	4,901,064	[666,218]
EXPENDITURES:						
Instruction	27,544,996	26,983	27,571,979	28,838,268	28,838,268	1,266,289
Student support services	4,242,656	-	4,242,656	4,351,864	4,351,864	109,208
Instructional support staff	488,510	[2,446]	486,064	561,080	561,080	75,016
General administration	678,273	-	678,273	770,828	770,828	92,555
Operations and maintenance	5,854	-	5,854	6,200	6,200	346
Transportation	4,415,665	[24,876]	4,390,789	4,387,801	4,387,801	[2,988]
Total expenditures	37,375,954	[339]	37,375,615	38,916,041	38,916,041	1,540,426
Excess [deficiency] of revenues over [under] expenditures	[1,564,309]	[31,576,460]	[33,140,769]	[34,014,977]	[34,014,977]	874,208
OTHER FINANCING SOURCES [USES]:						
Transfers in	1,228,374	31,576,799	32,805,173	33,504,102	33,504,102	[698,929]
Total other financing sources [uses]	1,228,374	31,576,799	32,805,173	33,504,102	33,504,102	[698,929]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[335,935]	339	[335,596]	\$ [510,875]	\$ [510,875]	\$ 175,279
FUND BALANCE - Beginning of year	13,449,815	[125,016]	13,324,799			
FUND BALANCE - End of year	\$ 13,113,880	\$ [124,677]	\$ 12,989,203			

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
CAPITAL OUTLAY FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 329,445	\$ -	\$ 329,445	\$ 320,629	\$ 320,629	\$ 8,816
Current	17,295,345	-	17,295,345	16,780,517	16,780,517	514,828
Delinquent	656,067	-	656,067	183,273	183,273	472,794
Motor vehicle	1,605,927	-	1,605,927	1,761,210	1,761,210	[155,283]
Rental excise	12,248	-	12,248	-	-	12,248
Total taxes	19,899,032	-	19,899,032	19,045,629	19,045,629	853,403
Investment revenue	18,439	-	18,439	30,000	30,000	[11,561]
Other local sources	1,549,542	-	1,549,542	100,000	100,000	1,449,542
Total revenues	21,467,013	-	21,467,013	19,175,629	19,175,629	2,291,384
EXPENDITURES:						
Instruction	2,995,869	152,663	3,148,532	9,091,263	9,091,263	5,942,731
Instructional support staff	11,840	-	11,840	-	-	[11,840]
General administration	1,519	-	1,519	-	-	[1,519]
Central services	801,840	-	801,840	478,802	478,802	[323,038]
Operations and maintenance	3,026,083	102,489	3,128,572	2,781,812	2,781,812	[346,760]
Transportation	705,952	-	705,952	286,500	286,500	[419,452]
Other support services	75,896	291,674	367,570	201,506	201,506	[166,064]
Capital outlay	9,995,961	1,193,823	11,189,784	26,966,572	26,966,572	15,776,788
Total expenditures	17,614,960	1,740,649	19,355,609	39,806,455	39,806,455	20,450,846
Excess [deficiency] of revenues over [under] expenditures	3,852,053	[1,740,649]	2,111,404	\$ [20,630,826]	\$ [20,630,826]	\$ 22,742,230
FUND BALANCE - Beginning of year	23,283,338	[2,588,597]	20,694,741			
FUND BALANCE - End of year	\$ 27,135,391	\$ [4,329,246]	\$ 22,806,145			

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF FIDUCIARY NET ASSETS  
June 30, 2012

	Pension Trust <u>Fund</u>	Agency <u>Funds</u>
ASSETS:		
Cash and investments	\$ 329,494	\$ 2,611,041
Total assets	<u>\$ 329,494</u>	<u>\$ 2,611,041</u>
LIABILITIES:		
Liabilities:		
Other liabilities	\$ -	\$ 1,546,372
Due to student organizations	<u>-</u>	<u>1,064,669</u>
Total liabilities	<u>\$ -</u>	<u>\$ 2,611,041</u>
NET ASSETS:		
Held in trust for pension benefits	<u>\$ 329,494</u>	<u>\$ -</u>
Total net assets	<u>\$ 329,494</u>	<u>\$ -</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2012

	Pension Trust <u>Fund</u>
Additions:	
Investment Earnings:	
Interest and dividends on investments	\$ 3,980
Total investment earnings	<u>3,980</u>
Total additions	<u>3,980</u>
Deductions:	
Net decrease in the fair value of investments	181
Losses on sales of investments	280
Plan management fees	<u>2,446</u>
Total deductions	<u>2,907</u>
Changes in net assets	1,073
Net assets - beginning	<u>328,421</u>
Net assets - ending	<u>\$ 329,494</u>

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**A. Reporting Entity**

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

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

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

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

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

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

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

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

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

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

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

The 2005 Capital Projects Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues.

The 2012 Capital Projects Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose. The Special Reserve and the Special Healthcare Reserve Funds reported separately in these financial statements are combined for State of Kansas reporting purposes.

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**D. Material and Supplies Inventory**

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

**E. Capital Assets**

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

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

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

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

**F. Compensated Absences Liabilities**

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**G. Use of Estimates**

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

**H. Deferred Revenue**

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

**I. Fund Balance Reserves**

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Assigned fund balances include amounts that are constrained by the District management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**I. Fund Balance Reserves (Continued)**

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds								
	General Fund	Supplemental General Fund	Special Education Fund	Capital Outlay Fund	Bond and Interest Fund	2005 Capital Projects Fund	2012 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:									
Nonspendable									
Inventory	\$ 137,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,770	\$ 264,784
Restricted for:									
Special education instruction	-	-	12,989,203	-	-	-	-	-	12,989,203
Debt retirement	-	-	-	-	40,085,152	-	-	-	40,085,152
School construction and equipment	-	-	-	22,663,923	-	7,533,469	34,360,359	617,136	65,174,887
Instruction	-	-	-	-	-	-	-	9,639,334	9,639,334
Instructional support staff	-	-	-	-	-	-	-	780,000	780,000
Healthcare and general liabilities	-	-	-	-	-	-	-	19,290,447	19,290,447
Food service operations	-	-	-	-	-	-	-	2,585,599	2,585,599
Assigned for:									
Special education instruction	-	-	124,677	-	-	-	-	-	124,677
School construction and equipment	-	-	-	4,471,468	-	3,734,876	4,236,883	-	12,443,227
Instruction	543,889	-	-	-	-	-	-	15,697,091	16,240,980
Food service operations	-	-	-	-	-	-	-	96,279	96,279
Unassigned:	-	3,421,242	-	-	-	-	-	-	3,421,242
Total Fund Balances	\$ 680,903	\$ 3,421,242	\$ 13,113,880	\$ 27,135,391	\$ 40,085,152	\$ 11,268,345	\$ 38,597,242	\$ 48,833,656	\$ 183,135,811

**J. Net Assets**

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

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

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

**A. Budgetary Information**

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

1. Preparation of the budget for the succeeding year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**A. Budgetary Information (Continued)**

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 June 30, 2012 school year 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. Encumbered appropriations (encumbrances) are reported as expenditures in the current year's budgetary presentation and as reservations of fund balances in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America. Accordingly, the actual expenditure data presented in the budgetary comparison statements differ from the data presented in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

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

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**A. Budgetary Information (Continued)**

	Major Governmental Funds					Other	Total
	General	Debt	Supplemental	Special	Capital	Nonmajor	Budgeted
	Fund	Service	General	Education	Outlay	Governmental	Governmental
	Fund	Fund	Fund	Fund	Fund	Funds	Funds
GAAP FUND BALANCE							
June 30, 2012	\$ 680,903	\$ 40,085,152	\$ 3,421,242	\$ 13,113,880	\$ 27,135,391	\$ 48,833,656	\$ 133,270,224
Adjustments:							
Unreserved fund balances not							
subject to the Kansas Budget Law:							
Contingency Reserve	-	-	-	-	-	[12,979,726]	[12,979,726]
Instructional Materials	-	-	-	-	-	[9,676,574]	[9,676,574]
Gate Receipts	-	-	-	-	-	[341,950]	[341,950]
Student Projects	-	-	-	-	-	[165,568]	[165,568]
Special Reserve	-	-	-	-	-	[2,889,170]	[2,889,170]
Special Healthcare Reserve	-	-	-	-	-	[15,166,525]	[15,166,525]
Gifts Fund	-	-	-	-	-	666,574	666,574
Retainage payable	-	-	-	-	142,222	-	142,222
Current year encumbrances	[543,888]	-	-	[124,677]	[4,471,468]	[263,957]	[5,403,990]
Reserve for material and supplies inventory	[137,014]	-	-	-	-	[127,770]	[264,784]
Total deductions	[680,902]	-	-	[124,677]	[4,329,246]	[40,944,666]	[46,079,491]
BUDGETARY FUND BALANCE							
June 30, 2012	\$ 1	\$ 40,085,152	\$ 3,421,242	\$ 12,989,203	\$ 22,806,145	\$ 7,888,990	\$ 87,190,733

**B. Property Taxes**

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

Fund	Levy (\$ per thousand)
General	\$ 20.000
Special revenue:	
Supplemental General	18.792
Capital Outlay	7.914
Special Assessment	0.223
Cost of Living	2.384
Extraordinary Growth Facilities	6.179
Special Liability	0.425
Bond and Interest	16.911
Total tax levy	\$ 72.828

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

**Note 3. RESTATEMENT OF EQUITY**

After the close of the prior year, it was realized that various items were not properly capitalized in the prior year financial statements. In addition, the other post employment benefit obligation actuary study, completed in the current school year, identified a restatement of the beginning liability. The net assets were properly restated as follows:

	Total Governmental Funds
Net Assets - Beginning	\$ 300,024,416
Prior Period Adjustments:	
Capital Assets	713,822
Other Post Employment Benefit Obligation	<u>119,631</u>
Net Assets - Beginning, Restated	<u>\$ 300,857,869</u>

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

**A. Investments**

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

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

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, repurchase agreements collateralized by direct obligations of the United States government or any agency thereof,

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**A. Investments (Continued)**

investment agreements with a financial institution, which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poors Corporation, investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, federal home loan banks or Federal Home Loan Mortgage Corporation, receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States government or any agency thereof of obligations of the Federal National Mortgage Association, federal home loan banks or the Federal Home Loan Mortgage Corporation, and municipal bonds or other obligations issued by a municipality of the State of Kansas. K.S.A. 10-131 prohibits investment in derivatives.

At June 30, 2012, the District has the following investments, at fair value:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasuries	\$ 90,451,648	NA
Certificates of Deposit	79,000,000	NA
CDARS	23,500,000	NA
Kansas Municipal Investment Pool	<u>6,279,331</u>	S&P AAAf/S1+
Total fair value	<u>\$ 199,230,979</u>	

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

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

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

1. Securities pledged to secure the deposits of the District must be deposited with a bank, trust company, or national bank authorized to do business in Kansas, the Federal Reserve Bank of Kansas City, the Federal Home Loan Bank of Topeka or the State Treasurer. Such securities must be deposited under a joint custody receipt and must equal at least 105% of the market value of the secured deposits.
2. No securities pledged may be left for safekeeping in any bank, trust company or national bank which is owned directly or indirectly by any parent corporation of the depository bank, or with any bank, trust company or national bank having common controlling shareholders, having a common majority of the board of directors or having common directors with the ability to control or influence

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**A. Investments (Continued)**

directly or indirectly the acts or policies of the bank, state or federally chartered savings and loan association, or federally chartered savings bank securing public deposits.

3. Certificates of deposit shall be collateralized as required by Kansas statutes for any amount exceeding FDIC coverage.
4. Collateral underlying repurchase agreements is limited to United States government and agency obligations which are eligible for wire transfer to the District's safekeeping agent through the Federal Reserve System.
5. Collateral is valued at current market plus interest accrued through the date of valuation. Repurchase agreement collateral must be maintained at the following level, with respect to repurchase agreement par value plus accrued interest: United States treasury securities, with maturities of one year or less at 101% and United States treasury securities with maturities of one to five years at 102%.

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

	Fair Value	Rating
U.S. Government Securities	\$ 1,500,030	NA
CDARS	3,835,000	NA
KMIP	<u>8,007</u>	S&P AA+/S1+
Total Investments	<u>\$ 5,343,037</u>	

**B. Receivables**

Receivables as of June 30, 2012 are as follows:

	<u>General</u>	<u>Special Education</u>	<u>Capital Outlay</u>	<u>Other Governmental</u>	<u>Total</u>
District governmental activities:					
Receivables:					
Accounts	\$ 5,405,140	\$ 4,962	\$ 388,574	\$ 37,617	\$ 5,836,293
Interest	<u>-</u>	<u>32,108</u>	<u>-</u>	<u>-</u>	<u>32,108</u>
Total	<u>\$ 5,405,140</u>	<u>\$ 37,070</u>	<u>\$ 388,574</u>	<u>\$ 37,617</u>	<u>\$ 5,868,401</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Prior Period Adjustment	Balance, Restated July 1, 2011	Additions	Retirements	Balance June 30, 2012
District governmental activities:						
Nondepreciable assets:						
Land	\$ 24,698,292	\$ 1	\$ 24,698,293	\$ 4,673,280	\$ -	\$ 29,371,573
Construction in progress	22,918,101	1	22,918,102	4,854,191	[22,848,381]	4,923,912
Depreciable assets:						
Buildings and improvements	527,217,396	1	527,217,397	30,340,028	-	557,557,425
Site improvements	51,255,481	[1]	51,255,480	4,253,672	-	55,509,152
Infrastructure	15,751,745	-	15,751,745	2,639,717	-	18,391,462
Furniture	2,202,331	-	2,202,331	216,875	[1,025]	2,418,181
Technology	21,124,517	[16,560]	21,107,957	1,359,719	[3,969,372]	18,498,304
Vehicles	2,923,218	28,885	2,952,103	320,625	[228,259]	3,044,469
Food service equipment	4,255,499	6,458	4,261,957	440,245	[42,588]	4,659,614
Equipment	<u>19,027,273</u>	<u>548,040</u>	<u>19,575,313</u>	<u>1,043,058</u>	<u>[195,203]</u>	<u>20,423,168</u>
Totals at historical cost	<u>691,373,853</u>	<u>566,825</u>	<u>691,940,678</u>	<u>50,141,410</u>	<u>[27,284,828]</u>	<u>714,797,260</u>
Less accumulated depreciation for:						
Buildings and improvements	117,252,539	-	117,252,539	12,533,332	-	129,785,871
Site improvements	14,286,175	-	14,286,175	2,633,544	-	16,919,719
Infrastructure	1,120,390	-	1,120,390	702,703	-	1,823,093
Furniture	1,951,126	-	1,951,126	77,570	[256]	2,028,440
Technology	12,854,294	[14,597]	12,839,697	2,371,285	[2,746,221]	12,464,761
Vehicles	1,428,016	[5,382]	1,422,634	180,563	[160,037]	1,443,160
Food service equipment	3,660,576	-	3,660,576	207,407	[42,589]	3,825,394
Equipment	<u>14,266,770</u>	<u>[127,018]</u>	<u>14,139,752</u>	<u>2,084,031</u>	<u>[188,005]</u>	<u>16,035,778</u>
Total accumulated depreciation	<u>166,819,886</u>	<u>[146,997]</u>	<u>166,672,889</u>	<u>20,790,435</u>	<u>[3,137,108]</u>	<u>184,326,216</u>
Governmental activities capital assets, net	<u>\$ 524,553,967</u>	<u>\$ 713,822</u>	<u>\$ 525,267,789</u>	<u>\$ 29,350,975</u>	<u>\$ [24,147,720]</u>	<u>\$ 530,471,044</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**C. Capital Assets (Continued)**

Component unit governmental activities:

Nondepreciable assets:

Construction in progress	\$ 40,000	\$ -	\$ 40,000	\$ 219,862	\$ [40,000]	\$ 219,862
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Depreciable assets:

Buildings and improvements	30,195,574	-	30,195,574	123,781	-	30,319,355
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Equipment	<u>1,904,404</u>	<u>-</u>	<u>1,904,404</u>	<u>216,451</u>	<u>[74,850]</u>	<u>2,046,005</u>
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Totals at historical cost	<u>32,139,978</u>	<u>-</u>	<u>32,139,978</u>	<u>560,094</u>	<u>[114,850]</u>	<u>32,585,222</u>
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Less accumulated depreciation for:

Buildings and improvements	5,725,044	-	5,725,044	605,149	-	6,330,193
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Equipment	<u>1,598,753</u>	<u>-</u>	<u>1,598,753</u>	<u>121,099</u>	<u>[71,230]</u>	<u>1,648,622</u>
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Total accumulated depreciation	<u>7,323,797</u>	<u>-</u>	<u>7,323,797</u>	<u>726,248</u>	<u>[71,230]</u>	<u>7,978,815</u>
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Governmental activities capital assets, net	<u>\$ 24,816,181</u>	<u>\$ -</u>	<u>\$ 24,816,181</u>	<u>\$ [166,154]</u>	<u>\$ [43,620]</u>	<u>\$ 24,606,407</u>
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The District's depreciation expense was charged to governmental functions as follows:

Instruction	\$ 18,621,813
Instructional support	111,076
Student support	25,777
General administration	389,014
School administration	7,549
Operations and maintenance	602,405
Other support services	<u>1,032,801</u>

Total depreciation	<u>\$ 20,790,435</u>
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The Recreation Commission component unit's depreciation expense was charged to governmental functions as follows:

Culture and recreation	<u>\$ 726,248</u>
Total depreciation	<u>\$ 726,248</u>



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**D. Long - Term Liabilities**

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

	Restated Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2012</u>	Amounts Due Within <u>One Year</u>
District Governmental Activities					
General Obligation Bonds	\$ 349,193,230	\$ 94,084,178	\$ [69,317,123]	\$ 373,960,285	\$ 29,285,278
Net Other Post Employment Benefit Obligation	7,429,059	1,732,304	-	9,161,363	-
Compensated Absences	<u>1,705,145</u>	<u>418,022</u>	<u>[346,545]</u>	<u>1,776,622</u>	<u>350,158</u>
Total governmental activities					
Long-term liabilities	<u>\$ 358,327,434</u>	<u>\$ 96,234,504</u>	<u>\$ [69,663,668]</u>	<u>\$ 384,898,270</u>	<u>\$ 29,635,436</u>
Component Unit Governmental Activities					
Certificates of Participation	<u>\$ 15,610,246</u>	<u>\$ -</u>	<u>\$ [766,572]</u>	<u>\$ 14,843,674</u>	<u>\$ 816,691</u>
Total governmental activities					
Long-term liabilities	<u>\$ 15,610,246</u>	<u>\$ -</u>	<u>\$ [766,572]</u>	<u>\$ 14,843,674</u>	<u>\$ 816,691</u>

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

General Obligation <u>Bonds</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2012</u>
2004A	05/15/04	10/01/16	3.0% to 5.0%	\$ 26,136,058	\$ 920,000
2005A	05/12/05	10/01/25	3.0% to 5.25%	58,922,916	40,604,896
2005B	05/12/05	10/01/19	3.0% to 5.0%	48,971,286	37,208,352
2007A	10/09/07	10/01/27	4.0% to 5.0%	101,301,845	81,887,476
2009A	06/01/09	10/01/29	1.25% to 5.75%	73,011,532	63,659,802
2010A	09/15/10	10/01/21	2.0% to 4/0%	23,109,417	23,109,417
2011A	03/15/11	10/01/30	2.0% to 4.125%	33,038,066	32,486,164
2011B	09/26/11	10/01/18	2.0% to 4.00%	42,759,274	42,759,274
2012A	04/19/12	10/01/31	2.0% to 5.00%	<u>51,324,904</u>	<u>51,324,904</u>
Total general obligation bonds payable				<u>\$ 458,575,298</u>	<u>\$ 373,960,285</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**D. Long - Term Liabilities**

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

	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2012</u>
Certificates of Participation				
2006A	03/09/06	3.5% to 4.375%	\$ 9,815,057	\$ 9,747,542
2006B	03/09/06	3.7% to 4.375%	<u>5,068,758</u>	<u>5,096,132</u>
Total certificates of participation payable			<u>\$ 14,883,815</u>	<u>\$ 14,843,674</u>

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 29,285,278	\$ 14,681,412	\$ 43,966,690
2014	31,742,905	13,589,911	45,332,816
2015	30,942,905	12,363,249	43,306,154
2016	28,917,905	11,212,886	40,130,791
2017	26,907,905	10,115,889	37,023,794
2018 - 2022	102,578,283	37,055,263	139,633,546
2023 - 2027	85,683,090	17,478,511	103,161,601
2028 - 2032	<u>37,902,014</u>	<u>2,630,753</u>	<u>40,532,767</u>
Total	<u>\$ 373,960,285</u>	<u>\$ 119,127,874</u>	<u>\$ 493,088,159</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

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

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

Component Unit:

Year Ending June 30	Principal Due	Interest Due	Totals
2013	\$ 816,691	\$ 632,361	\$ 1,449,052
2014	836,691	601,068	1,437,759
2015	871,691	568,095	1,439,786
2016	901,691	533,216	1,434,907
2017	941,691	496,273	1,437,964
2018 to 2022	5,328,455	1,852,730	7,181,185
2023 to 2026	5,146,764	576,363	5,723,127
Total	<u>\$ 14,843,674</u>	<u>\$ 5,260,106</u>	<u>\$ 20,103,780</u>

Long-term liabilities on the Statement of Net Assets are reported net of the applicable bond premium and discount. The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Debt Service Fund. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761. The District's statutory limit for such bonded indebtedness is about \$317 million at June 30, 2012. The District has received authorization from the State of Kansas to exceed this limit.

During 2012, the District issued \$38,850,000 in general obligation refunding bonds with interest rates ranging from 2.00 to 4.00% to refund the 2001A General Obligation Bonds with interest rates ranging from 4.00 to 5.10%. As a result, the 2002A bonds are considered to be defeased and the liability for the defeased bonds has been removed from the District's financial statements. The transaction resulted in an economic gain of \$6,292,575 and a decrease of \$6,080,592 in future debt payments.

**E. Operating Leases**

The District leases copiers under an operating lease. Total costs for this lease was \$606,657 for the year ended June 30, 2012. The future minimum lease payments for the lease are \$606,657 for the next fiscal years.

**Note 5. OTHER INFORMATION**

**A. Deferred Compensation Plan**

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**A. Deferred Compensation Plan (Continued)**

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

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

**B. Defined Benefit Pension Plan**

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

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. 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 statutory required employers share. The estimated State of Kansas contributions to KPERS for the District employees for the years ending June 30, 2012, 2011, and 2010 were \$14,737,273, \$8,558,890, and \$9,718,660, respectively, equal to the required contributions for each year. The District recognizes these on-behalf payments as revenues and expenditures in the KPERS Fund as required.

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

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

			Due From Other Funds	Due To Other Funds
	Transfers In	Transfers Out		
Major:				
General	\$ -	\$ 6,573,614	\$ 21,075	\$ -
Supplemental	-	1,228,373	-	-
Special Education	1,228,374	-	-	-
Nonmajor:				
Special Revenue	<u>6,573,613</u>	<u>-</u>	<u>-</u>	<u>21,075</u>
Total	<u>\$ 7,801,987</u>	<u>\$ 7,801,987</u>	<u>\$ 21,075</u>	<u>\$ 21,075</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

**D. Contingent Liabilities**

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2012.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds have not been determined.

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

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

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

The District prepares annual operating budgets for the majority of the governmental funds; however, for the capital projects funds, project-length budgets are prepared. The projects budgeted, approved budgets, and cumulative expenditures, including encumbrances, as of June 30, 2012, are as follows:

<u>Project Name</u>	<u>Project Budget</u>	<u>Cumulative expenditures through June 30, 2012</u>
Construction Projects 2005	<u>\$ 279,980,000</u>	<u>\$ 266,449,798</u>
Construction Projects 2012	<u>\$ 271,285,031</u>	<u>\$ 16,841,463</u>

**F. Postemployment Healthcare Plan**

**Plan Description.** The District operates a single employer defined benefit healthcare plan administered by the District. The Employee Benefit Plan (the Plan) provides medical, dental and vision insurance benefits to eligible early retirees and their spouses. K.S.A. 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, 2012, plan participants contributed approximately \$542,500 to the Plan (approximately 100% of total premiums) through their required contribution ranging from \$343.76 to \$572.44 per month for retiree-only coverage and \$645.18 to \$1,077.12 for retiree and dependent coverage.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

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

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

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

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

Annual required contribution	<u>\$ 2,274,804</u>
Annual OPEB cost (expense)	2,274,804
Benefit payments	<u>542,500</u>
Change in net OPEB obligation	1,732,304
Net OPEB obligation - beginning of year, restated	<u>7,429,059</u>
Net OPEB obligation - end of year	<u>\$ 9,161,363</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, 2012 was as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u> <u>Contributed</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
June 30, 2010	\$ 2,360,517	\$ 317,003	13.4%	\$ 5,447,767
June 30, 2011	2,254,998	273,706	12.1%	7,429,059
June 30, 2012	2,274,804	542,500	23.8%	9,161,363

Funding Status and Funding Progress. As of the year ended June 30, 2011, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$18,085,219 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,085,219. The covered payroll (annual payroll of active employees covered by the plan) was \$138,365,809, and the ratio of the UAAL to the covered payroll was 13.1%.

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.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2012

**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, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3% 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. Reclassifications**

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

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## REQUIRED SUPPLEMENTARY INFORMATION

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2012

Schedule of Employer Contributions:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Percentage of Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2010	\$ 2,360,517	\$ 317,003	13.4%	\$ 5,447,767
June 30, 2011	2,254,998	273,706	12.1%	7,429,059
June 30, 2012	2,274,804	542,500	23.8%	9,161,363

Schedule of Funding Progress:

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
6/30/2009	\$ -	\$ 15,541,741	\$ 15,541,741	0.0%	\$ 134,360,931	11.6%
6/30/2011	-	18,085,219	18,085,219	0.0%	138,365,809	13.1%

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**COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING STATEMENTS - NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

**BUDGETED FUNDS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**BUDGETED FUNDS (Continued):**

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

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

**NON - BUDGETED FUNDS:**

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

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

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

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

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

**Special Healthcare Reserve Fund:** This fund is used to account for monies transferred from the General Fund and premiums collected from District employees in accordance with Kansas statutes and expended to cover the cost of healthcare for the District employees.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
June 30, 2012

	<u>Vocational Education</u>	<u>At Risk</u>	<u>Driver Training</u>	<u>Professional Development</u>	<u>Special Assessment</u>	<u>Food Service</u>	<u>DAC Grant</u>	<u>Bilingual Education</u>
ASSETS								
Cash and investments	\$ 26,197	\$ 1,909	\$ 160,028	\$ 810,781	\$ 638,406	\$ 3,080,646	\$ -	\$ 3,291
Other receivable	-	-	-	-	-	-	1,485	-
Materials and supplies inventory	-	-	-	-	-	127,770	-	-
Total assets	<u>\$ 26,197</u>	<u>\$ 1,909</u>	<u>\$ 160,028</u>	<u>\$ 810,781</u>	<u>\$ 638,406</u>	<u>\$ 3,208,416</u>	<u>\$ 1,485</u>	<u>\$ 3,291</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 2,792	\$ 87	\$ 1,349	\$ 11,297	\$ 21,270	\$ 26	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	1,485	-
Deferred revenue	-	-	-	-	-	399,264	-	-
Total liabilities	<u>2,792</u>	<u>87</u>	<u>1,349</u>	<u>11,297</u>	<u>21,270</u>	<u>399,290</u>	<u>1,485</u>	<u>-</u>
Fund balances:								
Nonspendable	-	-	-	-	-	127,770	-	-
Restricted	-	-	158,679	780,000	617,136	2,585,599	-	-
Assigned	<u>23,405</u>	<u>1,822</u>	<u>-</u>	<u>19,484</u>	<u>-</u>	<u>95,757</u>	<u>-</u>	<u>3,291</u>
Total fund balances	<u>23,405</u>	<u>1,822</u>	<u>158,679</u>	<u>799,484</u>	<u>617,136</u>	<u>2,809,126</u>	<u>-</u>	<u>3,291</u>
Total liabilities and fund balances	<u>\$ 26,197</u>	<u>\$ 1,909</u>	<u>\$ 160,028</u>	<u>\$ 810,781</u>	<u>\$ 638,406</u>	<u>\$ 3,208,416</u>	<u>\$ 1,485</u>	<u>\$ 3,291</u>



<u>Virtual Education</u>	<u>Summer School</u>	<u>Parent Education Program</u>	<u>Extraordinary School Program</u>	<u>Gate Receipts</u>	<u>Student Projects</u>	<u>Instructional Materials</u>	<u>Contingency Reserve</u>	<u>Drug Free Grant</u>	<u>Title I</u>
\$ 209,266	\$ 128,548	\$ 248,344	\$ 1,497,268	\$ 341,950	\$ 165,568	\$ 10,928,834	\$ 12,979,726	\$ -	\$ 2,673
-	-	13,003	-	-	-	-	-	-	64
-	-	-	-	-	-	-	-	-	-
<u>\$ 209,266</u>	<u>\$ 128,548</u>	<u>\$ 261,347</u>	<u>\$ 1,497,268</u>	<u>\$ 341,950</u>	<u>\$ 165,568</u>	<u>\$ 10,928,834</u>	<u>\$ 12,979,726</u>	<u>\$ -</u>	<u>\$ 2,737</u>
\$ 15	\$ 1,244	\$ 61	\$ 28	\$ -	\$ -	\$ 24,642	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	261,330	-	-	1,227,618	-	-	-
<u>15</u>	<u>1,244</u>	<u>61</u>	<u>261,358</u>	<u>-</u>	<u>-</u>	<u>1,252,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
203,961	126,400	260,211	1,227,003	-	-	7,555,073	-	-	-
<u>5,290</u>	<u>904</u>	<u>1,075</u>	<u>8,907</u>	<u>341,950</u>	<u>165,568</u>	<u>2,121,501</u>	<u>12,979,726</u>	<u>-</u>	<u>2,737</u>
<u>209,251</u>	<u>127,304</u>	<u>261,286</u>	<u>1,235,910</u>	<u>341,950</u>	<u>165,568</u>	<u>9,676,574</u>	<u>12,979,726</u>	<u>-</u>	<u>2,737</u>
<u>\$ 209,266</u>	<u>\$ 128,548</u>	<u>\$ 261,347</u>	<u>\$ 1,497,268</u>	<u>\$ 341,950</u>	<u>\$ 165,568</u>	<u>\$ 10,928,834</u>	<u>\$ 12,979,726</u>	<u>\$ -</u>	<u>\$ 2,737</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
June 30, 2012

	Blue Valley Foundation <u>Grant</u>	Community <u>Grants</u>	Kauffman <u>Grant</u>	Special <u>Reserve</u>	Special Healthcare <u>Reserve</u>
ASSETS					
Cash and investments	\$ 115,432	\$ 4,623	\$ 7,098	\$ 2,941,680	\$ 15,487,172
Other receivable	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 115,432</u>	<u>\$ 4,623</u>	<u>\$ 7,098</u>	<u>\$ 2,941,680</u>	<u>\$ 15,487,172</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 668	\$ -	\$ -	\$ 52,510	\$ 320,647
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>668</u>	<u>-</u>	<u>-</u>	<u>52,510</u>	<u>320,647</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	102,231	4,101	1,675	2,889,170	15,166,525
Assigned	<u>12,533</u>	<u>522</u>	<u>5,423</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>114,764</u>	<u>4,623</u>	<u>7,098</u>	<u>2,889,170</u>	<u>15,166,525</u>
Total liabilities and fund balances	<u>\$ 115,432</u>	<u>\$ 4,623</u>	<u>\$ 7,098</u>	<u>\$ 2,941,680</u>	<u>\$ 15,487,172</u>

Parents as Teachers Grant	Title II-A	Title II-D	Title III	Special Liability	Other Federal Grant	KPERS	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,238,641	\$ -	\$ -	\$ 51,018,081
3,826	15,415	-	1,466	-	2,358	-	37,617
-	-	-	-	-	-	-	127,770
<u>\$ 3,826</u>	<u>\$ 15,415</u>	<u>\$ -</u>	<u>\$ 1,466</u>	<u>\$ 1,238,641</u>	<u>\$ 2,358</u>	<u>\$ -</u>	<u>\$ 51,183,468</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,889	\$ -	\$ -	\$ 440,525
3,826	13,740	-	1,466	-	558	-	21,075
-	-	-	-	-	-	-	1,888,212
<u>3,826</u>	<u>13,740</u>	<u>-</u>	<u>1,466</u>	<u>3,889</u>	<u>558</u>	<u>-</u>	<u>2,349,812</u>
-	-	-	-	-	-	-	127,770
-	-	-	-	1,234,752	-	-	32,912,516
-	1,675	-	-	-	1,800	-	15,793,370
<u>-</u>	<u>1,675</u>	<u>-</u>	<u>-</u>	<u>1,234,752</u>	<u>1,800</u>	<u>-</u>	<u>48,833,656</u>
<u>\$ 3,826</u>	<u>\$ 15,415</u>	<u>\$ -</u>	<u>\$ 1,466</u>	<u>\$ 1,238,641</u>	<u>\$ 2,358</u>	<u>\$ -</u>	<u>\$ 51,183,468</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
For the Year Ended June 30, 2012

	Vocational Education	At Risk	Driver Training	Professional Development	Special Assessment	Food Service	DAC Grant	Bilingual Education
REVENUES:								
Taxes	\$ 3,901,636	\$ 3,142,872	\$ -	\$ 1,343,151	\$ 592,587	\$ -	\$ -	\$ 1,449,662
Intergovernmental	81,385	-	29,724	-	-	1,553,143	-	-
Charges for services	-	-	88,475	-	-	7,666,353	-	-
Investment revenue	-	-	-	-	-	3,207	-	-
Other local sources	-	-	-	-	-	800	-	-
Total revenues	<u>3,983,021</u>	<u>3,142,872</u>	<u>118,199</u>	<u>1,343,151</u>	<u>592,587</u>	<u>9,223,503</u>	<u>-</u>	<u>1,449,662</u>
EXPENDITURES:								
Current								
Instruction	3,793,297	2,789,748	80,343	-	-	-	-	1,324,774
Student support services	-	48,218	-	-	-	-	-	-
Instructional support staff	83,437	87,239	-	1,317,900	-	-	3,104	84,194
General administration	-	-	717	-	-	-	-	-
School administration	118,320	165,003	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	44,175
Operations and maintenance	-	222	37,805	-	-	-	-	-
Other support services	-	55,000	-	22,429	-	-	-	-
Food service operations	-	-	-	-	-	9,183,601	-	-
Capital outlay								
Facility acquisition and construction	-	-	-	-	674,787	-	-	-
Total expenditures	<u>3,995,054</u>	<u>3,145,430</u>	<u>118,865</u>	<u>1,340,329</u>	<u>674,787</u>	<u>9,183,601</u>	<u>3,104</u>	<u>1,453,143</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[12,033]</u>	<u>[2,558]</u>	<u>[666]</u>	<u>2,822</u>	<u>[82,200]</u>	<u>39,902</u>	<u>[3,104]</u>	<u>[3,481]</u>
OTHER FINANCING SOURCES [USES]:								
Transfers in	-	-	-	-	-	-	-	-
Transfers [out]	-	-	-	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>[12,033]</u>	<u>[2,558]</u>	<u>[666]</u>	<u>2,822</u>	<u>[82,200]</u>	<u>39,902</u>	<u>[3,104]</u>	<u>[3,481]</u>
Fund balance - Beginning of year	<u>35,438</u>	<u>4,380</u>	<u>159,345</u>	<u>796,662</u>	<u>699,336</u>	<u>2,769,224</u>	<u>3,104</u>	<u>6,772</u>
Fund balance - End of year	<u>\$ 23,405</u>	<u>\$ 1,822</u>	<u>\$ 158,679</u>	<u>\$ 799,484</u>	<u>\$ 617,136</u>	<u>\$ 2,809,126</u>	<u>\$ -</u>	<u>\$ 3,291</u>

<u>Virtual Education</u>	<u>Summer School</u>	<u>Parent Education Program</u>	<u>Extraordinary School Program</u>	<u>Gate Receipts</u>	<u>Student Projects</u>	<u>Instructional Materials</u>	<u>Contingency Reserve</u>	<u>Drug Free Grant</u>	<u>Title I</u>
\$ 120,440	\$ -	\$ 217,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	369,976	-	-	-	-	-	21,520	479,929
207,273	140,206	-	1,981,122	845,634	-	1,996,770	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	33,749	-	-	2,872,592	-	-	-	-
<u>327,713</u>	<u>140,206</u>	<u>620,879</u>	<u>1,981,122</u>	<u>845,634</u>	<u>2,872,592</u>	<u>1,996,770</u>	<u>-</u>	<u>21,520</u>	<u>479,929</u>
199,928	108,395	595,422	1,781,258	836,291	2,883,942	1,118,342	-	-	400,569
-	-	-	-	-	-	-	-	-	-
92,419	2,155	25,010	118,674	-	-	-	-	21,520	86,860
-	-	-	-	-	-	-	-	-	-
2,868	-	-	49,656	-	-	-	-	-	-
-	299	-	-	-	-	-	-	-	450
-	-	-	85,524	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>295,215</u>	<u>110,849</u>	<u>620,432</u>	<u>2,035,112</u>	<u>836,291</u>	<u>2,883,942</u>	<u>1,118,342</u>	<u>-</u>	<u>21,520</u>	<u>487,879</u>
<u>32,498</u>	<u>29,357</u>	<u>447</u>	<u>[53,990]</u>	<u>9,343</u>	<u>[11,350]</u>	<u>878,428</u>	<u>-</u>	<u>-</u>	<u>[7,950]</u>
-	-	-	-	-	-	889,476	4,284,137	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	889,476	4,284,137	-	-
32,498	29,357	447	[53,990]	9,343	[11,350]	1,767,904	4,284,137	-	[7,950]
<u>176,753</u>	<u>97,947</u>	<u>260,839</u>	<u>1,289,900</u>	<u>332,607</u>	<u>176,918</u>	<u>7,908,670</u>	<u>8,695,589</u>	<u>-</u>	<u>10,687</u>
<u>\$ 209,251</u>	<u>\$ 127,304</u>	<u>\$ 261,286</u>	<u>\$ 1,235,910</u>	<u>\$ 341,950</u>	<u>\$ 165,568</u>	<u>\$ 9,676,574</u>	<u>\$ 12,979,726</u>	<u>\$ -</u>	<u>\$ 2,737</u>

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
 For the Year Ended June 30, 2012

	Blue Valley Foundation <u>Grant</u>	Community <u>Grants</u>	Kauffman <u>Grant</u>	Special <u>Reserve</u>	Special Healthcare <u>Reserve</u>
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment revenue	-	-	-	1,737	11,152
Other local sources	<u>16,756</u>	<u>-</u>	<u>-</u>	<u>38,700</u>	<u>2,526,030</u>
Total revenues	<u>16,756</u>	<u>-</u>	<u>-</u>	<u>40,437</u>	<u>2,537,182</u>
EXPENDITURES:					
Current					
Instruction	-	11,237	29,254	308,087	-
Student support services	-	-	-	10,788	-
Instructional support staff	-	-	-	590	-
General administration	-	-	-	-	-
School administration	-	-	-	13,614	-
Student transportation services	-	-	-	-	-
Operations and maintenance	-	-	-	394,606	-
Other support services	-	-	-	20,017	-
Food service operations	-	-	-	24,316	-
Capital outlay					
Facility acquisition and construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>11,237</u>	<u>29,254</u>	<u>772,018</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>16,756</u>	<u>[11,237]</u>	<u>[29,254]</u>	<u>[731,581]</u>	<u>2,537,182</u>
OTHER FINANCING SOURCES [USES]:					
Transfers in	-	-	-	1,400,000	-
Transfers [out]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400,000</u>	<u>-</u>
Net change in fund balances	16,756	[11,237]	[29,254]	668,419	2,537,182
Fund balance - Beginning of year	<u>98,008</u>	<u>15,860</u>	<u>36,352</u>	<u>2,220,751</u>	<u>12,629,343</u>
Fund balance - End of year	<u>\$ 114,764</u>	<u>\$ 4,623</u>	<u>\$ 7,098</u>	<u>\$ 2,889,170</u>	<u>\$ 15,166,525</u>

See independent auditor's report on the financial statements.

Parents as Teachers Grant	Title II-A	Title II-D	Title III	Special Liability	Other Federal Grant	KPERS	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 972,211	\$ -	\$ -	\$ 11,739,713
56,461	265,755	9	24,022	-	12,408	14,737,273	17,631,605
-	-	-	-	-	-	-	12,925,833
-	-	-	-	500	-	-	16,596
-	-	-	-	-	-	-	5,488,627
<u>56,461</u>	<u>265,755</u>	<u>9</u>	<u>24,022</u>	<u>972,711</u>	<u>12,408</u>	<u>14,737,273</u>	<u>47,802,374</u>
56,461	-	9	16,279	-	-	10,104,558	26,438,194
-	-	-	-	-	-	1,072,532	1,131,538
-	276,196	-	7,743	-	10,608	832,012	3,049,661
-	-	-	-	-	-	131,988	132,705
-	-	-	-	-	-	846,007	1,195,468
-	-	-	-	-	-	-	44,924
-	-	-	-	-	-	759,240	1,277,397
-	-	-	-	333,091	-	720,663	1,151,200
-	-	-	-	-	-	270,273	9,478,190
-	-	-	-	-	-	-	674,787
<u>56,461</u>	<u>276,196</u>	<u>9</u>	<u>24,022</u>	<u>333,091</u>	<u>10,608</u>	<u>14,737,273</u>	<u>44,574,064</u>
-	[10,441]	-	-	639,620	1,800	-	3,228,310
-	-	-	-	-	-	-	6,573,613
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	6,573,613
-	[10,441]	-	-	639,620	1,800	-	9,801,923
-	12,116	-	-	595,132	-	-	39,031,733
<u>\$ -</u>	<u>\$ 1,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,234,752</u>	<u>\$ 1,800</u>	<u>\$ -</u>	<u>\$ 48,833,656</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
VOCATIONAL EDUCATION FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes						
Current	\$3,901,636	\$ [3,901,636]	\$ -	\$ -	\$ -	\$ -
Total taxes	3,901,636	[3,901,636]	-	-	-	-
Intergovernmental:						
Federal	81,385	-	81,385	81,385	81,385	-
Total intergovernmental	81,385	-	81,385	81,385	81,385	-
Miscellaneous	-	-	-	200,000	200,000	[200,000]
Total revenues	3,983,021	[3,901,636]	81,385	281,385	281,385	[200,000]
EXPENDITURES:						
Instruction	3,793,297	[10,141]	3,783,156	4,544,033	4,544,033	760,877
Instructional support staff	83,437	[1,892]	81,545	81,385	81,385	[160]
School administration	118,320	-	118,320	117,342	117,342	[978]
Total expenditures	3,995,054	[12,033]	3,983,021	4,742,760	4,742,760	759,739
Excess [deficiency] of revenues over [under] expenditures	[12,033]	[3,889,603]	[3,901,636]	[4,461,375]	[4,461,375]	559,739
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	3,901,636	3,901,636	4,461,375	4,461,375	[559,739]
Total other financing sources [uses]	-	3,901,636	3,901,636	4,461,375	4,461,375	[559,739]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[12,033]	12,033	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	35,438	[35,438]	-			
FUND BALANCE - End of year	\$ 23,405	\$ [23,405]	\$ -			

See independent auditor's report on the financial statements.



## BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
AT RISK (K-12) FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes						
Current	\$ 3,142,872	\$ [3,142,872]	\$ -	\$ -	\$ -	\$ -
Total taxes	3,142,872	[3,142,872]	-	-	-	-
Interest on idle funds	-	-	-	200,000	200,000	[200,000]
Total revenues	3,142,872	[3,142,872]	-	200,000	200,000	[200,000]
EXPENDITURES:						
Instruction	2,789,748	[2,305]	2,787,443	3,064,994	3,064,994	277,551
Student support services	48,218	-	48,218	49,076	49,076	858
Instructional support staff	87,239	[231]	87,008	87,029	87,029	21
School administration	165,003	[22]	164,981	162,802	162,802	[2,179]
Operations and maintenance	222	-	222	-	-	[222]
Other supplemental services	55,000	-	55,000	55,000	55,000	-
Total expenditures	3,145,430	[2,558]	3,142,872	3,418,901	3,418,901	276,029
Excess [deficiency] of revenues over [under] expenditures	[2,558]	[3,140,314]	[3,142,872]	[3,218,901]	[3,218,901]	76,029
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	3,142,872	3,142,872	3,218,901	3,218,901	[76,029]
Total other financing sources [uses]	-	3,142,872	3,142,872	3,218,901	3,218,901	[76,029]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[2,558]	2,558	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	4,380	[4,380]	-			
FUND BALANCE - End of year	\$ 1,822	\$ [1,822]	\$ -			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
DRIVER TRAINING FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State	\$ 29,724	\$ -	\$ 29,724	\$ 28,490	\$ 28,490	\$ 1,234
Total intergovernmental	29,724	-	29,724	28,490	28,490	1,234
Charges for services	88,475	-	88,475	145,875	145,875	[57,400]
Total revenues	118,199	-	118,199	174,365	174,365	[56,166]
EXPENDITURES:						
Instruction	80,343	-	80,343	128,967	128,967	48,624
General administration	717	-	717	-	-	[717]
School administration	-	-	-	10,598	10,598	10,598
Operations and maintenance	37,805	-	37,805	41,389	41,389	3,584
Total expenditures	118,865	-	118,865	180,954	180,954	62,089
Excess [deficiency] of revenues over [under] expenditures	[666]	-	[666]	\$ [6,589]	\$ [6,589]	\$ 5,923
FUND BALANCE - Beginning of year	159,345	-	159,345			
FUND BALANCE - End of year	\$ 158,679	\$ -	\$ 158,679			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
PROFESSIONAL DEVELOPMENT FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes						
Current	\$ 1,343,151	\$ [1,343,151]	\$ -	\$ -	\$ -	\$ -
Total taxes	1,343,151	[1,343,151]	-	-	-	-
Intergovernmental:						
State and local	-	-	-	100,000	100,000	[100,000]
Total revenues	1,343,151	[1,343,151]	-	100,000	100,000	[100,000]
EXPENDITURES:						
Instructional support staff	1,317,900	3,960	1,321,860	1,842,553	1,842,553	520,693
Other support services	22,429	[1,138]	21,291	19,781	19,781	[1,510]
Total expenditures	1,340,329	2,822	1,343,151	1,862,334	1,862,334	519,183
Excess [deficiency] of revenues over [under] expenditures	2,822	[1,345,973]	[1,343,151]	[1,762,334]	[1,762,334]	419,183
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	1,343,151	1,343,151	1,762,334	1,762,334	[419,183]
Total other financing sources [uses]	-	1,343,151	1,343,151	1,762,334	1,762,334	[419,183]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	2,822	[2,822]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	796,662	[16,662]	780,000			
FUND BALANCE - End of year	\$ 799,484	\$ [19,484]	\$ 780,000			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL ASSESSMENT FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 15,194	\$ -	\$ 15,194	\$ 15,163	\$ 15,163	\$ 31
Current	487,619	-	487,619	472,926	472,926	14,693
Delinquent	26,236	-	26,236	8,454	8,454	17,782
Motor vehicle	63,086	-	63,086	69,420	69,420	[6,334]
Rental excise	452	-	452	-	-	452
Total revenues	<u>592,587</u>	<u>-</u>	<u>592,587</u>	<u>565,963</u>	<u>565,963</u>	<u>26,624</u>
EXPENDITURES:						
Capital outlay	<u>674,787</u>	<u>-</u>	<u>674,787</u>	<u>877,557</u>	<u>877,557</u>	<u>202,770</u>
Total expenditures	<u>674,787</u>	<u>-</u>	<u>674,787</u>	<u>877,557</u>	<u>877,557</u>	<u>202,770</u>
Excess [deficiency] of revenues over [under] expenditures	[82,200]	-	[82,200]	<u>\$ [311,594]</u>	<u>\$ [311,594]</u>	<u>\$ 229,394</u>
FUND BALANCE - Beginning of year	<u>699,336</u>	<u>-</u>	<u>699,336</u>			
FUND BALANCE - End of year	<u>\$ 617,136</u>	<u>\$ -</u>	<u>\$ 617,136</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
FOOD SERVICE FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
Federal	\$ 1,471,545	\$ -	\$ 1,471,545	\$ 1,434,788	\$ 1,434,788	\$ 36,757
State and local	81,598	-	81,598	67,133	67,133	14,465
Total intergovernmental	1,553,143	-	1,553,143	1,501,921	1,501,921	51,222
Charges for services	7,666,353	-	7,666,353	7,666,270	7,666,270	83
Investment revenue	3,207	-	3,207	6,000	6,000	[2,793]
Miscellaneous	800	-	800	44,268	44,268	[43,468]
Total revenues	9,223,503	-	9,223,503	9,218,459	9,218,459	5,044
EXPENDITURES:						
Operations and maintenance	-	-	-	475,000	475,000	475,000
Food service operations	9,183,601	[10,699]	9,172,902	9,486,087	9,486,087	313,185
Total expenditures	9,183,601	[10,699]	9,172,902	9,961,087	9,961,087	788,185
Excess [deficiency] of revenues over [under] expenditures	39,902	10,699	50,601	\$ [742,628]	\$ [742,628]	\$ 793,229
FUND BALANCE - Beginning of year	2,769,224	[234,226]	2,534,998			
FUND BALANCE - End of year	\$ 2,809,126	\$ [223,527]	\$ 2,585,599			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
BILINGUAL EDUCATION FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes						
Current	\$ 1,449,662	\$ [1,449,662]	\$ -	\$ -	\$ -	\$ -
Total taxes	1,449,662	[1,449,662]	-	-	-	-
Other revenue from local source	-	-	-	100,000	100,000	[100,000]
Total revenues	1,449,662	[1,449,662]	-	100,000	100,000	[100,000]
EXPENDITURES:						
Instruction	1,324,774	[3,481]	1,321,293	1,458,558	1,458,558	137,265
Instructional support staff	84,194	-	84,194	80,303	80,303	[3,891]
Student transportation services	44,175	-	44,175	133,735	133,735	89,560
Total expenditures	1,453,143	[3,481]	1,449,662	1,672,596	1,672,596	222,934
Excess [deficiency] of revenues over [under] expenditures	[3,481]	[1,446,181]	[1,449,662]	[1,572,596]	[1,572,596]	122,934
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	1,449,662	1,449,662	1,572,596	1,572,596	[122,934]
Total other financing sources [uses]	-	1,449,662	1,449,662	1,572,596	1,572,596	[122,934]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[3,481]	3,481	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	6,772	[6,772]	-			
FUND BALANCE - End of year	\$ 3,291	\$ [3,291]	\$ -			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
VIRTUAL EDUCATION FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes						
Current	\$ 120,440	\$ [120,440]	\$ -	\$ -	\$ -	\$ -
Total taxes	<u>120,440</u>	<u>[120,440]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental:						
State and local	-	-	-	-	-	-
Total intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charges for services	<u>207,273</u>	<u>-</u>	<u>207,273</u>	<u>250,000</u>	<u>250,000</u>	<u>[42,727]</u>
Total revenues	<u>327,713</u>	<u>[120,440]</u>	<u>207,273</u>	<u>250,000</u>	<u>250,000</u>	<u>[42,727]</u>
EXPENDITURES:						
Instruction	199,928	-	199,928	238,454	238,454	38,526
Instructional support staff	92,419	5,089	97,508	124,250	124,250	26,742
School administration	<u>2,868</u>	<u>-</u>	<u>2,868</u>	<u>-</u>	<u>-</u>	<u>[2,868]</u>
Total expenditures	<u>295,215</u>	<u>5,089</u>	<u>300,304</u>	<u>362,704</u>	<u>362,704</u>	<u>62,400</u>
Excess [deficiency] of revenues over [under] expenditures	<u>32,498</u>	<u>[125,529]</u>	<u>[93,031]</u>	<u>[112,704]</u>	<u>[112,704]</u>	<u>19,673</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	120,440	120,440	136,467	136,467	[16,027]
Total other financing sources [uses]	<u>-</u>	<u>120,440</u>	<u>120,440</u>	<u>136,467</u>	<u>136,467</u>	<u>[16,027]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>32,498</u>	<u>[5,089]</u>	<u>27,409</u>	<u>\$ 23,763</u>	<u>\$ 23,763</u>	<u>\$ 3,646</u>
FUND BALANCE - Beginning of year	<u>176,753</u>	<u>[201]</u>	<u>176,552</u>			
FUND BALANCE - End of year	<u>\$ 209,251</u>	<u>\$ [5,290]</u>	<u>\$ 203,961</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SUMMER SCHOOL FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Charges for services	\$ 140,206	\$ -	\$ 140,206	\$ 220,060	\$ 220,060	\$ [79,854]
Total revenues	<u>140,206</u>	<u>-</u>	<u>140,206</u>	<u>220,060</u>	<u>220,060</u>	<u>[79,854]</u>
EXPENDITURES:						
Instruction	108,395	[9,551]	98,844	204,300	204,300	105,456
Instructional support staff	2,155	-	2,155	4,182	4,182	2,027
Other Supplemental Service	<u>299</u>	<u>-</u>	<u>299</u>	<u>2,000</u>	<u>2,000</u>	<u>1,701</u>
Total expenditures	<u>110,849</u>	<u>[9,551]</u>	<u>101,298</u>	<u>210,482</u>	<u>210,482</u>	<u>109,184</u>
Excess [deficiency] of revenues over [under] expenditures	29,357	9,551	38,908	<u>\$ 9,578</u>	<u>\$ 9,578</u>	<u>\$ 29,330</u>
FUND BALANCE - Beginning of year	<u>97,947</u>	<u>[10,455]</u>	<u>87,492</u>			
FUND BALANCE - End of year	<u>\$ 127,304</u>	<u>\$ [904]</u>	<u>\$ 126,400</u>			

See independent auditor's report on the financial statements.



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
PARENT EDUCATION PROGRAM FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes						
Current	\$ 217,154	\$ [217,154]	\$ -	\$ -	\$ -	\$ -
Total taxes	<u>217,154</u>	<u>[217,154]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental:						
State and local	<u>369,976</u>	<u>-</u>	<u>369,976</u>	<u>349,076</u>	<u>349,076</u>	<u>20,900</u>
Total intergovernmental	<u>369,976</u>	<u>-</u>	<u>369,976</u>	<u>349,076</u>	<u>349,076</u>	<u>20,900</u>
Other local sources	<u>33,749</u>	<u>-</u>	<u>33,749</u>	<u>50,000</u>	<u>50,000</u>	<u>[16,251]</u>
Total revenues	<u>620,879</u>	<u>[217,154]</u>	<u>403,725</u>	<u>399,076</u>	<u>399,076</u>	<u>4,649</u>
EXPENDITURES:						
Instructional	595,422	[1,119]	594,303	-	-	[594,303]
Student support services	-	-	-	612,834	612,834	612,834
Instructional support staff	<u>25,010</u>	<u>[1,683]</u>	<u>23,327</u>	<u>28,813</u>	<u>28,813</u>	<u>5,486</u>
Total expenditures	<u>620,432</u>	<u>[2,802]</u>	<u>617,630</u>	<u>641,647</u>	<u>641,647</u>	<u>24,017</u>
Excess [deficiency] of revenues over [under] expenditures	<u>447</u>	<u>[214,352]</u>	<u>[213,905]</u>	<u>[242,571]</u>	<u>[242,571]</u>	<u>28,666</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>-</u>	<u>217,154</u>	<u>217,154</u>	<u>229,257</u>	<u>229,257</u>	<u>[12,103]</u>
Total other financing sources [uses]	<u>-</u>	<u>217,154</u>	<u>217,154</u>	<u>229,257</u>	<u>229,257</u>	<u>[12,103]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>447</u>	<u>2,802</u>	<u>3,249</u>	<u>\$ [13,314]</u>	<u>\$ [13,314]</u>	<u>\$ 16,563</u>
FUND BALANCE - Beginning of year	<u>260,839</u>	<u>[3,877]</u>	<u>256,962</u>			
FUND BALANCE - End of year	<u>\$ 261,286</u>	<u>\$ [1,075]</u>	<u>\$ 260,211</u>			

See independent auditor's report on the financial statements.

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
EXTRAORDINARY SCHOOL PROGRAM FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Charges for services	\$ 1,981,122	\$ -	\$ 1,981,122	\$ 1,953,000	\$ 1,953,000	\$ 28,122
Other local sources	-	-	-	100,000	100,000	[100,000]
Total revenues	<u>1,981,122</u>	<u>-</u>	<u>1,981,122</u>	<u>2,053,000</u>	<u>2,053,000</u>	<u>[71,878]</u>
EXPENDITURES:						
Instruction	1,781,258	2,292	1,783,550	1,973,496	1,973,496	189,946
Student Support Services	-	-	-	93,092	93,092	93,092
Instructional support staff	118,674	-	118,674	73,491	73,491	[45,183]
School administration	49,656	-	49,656	-	-	[49,656]
Operations and maintenance	<u>85,524</u>	<u>-</u>	<u>85,524</u>	<u>71,821</u>	<u>71,821</u>	<u>[13,703]</u>
Total expenditures	<u>2,035,112</u>	<u>2,292</u>	<u>2,037,404</u>	<u>2,211,900</u>	<u>2,211,900</u>	<u>174,496</u>
Excess [deficiency] of revenues over [under] expenditures	[53,990]	[2,292]	[56,282]	<u>\$ [158,900]</u>	<u>\$ [158,900]</u>	<u>\$ 102,618</u>
FUND BALANCE - Beginning of year	<u>1,289,900</u>	<u>[6,615]</u>	<u>1,283,285</u>			
FUND BALANCE - End of year	<u>\$ 1,235,910</u>	<u>\$ [8,907]</u>	<u>\$ 1,227,003</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

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

For the Year Ended June 30, 2012

	Drug Free Grant	Title I	Title II-A	Title II-D	Other Federal Grants	Title III
REVENUES:						
Intergovernmental:						
Federal	\$ 21,520	\$ 479,929	\$ 265,755	\$ 9	\$ 12,408	\$ 24,022
Total revenues	<u>21,520</u>	<u>479,929</u>	<u>265,755</u>	<u>9</u>	<u>12,408</u>	<u>24,022</u>
EXPENDITURES:						
Instruction	-	400,569	-	9	-	16,279
Instructional support staff	21,520	86,860	276,196	-	10,608	7,743
Student transportation services	-	450	-	-	-	-
Total expenditures	<u>21,520</u>	<u>487,879</u>	<u>276,196</u>	<u>9</u>	<u>10,608</u>	<u>24,022</u>
Excess [deficiency] of revenues over [under] expenditures	-	[7,950]	[10,441]	-	1,800	-
FUND BALANCE - Beginning of year	-	10,687	12,116	-	-	-
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ 2,737</u>	<u>\$ 1,675</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ -</u>

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Total GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
			Original	Final	
\$ 803,643	\$ -	\$ 803,643	\$ 891,797	\$ 891,797	\$ [88,154]
803,643	-	803,643	891,797	891,797	[88,154]
416,857	[594]	416,263	435,627	435,627	19,364
402,927	[15,997]	386,930	456,170	456,170	69,240
450	-	450	-	-	[450]
820,234	[16,591]	803,643	891,797	891,797	88,154
[16,591]	16,591	-	\$ -	\$ -	\$ -
22,803	[22,803]	-			
\$ 6,212	\$ [6,212]	\$ -			

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
GIFTS AND GRANTS FUNDS  
For the Year Ended June 30, 2012

	DAC Grant	Blue Valley Foundation Grant	Community Grants	Kauffman Grant
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other local sources	-	16,756	-	-
Total revenues	-	16,756	-	-
EXPENDITURES:				
Instruction	-	-	11,237	29,254
Student support services	-	-	-	-
General administration	-	-	-	-
Other support services	-	-	-	-
Food Service Operation	-	-	-	-
Instructional support staff	3,104	-	-	-
Total expenditures	3,104	-	11,237	29,254
Excess [deficiency] of revenues over [under] expenditures	[3,104]	16,756	[11,237]	[29,254]
FUND BALANCE - Beginning of year	3,104	98,008	15,860	36,352
FUND BALANCE - End of year	\$ -	\$ 114,764	\$ 4,623	\$ 7,098

See independent auditor's report on the financial statements.

Parents as Teachers Grant	Gift	Total GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
\$ 56,461	\$ -	\$ 56,461	\$ -	\$ 56,461	\$ 54,584	\$ 54,584	\$ 1,877
-	757,293	774,049	-	774,049	-	-	774,049
56,461	757,293	830,510	-	830,510	54,584	54,584	775,926
56,461	675,669	772,621	[11,699]	760,922	503,209	503,209	[257,713]
-	-	-	-	-	1,078	1,078	1,078
-	-	-	-	-	22,971	22,971	22,971
-	-	-	[528]	[528]	-	-	528
-	-	-	-	-	3,300	3,300	3,300
-	-	3,104	2,110	5,214	126,652	126,652	121,438
56,461	675,669	775,725	[10,117]	765,608	657,210	657,210	[108,398]
-	81,624	54,785	10,117	64,902	\$ [602,626]	\$ [602,626]	\$ 667,528
-	584,950	738,274	[107,927]	630,347			
\$ -	\$ 666,574	\$ 793,059	\$ [97,810]	\$ 695,249			

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BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
SPECIAL LIABILITY FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 13,671	\$ -	\$ 13,671	\$ 13,682	\$ 13,682	\$ [11]
Current	927,851	-	927,851	902,198	902,198	25,653
Delinquent	12,814	-	12,814	7,606	7,606	5,208
Motor vehicle	17,875	-	17,875	21,380	21,380	[3,505]
Recreational vehicle	-	-	-	58	58	[58]
Total taxes	<u>972,211</u>	<u>-</u>	<u>972,211</u>	<u>944,924</u>	<u>944,924</u>	<u>27,287</u>
Investment revenue	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total revenues	<u>972,711</u>	<u>-</u>	<u>972,711</u>	<u>944,924</u>	<u>944,924</u>	<u>27,787</u>
EXPENDITURES:						
General administration	-	-	-	1,011,841	1,011,841	1,011,841
Other support services	<u>333,091</u>	<u>-</u>	<u>333,091</u>	<u>-</u>	<u>-</u>	<u>[333,091]</u>
Total expenditures	<u>333,091</u>	<u>-</u>	<u>333,091</u>	<u>1,011,841</u>	<u>1,011,841</u>	<u>678,750</u>
Excess [deficiency] of revenues over [under] expenditures	639,620	-	639,620	<u>\$ [66,917]</u>	<u>\$ [66,917]</u>	<u>\$ 706,537</u>
FUND BALANCE - Beginning of year	<u>595,132</u>	<u>-</u>	<u>595,132</u>			
FUND BALANCE - End of year	<u>\$ 1,234,752</u>	<u>\$ -</u>	<u>\$ 1,234,752</u>			

See independent auditor's report on the financial statements.



BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
KPERS FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 14,737,273	\$ -	\$ 14,737,273	\$ 16,689,836	\$ 16,689,836	\$ [1,952,563]
Total revenues	<u>14,737,273</u>	<u>-</u>	<u>14,737,273</u>	<u>16,689,836</u>	<u>16,689,836</u>	<u>[1,952,563]</u>
EXPENDITURES:						
Instruction	10,104,558	-	10,104,558	11,467,056	11,467,056	1,362,498
Student support services	1,072,532	-	1,072,532	1,222,967	1,222,967	150,435
Instructional support staff	832,012	-	832,012	930,292	930,292	98,280
General administration	131,988	-	131,988	156,024	156,024	24,036
School administration	846,007	-	846,007	962,140	962,140	116,133
Operations and maintenance	759,240	-	759,240	863,083	863,083	103,843
Transportation	-	-	-	5,493	5,493	5,493
Other support services	720,663	-	720,663	775,129	775,129	54,466
Food service operations	<u>270,273</u>	<u>-</u>	<u>270,273</u>	<u>307,652</u>	<u>307,652</u>	<u>37,379</u>
Total expenditures	<u>14,737,273</u>	<u>-</u>	<u>14,737,273</u>	<u>16,689,836</u>	<u>16,689,836</u>	<u>1,952,563</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.

## BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)  
DEBT SERVICE FUND  
For the Year Ended June 30, 2012

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 628,591	\$ -	\$ 628,591	\$ 602,155	\$ 602,155	\$ 26,436
Current	36,957,700	-	36,957,700	35,858,453	35,858,453	1,099,247
Delinquent	1,380,526	-	1,380,526	349,685	349,685	1,030,841
Motor vehicle	3,203,672	-	3,203,672	3,506,901	3,506,901	[303,229]
Rental excise	24,808	-	24,808	-	-	24,808
Total taxes	42,195,297	-	42,195,297	40,317,194	40,317,194	1,878,103
Intergovernmental	1,129,471	-	1,129,471	1,114,674	1,114,674	14,797
Investment income	77,719	-	77,719	-	-	77,719
Total revenues	43,402,487	-	43,402,487	41,431,868	41,431,868	1,970,619
EXPENDITURES:						
Debt Service						
Principal	26,290,000	-	26,290,000	26,290,000	26,290,000	-
Interest and other charges	14,541,097	-	14,541,097	14,794,391	14,794,391	253,294
Total expenditures	40,831,097	-	40,831,097	41,084,391	41,084,391	253,294
Excess [deficiency] of revenues over [under] expenditures	2,571,390	-	2,571,390	\$ 347,477	\$ 347,477	\$ 2,223,913
FUND BALANCE - Beginning of year	37,513,762	-	37,513,762			
FUND BALANCE - End of year	\$ 40,085,152	\$ -	\$ 40,085,152			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING STATEMENT OF NET ASSETS  
AGENCY FUNDS  
June 30, 2012

	Student Organization <u>Funds</u>	Extraordinary <u>Growth</u>	Cost of <u>Living</u>	Gift <u>Fund</u>	<u>Totals</u>
ASSETS:					
Cash and investments	\$ 1,064,669	\$ 387,356	\$ 488,493	\$ 670,523	\$ 2,611,041
Total assets	<u>\$ 1,064,669</u>	<u>\$ 387,356</u>	<u>\$ 488,493</u>	<u>\$ 670,523</u>	<u>\$ 2,611,041</u>
LIABILITIES:					
Liabilities:					
Other liabilities	\$ -	\$ 387,356	\$ 488,493	\$ 670,523	\$ 1,546,372
Due to student organizations	<u>1,064,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,064,669</u>
Total liabilities	<u>\$ 1,064,669</u>	<u>\$ 387,356</u>	<u>\$ 488,493</u>	<u>\$ 670,523</u>	<u>\$ 2,611,041</u>

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2012

	Balance June 30, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2012</u>
Gift Fund	\$ 587,570	\$ 757,293	\$ 674,340	\$ 670,523
Extraordinary Growth Fund	608,249	14,718,828	14,939,721	387,356
Cost of Living Fund	639,432	6,003,185	6,154,124	488,493
Student Organization Funds	<u>1,025,988</u>	<u>2,579,101</u>	<u>2,540,420</u>	<u>1,064,669</u>
Assets - cash and investments	<u>\$ 2,861,239</u>	<u>\$ 24,058,407</u>	<u>\$ 24,308,605</u>	<u>\$ 2,611,041</u>
Other liabilities	\$ 587,570	\$ 757,293	\$ 674,340	\$ 670,523
Extraordinary Growth Fund	608,249	14,718,828	14,939,721	387,356
Cost of Living Fund	639,432	6,003,185	6,154,124	488,493
Due to student organizations	<u>1,025,988</u>	<u>2,579,101</u>	<u>2,540,420</u>	<u>1,064,669</u>
Total liabilities	<u>\$ 2,861,239</u>	<u>\$ 24,058,407</u>	<u>\$ 24,308,605</u>	<u>\$ 2,611,041</u>

See independent auditor's report on the financial statements.

## STATISTICAL SECTION

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



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## STATISTICAL SECTION

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

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

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

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TABLE 1  
(UNAUDITED)

BLUE VALLEY USD #229, KANSAS NET ASSETS BY COMPONENT LAST TEN FISCAL YEARS (Accrual Basis of Accounting)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<b>Governmental Activities</b>											
Invested in capital assets, net of related debt	\$ 46,312,666	\$ 39,813,390	\$ 30,283,612	\$ 81,069,192	\$ 125,031,167	\$ 142,672,774	\$ 168,334,843	\$ 191,485,019	\$ 194,989,639	\$ 167,779,104	
Restricted	16,506,805	32,841,738	40,798,617	39,397,044	37,511,989	37,572,833	39,786,787	40,353,000	37,513,762	40,085,152	
Unrestricted	91,965,651	93,658,200	119,902,908	106,844,431	83,884,422	73,930,967	68,840,923	48,440,714	68,354,468	118,589,080	
<b>Total Net Assets</b>	<b>\$ 154,785,122</b>	<b>\$ 166,313,328</b>	<b>\$ 190,985,137</b>	<b>\$ 227,310,667</b>	<b>\$ 246,427,578</b>	<b>\$ 254,176,574</b>	<b>\$ 278,962,553</b>	<b>\$ 280,278,733</b>	<b>\$ 300,857,869</b>	<b>\$ 326,453,336</b>	<b>(2)</b>
							(1)	(1)	(1)		

(1) 2009, 2010 and 2011 Net Assets were restated as a result of a prior period adjustments to Capital Assets.

(2) The overall change in total net assets includes an increase in current assets of \$38.1 million; a decrease in non-current assets of \$0.3 million and an increase in capital assets of \$5.2 million. It also includes a decrease in current liabilities of \$6.8 million and an increase in non-current liabilities of \$24.2 million. Net assets include \$167.8 million invested in capital assets, \$40.1 million restricted for debt service and \$118.6 million unrestricted.

Source: Blue Valley USD #229 Basic Financial Statements

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**TABLE 2  
(UNAUDITED)**

**BLUE VALLEY USD #223, KANSAS  
EXPENSE, PROGRAM REVENUES, AND NET [EXPENSE]/REVENUE  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	99,627,197	\$ 102,607,598	\$ 110,527,667	\$ 118,875,612	\$ 129,750,442	\$ 136,331,621	\$ 143,503,301	\$ 145,340,192	\$ 146,336,760	\$ 151,436,812
Student Support Services	5,413,798	8,097,686	8,901,355	9,271,192	10,263,514	11,012,546	11,336,965	11,624,541	10,966,654	11,066,793
Instructional Support Staff	7,558,984	8,053,434	8,885,959	9,609,695	12,458,579	13,873,761	14,048,127	12,722,771	11,843,024	12,197,173
General Administration	870,530	1,061,669	1,559,311	1,697,118	2,002,360	1,908,155	2,238,090	2,386,972	2,106,359	2,758,962
School Administration	7,234,030	7,840,721	8,356,488	8,484,871	8,693,089	9,435,950	10,029,431	10,580,576	11,108,138	11,105,855
Central Services	-	-	-	-	-	-	-	135,158	2,224,884	807,564
Operations and Maintenance	14,135,909	13,758,135	14,958,372	15,762,596	28,861,222	41,842,839	23,961,722	34,042,696	29,164,842	28,663,460
Student Transportation Services	4,056,977	4,302,790	4,509,985	5,010,015	5,155,479	6,039,966	5,567,436	5,865,653	5,866,237	6,762,697
Food Service Operations	6,006,366	6,194,684	6,955,995	7,029,954	7,666,945	8,232,432	9,072,073	8,825,894	8,825,894	9,546,090
Other Support Services	9,443,686	8,865,200	9,325,539	10,152,371	9,156,855	9,110,570	10,561,416	9,431,428	10,173,702	11,278,665
Interest on Long-Term Debt	14,049,414	12,896,041	11,173,237	12,120,303	10,910,056	12,897,424	13,660,943	15,083,952	15,469,690	14,412,321
<b>Total Primary Government</b>	<b>168,336,095</b>	<b>173,400,928</b>	<b>185,193,908</b>	<b>198,004,127</b>	<b>225,120,541</b>	<b>250,765,364</b>	<b>243,979,113</b>	<b>256,140,907</b>	<b>253,736,184</b>	<b>256,028,636</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services										
Instruction	3,352,660	3,203,451	3,429,202	4,110,165	4,626,280	4,636,633	4,835,732	5,596,875	6,180,130	6,297,180
Student Support Services	-	-	-	-	-	-	-	-	-	-
Instructional Support Staff	15,328	14,805	48,717	-	-	-	-	-	-	-
General Administration	10,422	9,870	-	-	-	-	-	-	-	-
School Administration	8,394	7,895	-	-	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-	-	-	-	-
Food Service Operations	5,752,694	5,972,320	6,295,954	6,776,696	6,853,212	7,102,181	7,127,826	6,983,221	7,431,833	7,666,353
Other Support Services	-	-	-	-	-	-	-	-	-	-
Student Activities	-	53,956	-	-	-	-	-	-	-	-
<b>Total Charges for Services</b>	<b>9,196,003</b>	<b>9,262,267</b>	<b>9,773,873</b>	<b>10,886,861</b>	<b>11,479,492</b>	<b>11,738,814</b>	<b>11,963,556</b>	<b>12,580,096</b>	<b>13,611,963</b>	<b>12,963,533</b>
<b>Operating Grants and Contributions</b>										
Instruction	16,200,315	17,553,589	17,294,542	20,371,196	23,659,029	27,786,773	31,942,871	29,107,225	29,660,669	33,966,393
Student Support Services	-	-	370,072	421,646	493,496	557,696	688,409	646,367	602,663	1,072,532
Instructional Support Staff	381,986	448,129	1,056,887	1,391,506	2,933,506	3,581,338	3,293,965	3,279,092	1,184,071	1,635,646
General Administration	-	-	23,269	45,841	60,274	63,958	74,996	87,628	60,761	131,988
School Administration	-	-	336,644	360,293	435,999	457,922	537,490	563,377	481,517	846,007
Operations and Maintenance	-	-	350,212	378,172	457,342	506,087	693,504	1,542,326	1,582,018	1,868,711
Student Transportation Services	9,600	682,822	922,331	1,039,109	1,172,239	1,285,607	1,415,357	1,514,335	1,653,390	1,823,416
Food Service Operations	581,642	3,156,894	4,421,636	5,347,450	3,432,731	3,304,414	1,991,480	(1,257,368)	504,754	720,663
Other Support Services	784,134	21,841,424	24,781,813	29,375,213	32,844,616	37,543,997	40,554,072	35,483,182	35,638,843	42,085,356
<b>Total Operating Grants and Contributions</b>	<b>17,957,723</b>	<b>21,841,424</b>	<b>24,781,813</b>	<b>29,375,213</b>	<b>32,844,616</b>	<b>37,543,997</b>	<b>40,554,072</b>	<b>35,483,182</b>	<b>35,638,843</b>	<b>42,085,356</b>
<b>Total Primary Government Program Revenues</b>	<b>27,153,726</b>	<b>31,103,721</b>	<b>34,555,686</b>	<b>40,262,074</b>	<b>44,324,108</b>	<b>49,282,811</b>	<b>52,517,630</b>	<b>48,063,278</b>	<b>49,250,806</b>	<b>55,048,889</b>
<b>Total Primary Government Net [Expense]</b>	<b>\$ (141,245,369)</b>	<b>\$ (142,297,207)</b>	<b>\$ (150,638,222)</b>	<b>\$ (157,742,053)</b>	<b>\$ (180,796,433)</b>	<b>\$ (201,502,553)</b>	<b>\$ (191,461,483)</b>	<b>\$ (208,077,629)</b>	<b>\$ (204,485,378)</b>	<b>\$ (202,979,747)</b>

Source: Blue Valley USD #229 Basic Financial Statements

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Primary Government Net (Expense)	\$ [141,245,369]	\$ [142,297,207]	\$ [150,638,222]	\$ [157,742,053]	\$ [180,796,433]	\$ [201,502,553]	\$ [191,461,483]	\$ [208,077,629]	\$ [204,485,378]	\$ [202,979,747]
General Revenues and Other Changes in Net Assets:										
Property Taxes	109,643,341	109,195,098	116,498,573	124,989,214	132,529,099	141,289,691	146,156,146	146,885,998	145,710,691	154,886,147
Grants and Entitlements not Restricted to Specific Programs	56,032,320	39,550,229	50,786,653	53,486,244	55,209,711	55,784,405	57,024,720	56,397,711	67,143,265	65,866,301
Investments Earnings	1,581,074	1,318,793	2,922,200	7,833,321	6,648,323	7,464,683	4,290,051	829,639	438,071	260,204
Miscellaneous	5,283,217	4,285,872	5,107,112	7,772,605	5,454,565	4,614,888	4,226,305	6,104,594	10,939,034	7,562,562
Loss on Sale of Capital Assets	[3,251,084]	-	-	-	-	-	-	-	-	-
Total Primary Government	169,288,868	154,349,992	175,314,538	194,061,384	199,841,698	209,153,667	211,697,222	210,217,942	224,231,061	228,575,214
Total Primary Government Change in Net Assets	\$ 28,043,499	\$ 12,052,785	\$ 24,676,316	\$ 36,319,331	\$ 19,045,265	\$ 7,651,114	\$ 20,235,739	\$ 2,140,313	\$ 19,745,683	\$ 25,595,467

Source: Blue Valley USD #229 Basic Financial Statements

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Reserved (for years ending 6/30/2010 and prior only)	\$ 1,384,722	\$ 1,816,625	\$ 858,477	\$ 783,901	\$ 565,728	\$ 667,812	\$ 607,384	\$ 216,355	\$ -	\$ -
Unreserved (for years ending 6/30/2010 and prior only)	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	143,017	137,014
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	649,751	543,889
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 1,384,722</b>	<b>\$ 1,816,625</b>	<b>\$ 858,477</b>	<b>\$ 783,901</b>	<b>\$ 565,728</b>	<b>\$ 667,812</b>	<b>\$ 607,384</b>	<b>\$ 216,355</b>	<b>\$ 792,768</b>	<b>\$ 680,903</b>
									(1)	(1)
<b>All Other Governmental Funds</b>										
Reserved (for years ending 6/30/2010 and prior only)	\$ 29,072,911	\$ 46,313,009	\$ 63,804,744	\$ 66,822,273	\$ 65,020,852	\$ 137,538,270	\$ 96,217,177	\$ 63,499,991	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds (for years ending 6/30/2010 and prior only)	26,063,694	44,555,641	48,410,658	55,204,078	64,193,479	68,965,486	58,206,067	55,278,327	-	-
Capital project funds (for years ending 6/30/2010 and prior only)	13,307,940	8,694,250	47,455,587	23,998,113	[7,719,235]	[22,000,133]	19,140,045	[12,350,289]	-	-
Nonspendable	-	-	-	-	-	-	-	-	91,090	127,770
Restricted	-	-	-	-	-	-	-	-	115,316,219	150,544,622
Assigned	-	-	-	-	-	-	-	-	16,786,420	28,361,274
Unassigned	-	-	-	-	-	-	-	-	3,047,195	3,421,242
<b>Total All Other Governmental Funds</b>	<b>\$ 68,444,545</b>	<b>\$ 99,562,900</b>	<b>\$ 159,670,989</b>	<b>\$ 146,024,464</b>	<b>\$ 121,495,096</b>	<b>\$ 184,503,623</b>	<b>\$ 173,563,289</b>	<b>\$ 106,428,029</b>	<b>\$ 135,240,924</b>	<b>\$ 182,454,908</b>
									(1)	(1)

(1) In accordance with GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the District has reclassified the governmental fund balances. The new classifications comprise a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. This change was effective for fiscal years ending June 30, 2011 and after.

Source: Blue Valley USD #229 Basic Financial Statements

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

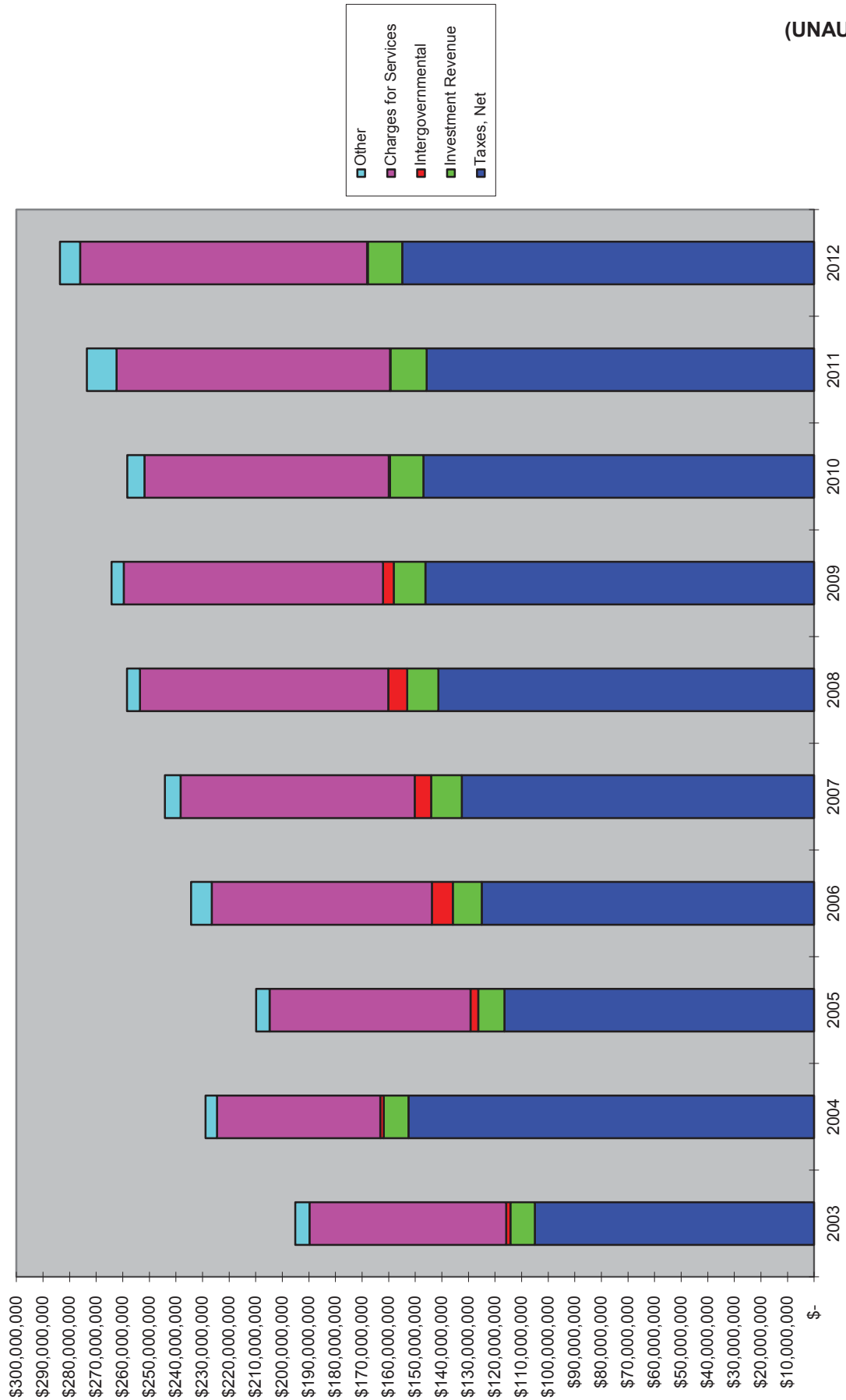
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Taxes, Net</b>	\$ 105,015,154	\$ 152,574,717	\$ 116,498,573	\$ 124,989,214	\$ 132,529,099	\$ 141,289,691	\$ 146,156,146	\$ 146,885,998	\$ 145,710,691	\$ 154,886,147
<b>Intergovernmental</b>	73,990,043	61,391,653	75,568,466	82,841,457	88,054,327	93,328,402	97,578,792	91,880,893	102,782,108	107,951,657
<b>Charges for Services</b>	9,196,003	9,262,297	9,773,873	10,886,861	11,479,492	11,738,814	11,963,558	12,580,096	13,611,963	12,963,533
<b>Investment Revenue</b>	1,581,074	1,318,793	2,922,200	7,833,321	6,197,811	7,147,028	3,953,348	495,584	188,002	260,204
<b>Other</b>	5,295,155	4,285,872	5,107,112	7,772,605	5,905,077	4,932,543	4,563,008	6,438,649	11,189,103	7,562,562
<b>Total Revenues</b>	<u>\$ 195,077,429</u>	<u>\$ 228,833,332</u>	<u>\$ 209,870,224</u>	<u>\$ 234,323,458</u>	<u>\$ 244,165,806</u>	<u>\$ 258,436,478</u>	<u>\$ 264,214,852</u>	<u>\$ 258,281,220</u>	<u>\$ 273,481,867</u>	<u>\$ 283,624,103</u>

Source: Blue Valley USD #229 Basic Financial Statements

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

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



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	\$ 90,975,605	\$ 93,504,794	\$ 99,944,110	\$ 106,725,121	\$ 117,085,871	\$ 121,486,276	\$ 127,957,829	\$ 128,086,595	\$ 127,791,098	\$ 131,666,878
Student Support Services	5,452,105	8,074,065	8,888,039	9,248,764	10,250,486	10,904,833	11,240,043	11,484,658	10,441,927	10,962,299
Instructional Support Staff	7,398,470	7,864,586	8,777,865	9,520,891	12,402,046	13,723,597	13,925,853	12,588,627	11,710,131	11,999,340
General Administration	975,111	1,026,977	1,554,136	1,636,544	1,953,602	1,847,360	1,995,149	1,963,157	1,787,641	2,350,324
School Administration	7,323,425	7,575,656	8,293,743	8,401,493	8,834,264	9,303,560	9,914,121	10,453,774	10,917,862	11,019,315
Central Services	-	-	-	-	-	-	-	133,813	1,377,793	801,840
Operations and Maintenance	14,792,392	13,375,439	14,438,998	15,986,366	17,182,606	17,906,087	17,945,586	18,338,965	18,529,508	20,655,359
Student Transportation Services	4,058,977	4,302,750	4,509,985	5,010,015	5,155,479	5,985,926	5,523,230	5,927,096	5,807,307	6,704,864
Food Service Operations	6,033,081	6,194,694	6,955,995	7,029,954	7,666,945	8,158,776	9,000,040	8,720,414	8,836,228	9,478,190
Other Support Services	8,768,443	7,751,395	8,139,626	9,051,363	8,313,729	8,405,030	9,844,545	8,547,102	9,838,185	10,165,661
Capital Outlay	21,429,163	14,625,875	15,708,257	34,731,926	41,834,028	60,280,041	102,990,171	78,324,715	28,747,587	31,211,718
Debt Service										
Principal Retirement	21,314,132	21,292,812	20,925,000	28,130,000	26,490,000	25,955,000	23,860,000	25,515,000	48,355,000	68,955,000
Interest and Other Charges	13,880,101	13,686,448	11,578,355	12,572,122	11,744,291	12,671,226	14,030,579	15,723,593	16,099,775	14,635,373
Total Expenditures (1)	\$ 202,401,005	\$ 199,275,491	\$ 209,714,109	\$ 248,044,559	\$ 268,913,347	\$ 296,627,712	\$ 348,227,146	\$ 325,807,509	\$ 300,240,042	\$ 330,606,161

Debt service as a percentage  
of noncapital expenditures

	19.45%	18.94%	16.75%	19.08%	16.84%	15.00%	15.17%	15.74%	23.04%	27.56%
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

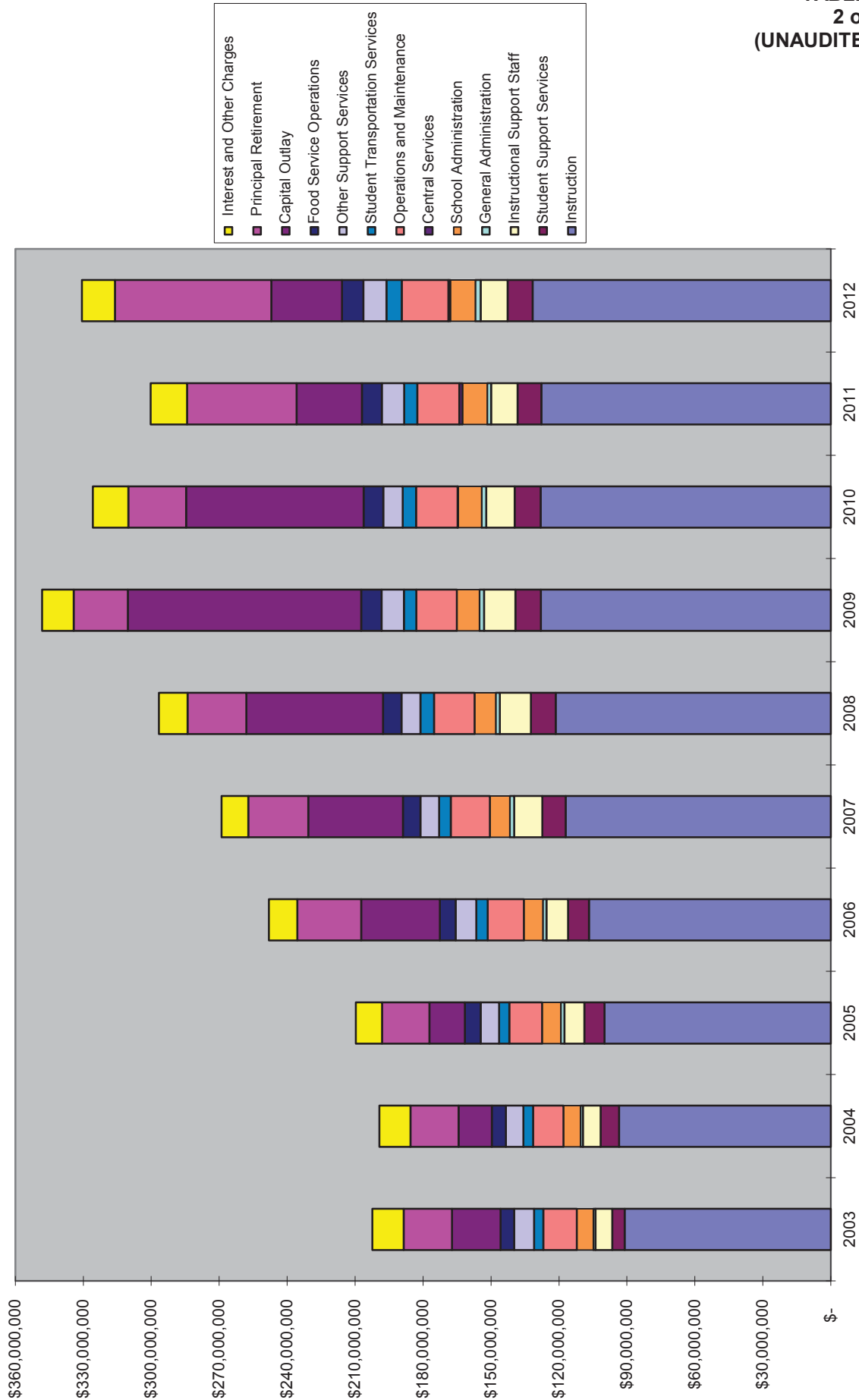
(1) Expenditures include General, Special Revenue, Debt Service and Capital Project Funds.

Source: Blue Valley USD #229 Basic Financial Statements

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

TABLE 6  
2 of 2  
(UNAUDITED)



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**TABLE 7  
(UNAUDITED)**

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Excess of Revenues Over [Under] Expenditures</b>	\$ [7,323,576]	\$ 29,557,841	\$ 156,115	\$ [13,721,101]	\$ [24,747,541]	\$ [38,191,234]	\$ [84,012,294]	\$ [67,526,289]	\$ [26,758,175]	\$ [46,982,058]
<b>Other Financing Sources [Uses]</b>										
Sale of bonds	253,551	67,838,086	107,894,202	-	-	98,780,000	73,000,000	-	53,870,000	85,850,000
Bond premium	-	-	-	-	-	2,521,845	11,532	-	2,277,483	8,234,178
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	[65,845,669]	[48,900,376]	-	-	-	-	-	-	-
Transfers in	25,811,580	24,586,321	23,573,434	29,756,111	35,739,528	38,975,070	41,142,537	37,763,594	10,597,827	7,801,987
Transfers [out]	[25,811,580]	[24,586,321]	[23,573,434]	[29,756,111]	[35,739,528]	[38,975,070]	[41,142,537]	[37,763,594]	[10,597,827]	[7,801,987]
<b>Total Other Financing Sources [Uses]</b>	253,551	1,992,417	58,993,826	-	-	101,301,845	73,011,532	-	56,147,483	94,084,178
<b>Net Change in Fund Balances</b>	\$ [7,070,025]	\$ 31,550,258	\$ 59,149,941	\$ [13,721,101]	\$ [24,747,541]	\$ 63,110,611	\$ [11,000,762]	\$ [67,526,289]	\$ 29,389,308	\$ 47,102,120

Source: Blue Valley USD #229 Basic Financial Statements

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**TABLE 8**  
**1 of 2**  
**(UNAUDITED)**

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

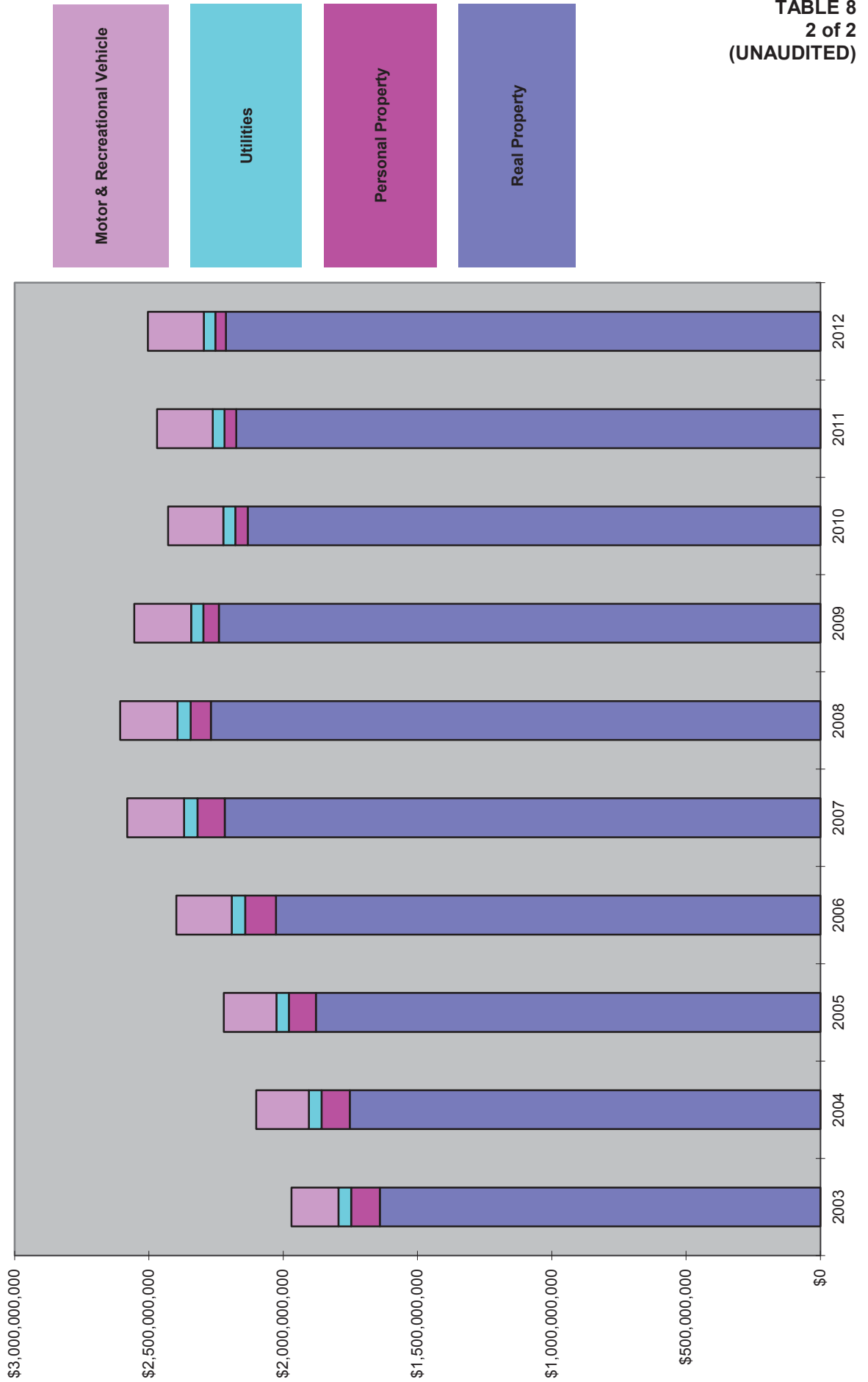
Tax Year	Real Property Assessed		Personal Property Assessed		Utilities Assessed		Total Assessed		Motor and Recreational Vehicle Assessed		Total Equalized Assessed		Real Property Estimated Actual		Personal Property Estimated Actual		Utilities Estimated Actual		Total Estimated Actual		Ratio of Total Assessed to Total Estimated	
	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Act. Value	Est. Value
2003	1,640,548,603	106,639,802	46,978,605	1,794,167,010	175,238,053	1,969,405,063	11,690,923,901	419,449,888	145,357,940	12,255,731,729	14.64%	63.365										
2004	1,752,533,550	104,190,521	47,377,868	1,904,101,939	196,573,594	2,100,675,533	12,480,187,831	409,816,049	146,709,392	13,036,713,272	14.61%	62.117										
2005	1,877,957,042	100,706,067	46,803,224	2,025,466,333	195,673,594	2,221,139,927	13,409,356,063	396,110,530	144,928,544	13,950,395,137	14.52%	61.379										
2006	2,026,922,653	114,330,698	49,950,845	2,191,204,196	206,202,418	2,397,406,614	14,433,965,100	449,700,745	154,633,350	15,038,299,195	14.57%	60.700										
2007	2,217,623,523	101,117,683	50,463,281	2,369,204,487	211,344,270	2,580,548,757	15,646,599,414	396,649,696	156,688,128	16,199,937,238	14.62%	59.503										
2008	2,269,087,214	75,143,203	48,829,704	2,393,060,121	214,145,732	2,607,205,853	16,047,278,270	295,563,265	152,017,026	16,494,858,561	14.51%	61.127										
2009	2,239,687,543	57,223,630	45,513,707	2,342,424,880	211,894,290	2,554,319,170	15,854,551,230	225,079,611	142,219,287	16,221,850,128	14.44%	65.079										
2010	2,132,028,853	46,629,160	43,877,131	2,222,535,144	205,727,417	2,428,262,561	15,279,918,870	184,507,412	138,228,868	15,602,655,150	14.24%	71.049										
2011	2,175,051,947	43,691,330	43,807,794	2,262,551,071	206,855,654	2,469,406,725	15,473,664,654	169,068,740	138,470,721	15,781,204,115	14.34%	72.828										
2012	2,213,584,870	38,789,715	43,170,916	2,295,545,501	207,991,336	2,503,536,837	15,690,320,068	153,843,660	136,947,517	15,981,111,245	14.36%	72.027										
																					(1)	

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

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

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



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BLUE VALLEY USD #229, KANSAS											
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)											
DIRECT AND OVERLAPPING GOVERNMENTS											
LAST TEN TAX YEARS											
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
Blue Valley USD #229											
General	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Supplemental General	10.044	8.601	12.212	14.816	14.063	14.797	16.040	18.663	18.792	18.031	18.031
Extraordinary Growth	5.411	4.801	3.036	2.432	1.464	1.204	2.055	5.698	6.179	4.948	4.948
Capital Outlay	8.996	9.000	8.998	8.000	7.994	8.000	8.000	8.000	7.914	8.000	8.000
Cost of Living	0.000	0.000	0.000	0.405	0.995	1.548	2.485	2.723	2.384	2.387	2.387
Bond & Interest	18.501	18.640	17.008	14.853	14.824	15.324	16.204	15.264	16.911	18.303	18.303
Special Assessment	0.413	0.162	0.125	0.194	0.163	0.254	0.295	0.369	0.223	0.268	0.268
Special Liability	0.000	0.913	0.000	0.000	0.000	0.000	0.000	0.332	0.425	0.090	0.090
Total - Direct	63.365	62.117	61.379	60.700	59.503	61.127	65.079	71.049	72.828	72.027	72.027
(2)											
State of Kansas	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Johnson County	16.381	16.041	17.922	17.949	17.985	17.767	17.716	17.748	17.700	17.717	17.717
City of Overland Park	9.057	9.037	9.037	8.889	8.832	8.852	8.890	8.876	12.814	12.769	12.769
Johnson County Library	2.954	2.956	2.955	2.960	2.962	3.057	3.151	3.158	3.145	3.149	3.149
Johnson County Parks	2.365	2.367	2.286	2.290	2.295	2.341	2.346	2.350	2.343	2.344	2.344
Community College	9.432	9.438	8.960	8.872	8.749	8.768	8.784	8.799	8.776	8.785	8.785
Blue Valley Recreation Commission	1.186	2.080	1.950	1.699	1.598	1.603	1.604	1.604	2.235	2.237	2.237
Total - Overlapping Governments	42.875	43.419	44.610	44.159	43.921	43.888	43.991	44.035	48.513	48.501	48.501

(1) 2004 is the first year that taxes were levied for the Special Liability Fund.

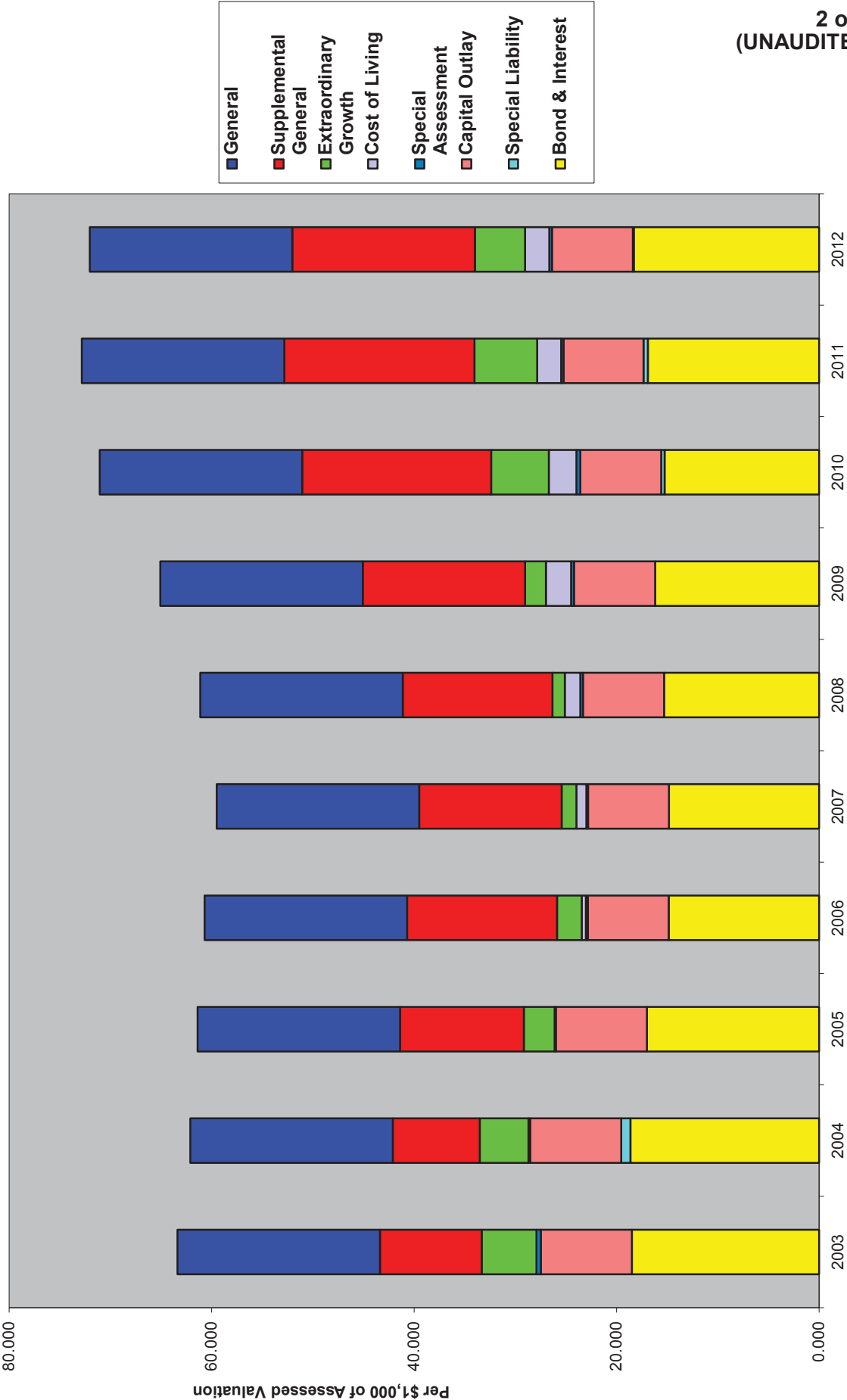
Source: Johnson County Department of Records and Tax Administration

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# Blue Valley USD #229, Kansas District Mill Levy Rates Last Ten Tax Years

TABLE 9  
2 of 2  
(UNAUDITED)



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**TABLE 10  
(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS  
PRINCIPAL TAXPAYERS  
JUNE 30, 2012 and Nine Years Ago**

<u>Name</u>	<u>Industry</u>	<u>2011 Assessed Valuation</u>	<u>Rank</u>	<u>Percent of Total Assessed Valuation</u>	<u>2002 Assessed Valuation</u>	<u>Rank</u>	<u>Percent of Total Assessed Valuation</u>
UCM/SREP - Corporate Woods, L.L.C.	Office Buildings	\$ 53,123,999	1	2.35%			
Leawood TCP, LLC (formerly Town Center Plaza, L.L.C.)	Retail Shopping Center	23,008,252	2	1.02%	\$ 16,869,541	4	0.89%
Kansas City Power & Light	Electric Utility	19,078,614	3	0.71%	12,954,303	6	0.69%
MEPT Lighton Plaza, LLC	Office Buildings	13,522,752	4	0.60%			
Central Tennessee Hospital (Menorah)	Hospital	11,710,245	5	0.52%			
119th Street Development, L.L.C.	Real Estate	11,066,750	6	0.49%			
Park Place Village, L.L.C.	Retail Shopping Center	10,189,606	7	0.45%			
Privitera Realty Holdings (formerly Privitera, Carl J.)	Real Estate	9,945,031	8	0.44%	12,126,138	7	0.64%
Integrated Capital - Overland Park	Real Estate	8,606,000	9	0.38%			
Sprint (formerly Sprint Communications Co.)	Telecommunications	7,916,122	10	0.35%	35,565,845	2	1.88%
Southwestern Bell Telephone	Telecommunications				17,362,021	3	0.89%
Knickerbocker Properties, Inc.	Real Estate (Office Buildings)				61,533,111	1	3.25%
ASR Lighton, L.L.C.	Real Estate (Office Buildings)				15,761,377	5	0.83%
TIAA Realty, Inc.	Retail Shopping Center				10,827,878	8	0.57%
FP Office, Inc.	Retail Shopping Center				9,232,753	9	0.49%
OPTC II, L.L.C.	Merchandise Mart/Retail				8,250,913	10	0.44%
		<u>\$ 165,167,371</u>		<u>7.30%</u>	<u>\$ 200,483,880</u>		<u>10.57%</u>

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

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

Tax Year/ Collection Year	Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections (Current & Delinquent)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
2002/03	116,339,799	113,991,585	97.93%	1,911,854	115,903,439	99.57%	2,408,154	2.07%
2003/04	115,724,865	114,414,498	98.87%	2,164,420	116,578,918	100.74%	1,310,367	1.13%
2004/05	120,899,038	119,733,750	99.04%	2,599,891	122,333,641	101.19%	1,165,288	0.96%
2005/06	127,159,843	125,869,520	98.99%	1,594,199	127,463,719	100.24%	1,290,323	1.01%
2006/07	134,897,273	133,258,915	98.79%	1,483,684	134,742,599	99.89%	1,638,358	1.21%
2007/08	142,489,917	140,715,925	98.76%	1,537,660	142,253,585	99.83%	1,773,992	1.24%
2008/09	145,020,974	142,760,844	98.44%	2,642,569	145,403,413	100.26%	2,260,130	1.56%
2009/10	150,696,304	147,596,249	97.94%	1,669,575	149,265,824	99.05%	3,100,055	2.06%
2010/11	158,090,724	153,143,465	96.87%	2,584,378	155,727,843	98.51%	4,947,259	3.13%
2011/12	162,604,044 (1)	160,711,094 (2)	98.84%	5,627,302 (2) (3)	166,338,396 (2)	102.30%	1,892,950 (2)	1.16%

(1) Tax year balances.

(2) Collection year balances.

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

Source: Johnson County Treasurer's Office

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

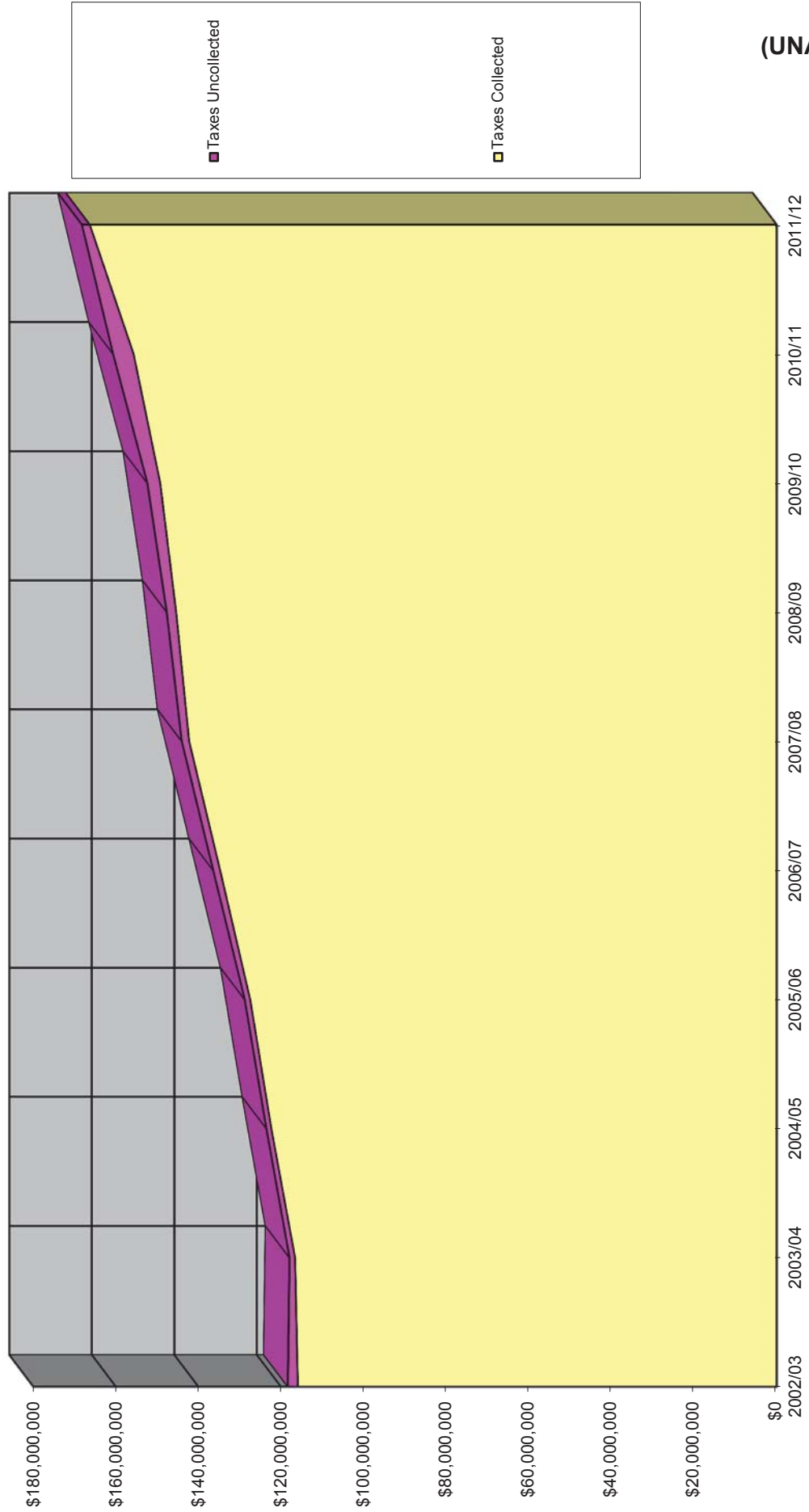


TABLE 11  
2 of 2  
(UNAUDITED)

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**TABLE 12  
(UNAUDITED)**

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

Fiscal Year	Capital Leases	General Obligation Bonds	Total	District Population	Personal Income	Per Capita	Percentage of Personal Income
2003	404,560	280,739,424	281,143,984	98,095	3,386,645,000	2,866	8.30%
2004	-	262,969,298	262,969,298	103,120	3,386,645,000	2,550	7.76%
2005	-	302,770,973	302,770,973	107,333	4,433,181,800	2,821	6.83%
2006	-	273,731,881	273,731,881	111,000	4,433,181,800	2,466	6.17%
2007	-	246,352,866	246,352,866	116,256	4,433,181,800	2,119	5.56%
2008	-	320,810,695	320,810,695	120,256	4,433,181,800	2,668	7.24%
2009	-	368,947,118	368,947,118	118,687	4,433,181,800	3,109	8.32%
2010	-	342,416,432	342,416,432	116,914	5,658,666,600	2,929	6.05%
2011	-	349,193,230	349,193,230	114,021	5,658,666,600	3,063	6.17%
2012	-	373,960,285	373,960,285	114,393	5,658,666,600	3,269	6.61%
					(1)		

(1) The 2003 to 2004 personal income information is from the 2000 census data, the 2005 to 2009 personal income information is from the 2005 Census American Community Survey and the 2010 to 2012 information is from the 2009 Census American Community Survey.

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

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

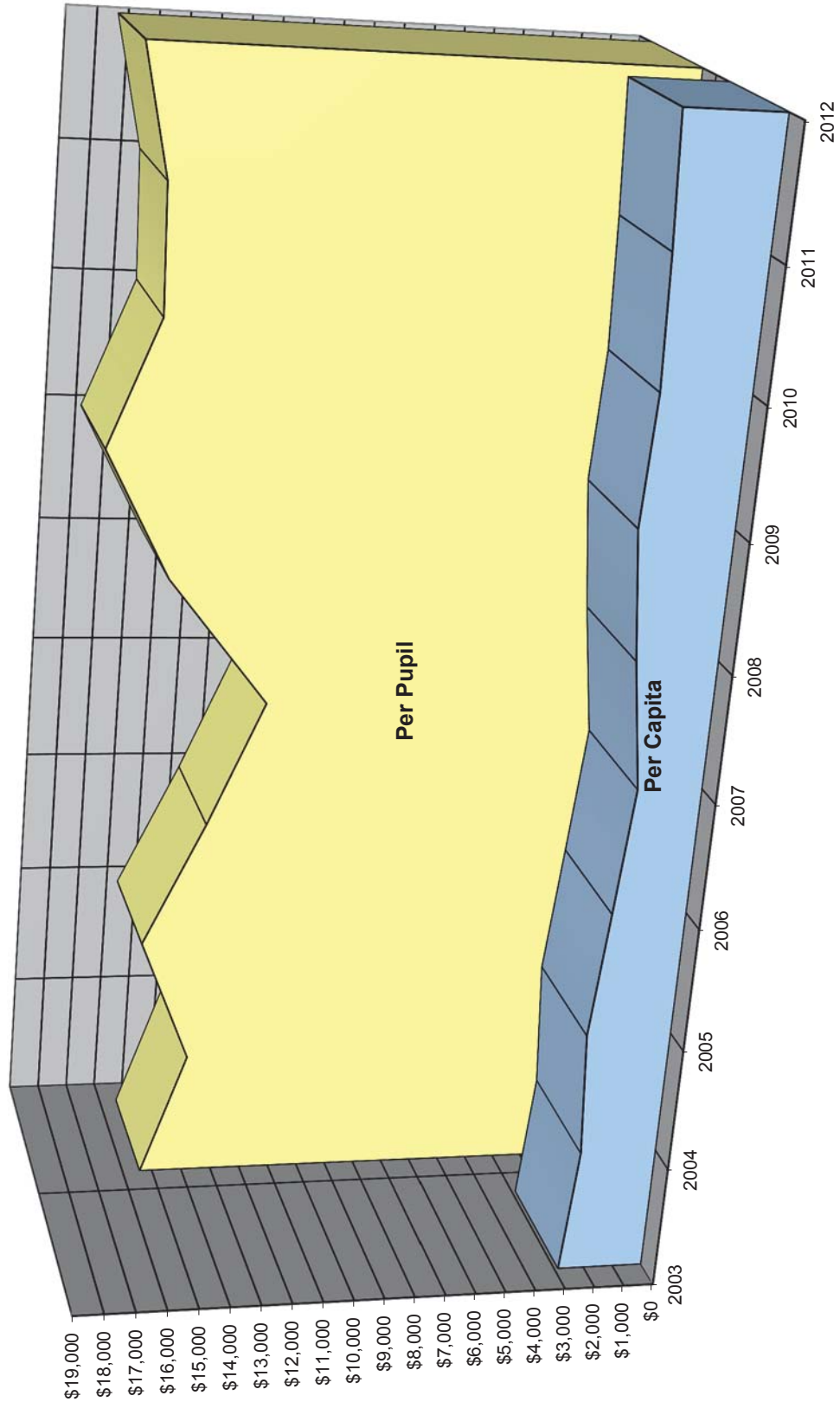
<b>Fiscal</b>	<b>Year</b>	<b>District Population</b>	<b>District Enrollment</b>	<b>Total Equalized Assessed Value</b>	<b>Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Bonded Debt Per Capita</b>	<b>Bonded Debt Per Pupil</b>
<b>2003</b>		98,095	18,244	1,880,078,816	281,143,984	14.95%	2,866	15,410
<b>2004</b>		103,120	18,703	1,969,405,063	262,969,298	13.35%	2,550	14,060
<b>2005</b>		107,333	19,104	2,100,675,533	302,770,973	14.41%	2,821	15,849
<b>2006</b>		111,000	19,590	2,221,139,927	273,731,881	12.32%	2,464	13,973
<b>2007</b>		116,256	20,058	2,397,406,614	246,352,866	10.28%	2,119	12,282
<b>2008</b>		120,256	20,364	2,580,548,757	320,810,695	12.43%	2,668	15,754
<b>2009</b>		118,687	20,477	2,607,205,853	368,947,118	14.15%	3,109	18,018
<b>2010</b>		116,914	20,815	2,554,319,170	342,416,432	13.41%	2,929	16,450
<b>2011</b>		114,021	21,036	2,428,262,561	349,193,230	14.38%	3,063	16,600
<b>2012</b>		114,393	21,330	2,469,406,725	373,960,285	15.14%	3,269	17,532

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

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

**Blue Valley USD #229, Kansas**  
**Ratio of District Net Bonded Debt Per Capita and Per Pupil**  
**Last Ten Fiscal Years**



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**TABLE 14**  
**(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2012**

	<b>Principal Amount of Outstanding Debt</b>	<b>Percent Applicable to School District</b>	<b>Amount Applicable to School District</b>
<b>Direct</b>			
Blue Valley USD #229	\$ 373,960,285	100.00%	\$ 373,960,285
<b>Overlapping</b>			
Johnson County (1)	\$ 290,901,089	30.20%	\$ 87,852,129
Johnson County Parks & Recreation (1)	3,000,000	30.20%	906,000
City of Olathe	252,240,000	5.52%	13,923,648
City of Leawood	63,055,000	79.04%	49,838,672
City of Overland Park	179,875,000	58.03%	104,381,463
Johnson County Fire District #2 (1)	3,420,000	57.56%	1,968,552
Miami County	7,380,000	0.0157%	1,159
<b>Total Overlapping Debt</b>			<u>258,871,623</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 632,831,908</u></u>

(1) Johnson County debt is as of 09/01/2012. All other debt is as of 06/30/2012.

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

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**TABLE 15**  
**(UNAUDITED)**

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Assessed Valuation of Taxable Property	\$ 1,716,230,851	\$ 1,794,167,010	\$ 1,904,101,939	\$ 2,025,466,333	\$ 2,191,204,196	\$ 2,369,204,487	\$ 2,393,060,121	\$ 2,342,424,880	\$ 2,222,535,144	\$ 2,262,551,071
Debt Limit Percent of Assessed Value	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Debt Limit	240,272,319	251,183,381	266,574,271	283,565,287	306,768,587	331,688,628	335,028,417	327,939,483	311,154,920	316,757,150
Total net debt applicable to limit	280,739,424	262,969,298	302,770,973	273,731,881	246,352,866	320,810,695	368,947,118	342,416,432	349,193,230	373,960,285
Legal Debt Margin	\$ [40,467,105]	\$ [11,785,917]	\$ [36,196,702]	\$ 9,833,406	\$ 60,415,721	\$ 10,877,933	\$ [33,918,701]	\$ [14,476,949]	\$ [38,038,310]	\$ [57,203,135]
	(1)	(1)	(1)				(1)	(1)	(1)	(1)
Total Net Debt Applicable To The Limit										
As A Percentage of Debt Limit	131.66%	116.84%	104.69%	113.58%	96.53%	80.31%	110.12%	104.41%	112.22%	118.06%

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

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

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

Fiscal Year	Elementary School	Middle School	High School	Total Student Enrollment (1)	Average		Total District Population	Personal Income	Per Capita Personal Income	Unemployment Rate (2)
					Daily Attendance					
2003	8,525	4,304	5,415	18,244	96.5%		98,095	3,386,645,000	34,524	3.8%
2004	8,696	4,456	5,551	18,703	96.6%		103,120	3,386,645,000	32,842	4.1%
2005	8,848	4,519	5,737	19,104	96.5%		107,333	4,433,181,800	41,303	4.8%
2006	9,092	4,634	5,864	19,590	96.4%		111,000	4,433,181,800	39,939	4.7%
2007	9,351	4,732	5,975	20,058	96.2%		116,256	4,433,181,800	38,133	4.1%
2008	9,433	4,864	6,067	20,364	96.3%		120,256	4,433,181,800	36,865	3.7%
2009	9,474	4,838	6,165	20,477	96.6%		118,687	4,433,181,800	37,352	4.8%
2010	9,515	4,929	6,371	20,815	96.3%		116,914	5,658,666,600	48,400	6.0%
2011	9,491	4,946	6,599	21,036	96.6%		114,021	5,658,666,600	49,628	6.0%
2012	9,484	5,152	6,694	21,330	96.7%		114,393	5,658,666,600	49,467	5.4%

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

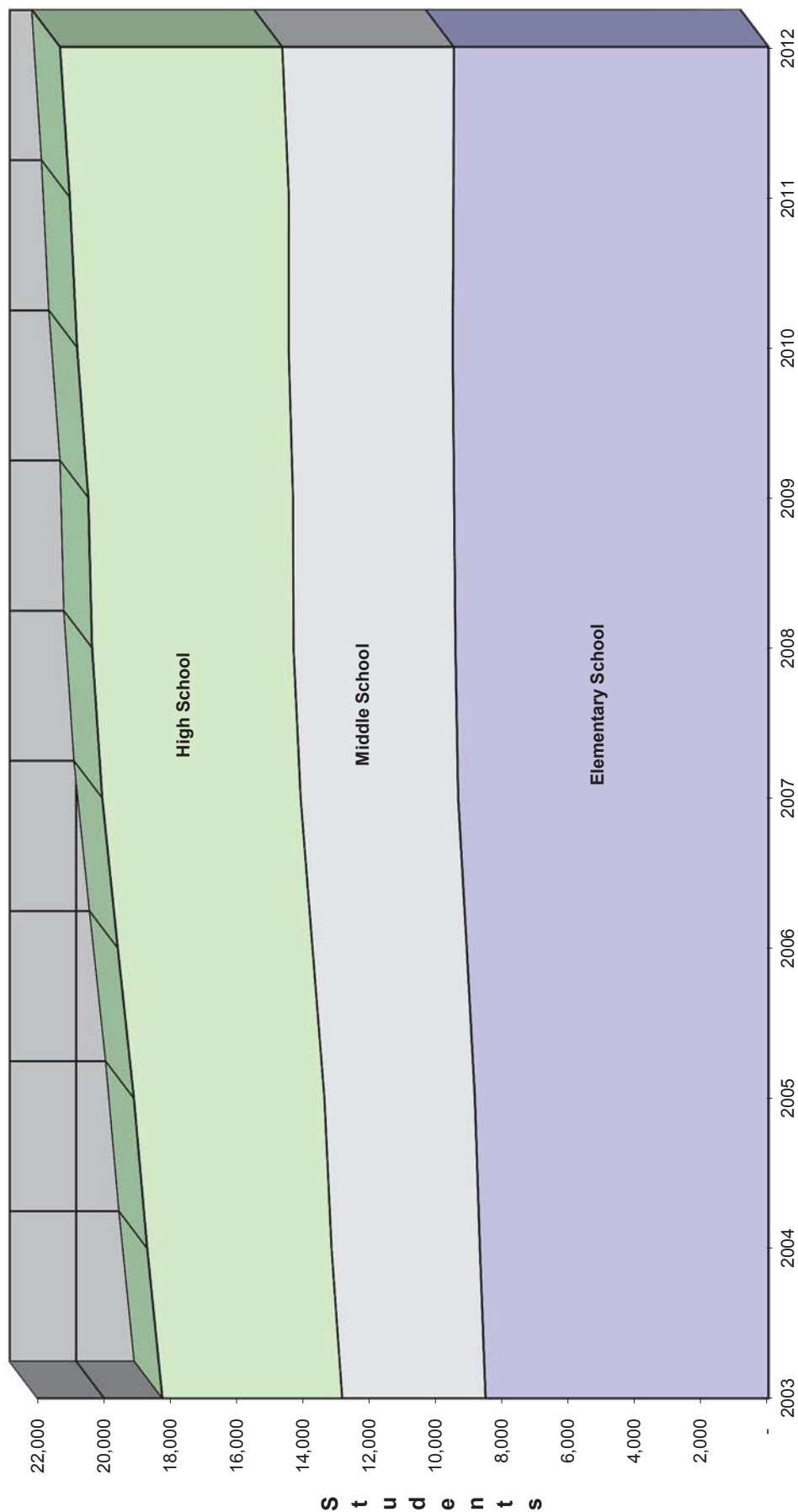
(2) Unemployment rates are for all of Johnson County.

Source: 2011 Johnson County CAFR, Kansas State Department of Education and Blue Valley USD #229 records

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

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



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**TABLE 17**  
**(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS**  
**PRINCIPAL EMPLOYERS**  
**JUNE 30, 2012 AND 2003**

<u>Employer</u>	June 30, 2012			June 30, 2003		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
Sprint Corporation	8,000	1	6.99%	10,000	1	10.19%
Blue Valley School District #229	3,144	2	2.75%	2,516	3	2.56%
Black & Veatch	2,253	3	1.97%	1,000	4	1.02%
CenturyLink	1,800	4	1.57%			
YRC Worldwide (Yellow Corporation)	1,000	5	0.87%	4,000	2	4.08%
Quintiles Transnational Corporation	870	6	0.76%			
Menorah Medical Center	850	7	0.74%	800	7	0.82%
Zurich North America Commercial	769	8	0.67%			
Saint Lukes South Hospital	749	9	0.65%			
Children's Mercy South Hospital	632	10	0.55%			
Universal Underwriters				1,000	5	1.02%
Farmers Insurance Group				900	6	0.92%
Health Midwest				700	8	0.71%
Interep				500	9	0.51%
Sprint Midwest				500	10	0.51%
<b>Total</b>	<u>20,067</u>		<u>17.60%</u>	<u>21,916</u>		<u>22.34%</u>

(1) Only estimates are available for June 30, 2003

Source: Overland Park Economic Development Council and Blue Valley USD #229 records

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**TABLE 18**  
**(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS**  
**DIRECTORY OF SCHOOL FACILITIES**  
**AS OF JUNE 30, 2012**

<u>School</u>	<u>Year Opened</u>	<u>(1) ES Current Capacity</u>	<u>(2) Present Usage</u>	<u>(3) HS/MS Current Capacity</u>	<u>Enrollment As Of Sept. 20, 2011</u>	<u>Percent of Student Capacity</u>
Blue Valley High School	1970			1,431	1,260	88.05%
Blue Valley North High School	1986			1,687	1,535	90.99%
Blue Valley Northwest High School	1993			1,700	1,659	97.59%
Blue Valley Southwest High School	2010			1,657	906	54.68%
Blue Valley West High School	2001			1,638	1,334	81.44%
Aubry Bend Middle School	2011			783	666	85.06%
Blue Valley Middle School	1997			725	426	58.76%
Harmony Middle School	1992			667	551	82.61%
Lakewood Middle School	2002			725	668	92.14%
Leawood Middle School	1981			609	484	79.47%
Overland Trail Middle School	1990			667	621	93.10%
Oxford Middle School	1988			638	611	95.77%
Pleasant Ridge Middle School	1997			754	455	60.34%
Prairie Star Middle School	1996			696	670	96.26%
Blue River Elementary School	1997	26	22		518	84.62%
Cedar Hills Elementary School	2004	24	22		489	91.67%
Cottonwood Point Elementary School	1990	20	18		391	90.00%
Harmony Elementary School	1992	25	26		621	104.00%
Heartland Elementary School	1995	21	18		392	85.71%
Indian Valley Elementary School	1982	19	17		366	89.47%
Lakewood Elementary School	1999	26	27		637	103.85%
Leawood Elementary School	1978	19	19		443	100.00%
Liberty View Elementary School	2002	26	27		619	103.85%
Mission Trail Elementary School	1989	24	18		399	75.00%
Morse Elementary School	1980	18	18		427	100.00%
Oak Hill Elementary School	1987	21	18		430	85.71%
Overland Trail Elementary School	1990	24	26		620	108.33%
Prairie Star Elementary School	1993	22	24		523	109.09%
Stanley Elementary School	1988	20	17		336	85.00%
Stilwell Elementary School	1955	21	15		337	71.43%
Sunrise Point Elementary School	2006	24	22		491	91.67%
Sunset Ridge Elementary School	1998	25	24		574	96.00%
Timber Creek Elementary School	2009	19	19		402	100.00%
Valley Park Elementary School	1985	22	19		469	86.36%
<b>Total</b>					<u>21,330</u>	

Source: Blue Valley USD #229 records

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

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**TABLE 19**  
**(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS**  
**MISCELLANEOUS STATISTICAL DATA**  
**AS OF JUNE 30, 2012**

<b>Year of Incorporation</b>	1965
<b>Form of Government</b>	Elected Board
<b>Area of District</b>	91 Square Miles
<b>Population of District</b>	114,393
<b>Ending Enrollment 2010/2011</b>	21,330
<b>Number of Schools</b>	
Elementary Schools	20
Middle Schools	9
High Schools	5
<b>Total</b>	<b>34</b>
<b>Average Class Size - Elementary</b>	22.5
<b>Number of Full-Time Equivalent Employees</b>	
Classified	1,378.00
Certified	1,765.59
<b>Total</b>	<b>3,143.59</b>

**Teacher Summary**

<b>Degree</b>	<b>Number of Teachers</b>	<b>% of Total</b>	<b>Salary Range</b>	
			<b>Low</b>	<b>High</b>
Bachelors	188	12.9%	\$ 38,583	\$ 50,206
Bachelors + 12	71	4.4%	39,510	53,544
Bachelors + 24	139	9.0%	40,437	54,657
Masters	427	21.3%	42,601	59,942
Masters + 12	187	11.1%	43,837	66,897
Masters + 24	136	7.1%	45,074	68,288
Masters + 36	119	6.2%	46,310	69,678
Masters + 48	64	4.3%	47,546	71,069
Masters + 60	384	22.5%	49,710	73,016
Doctorate	17	1.2%	50,710	74,016

**Certified Employee Allocation**

	<b>Elementary</b>				<b>Total</b>
	<b>District Office</b>	<b>School</b>	<b>Middle School</b>	<b>High School</b>	
Superintendent	1.00	-	-	-	1.00
Asst. Superintendent	3.00	-	-	-	3.00
Adm. Assistants	-	1.00	1.00	1.00	3.00
Principals	-	20.00	9.00	6.00	35.00
Asst. Principals	-	-	9.00	15.00	24.00
Directors Special Ed.	6.00	-	-	-	6.00
Director Career Tech. Ed.	1.00	-	-	-	1.00
Instructional Coordinators	23.85	-	-	-	23.85
Other Directors	7.00	-	-	1.00	8.00
Curriculum Specialists	11.75	-	-	-	11.75
Vocational Arts Teachers	-	-	-	53.60	53.60
Special Ed. Teachers	-	113.10	53.70	65.20	232.00
Pre-Kindergarten	-	20.30	-	-	20.30
Kindergarten	-	61.00	-	-	61.00
Other Teachers	1.00	446.25	295.44	321.50	1,064.19
Library Media	-	20.00	9.00	10.00	39.00
Counselors	-	20.00	18.00	21.00	59.00
School Psychologists	0.20	12.10	4.00	6.00	22.30
Nurses	-	20.00	9.00	5.50	34.50
Speech Pathologists	-	32.50	2.60	2.20	37.30
Audiologists	1.80	-	-	-	1.80
Social Workers	3.00	-	-	-	3.00
Reading	-	20.00	-	-	20.00
Other	1.00	-	-	-	1.00
	60.60	786.25	410.74	508.00	1,765.59

Source: Blue Valley USD #229 records - 2011-12 Personnel Report

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

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Total Expenses (3)	Cost Per Pupil	Teaching Staff	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
2003	18,244	145,777,609	7,990	168,399,095	9,230	1,492	12	2.14%
2004	18,703	149,670,356	8,002	173,400,928	9,271	1,502	12	2.69%
2005	19,104	161,502,497	8,454	185,193,908	9,694	1,532	12	3.33%
2006	19,590	172,610,511	8,811	198,004,127	10,107	1,568	12	3.42%
2007	20,058	188,845,028	9,415	225,120,541	11,223	1,650	12	3.73%
2008	20,364	197,721,445	9,709	250,785,364	12,315	1,722	12	3.74%
2009	20,477	207,346,396	10,126	243,979,113	11,915	1,735	12	5.12%
2010	20,815	206,244,201	9,908	256,140,907	12,306	1,739	12	6.13%
2011	21,036	207,037,680	9,842	253,736,184	12,062	1,750	12	7.35%
2012	21,330	215,804,070	10,117	258,028,636	12,097	1,766	12	7.88%

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

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

TABLE 20  
(UNAUDITED)

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## GOVERNMENTAL AUDIT SECTION





BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I	84.010	\$ -	\$ 479,929	\$ 479,929	\$ -
Title VI-B Special Education	84.027	-	3,209,597	3,209,597	-
C.P. Prog. Impr. Sec.	84.048	-	81,385	81,385	-
Early Childhood Act	84.173	-	68,862	68,862	-
KS Safe Supportive Schools Grant	84.184	-	12,408	12,408	-
Drug-Free Schools - Title IV	84.186	-	21,520	21,520	-
Title II-D	84.318	-	9	9	-
Title III English Language	84.365	-	24,022	24,022	-
Title II-A Teacher Quality	84.367	-	268,829	268,829	-
Title VI State Assessments	84.369	-	387	387	-
Education Jobs Fund	84.410	-	57,294	57,294	-
Total U.S. Department of Education			<u>4,224,242</u>	<u>4,224,242</u>	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Youth Risk Behavior Survey	93.938	-	1,435	1,435	-
Total U.S. Department of Health and Human Services			<u>1,435</u>	<u>1,435</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	67,390	67,390	-
National School Lunch Program	10.555	-	1,404,154	1,404,154	-
Total U.S. Department of Agriculture			<u>1,471,544</u>	<u>1,471,544</u>	
Total Expenditures of Federal Awards			<u>\$ 5,697,221</u>	<u>\$ 5,697,221</u>	

The accompanying notes are an integral part of this schedule.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

1. General

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

2. Basis of Accounting

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2012

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 and 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes        No

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
For the Year Ended June 30, 2012

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted

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

Board of Education  
Blue Valley Unified School District No. 229

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the budgetary comparison information and the aggregate remaining fund information of Blue Valley Unified School District No. 229 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

#### Compliance and Other Matters

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

However, we noted certain matters we have reported to the District's management in a separate letter dated October 2, 2012.

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.

*Mike Houser: Company PA*

October 2, 2012

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

Board of Education  
Blue Valley Unified School District No. 229

Compliance

We have audited the compliance of Blue Valley Unified School District No. 229 with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Blue Valley Unified School District No. 229's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Blue Valley Unified School District No. 229 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f  
120 E Ninth ■ Lawrence, KS 66044-2682 ■ 785.842.8844 p ■ 785.842.9049 f  
900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

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.

*Mike Houser: Company PA*

October 2, 2012



