



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

Comprehensive Annual Financial Report
For the fiscal year ending June 30, 2009





BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

OVERLAND PARK, KANSAS

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

Prepared by:
Business and Finance Office

Jenni Newell
Treasurer

This page intentionally left blank.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

Financial Statements and Schedule
of Expenditures of Federal Awards
Year ended June 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 - 4
List of Principal Officials	5
Organizational Chart	6
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
ASBO Certificate of Excellence in Financial Reporting	8
FINANCIAL SECTION	
Independent Auditor's Report on the Financial Statements	9 - 10
Management's Discussion and Analysis	11 - 19
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	20
Statement of Activities	21
Fund Financial Statements	
Balance Sheet - Governmental Funds	22 - 23
Reconciliation of the Total Governmental Fund Balance Sheet to Net Assets of Governmental Activities	24
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	25 - 26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures And Changes in Fund Balances with the Government - Wide Statement of Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)	
General Fund	28
Supplemental General Fund	29
Special Education Fund	30
Capital Outlay Fund	31
Statement of Fiduciary Net Assets	32
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	33

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

Financial Statements and Schedule
of Expenditures of Federal Awards
Year ended June 30, 2009

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
FINANCIAL SECTION - CONTINUED	
Notes to the Basic Financial Statements	34 - 50
Required Supplementary Information:	
Schedule of Funding Progress and Schedule of Employer Contributions	51
Combining Statements and Individual Fund Schedules	
Combining Statements - Nonmajor Funds	
Fund Descriptions	52 - 53
Combining Balance Sheet - Nonmajor Special Revenue Funds	54 - 57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	58 - 61
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis):	
Vocational Education Fund	62
At Risk (K-12) Fund	63
Driver Training Fund	64
Professional Development Fund	65
Special Assessment Fund	66
Food Service Fund	67
Bilingual Education Fund	68
Summer School Fund	69
Parent Education Program Fund	70
Extraordinary School Program Fund	71
Federal Funds	72 - 73
Gifts and Grants Funds	74 - 75
Special Liability Fund	76
KPERs Fund	77
Debt Service Fund	78
Combining Statement of Net Asset - Agency Funds	79
Statement of Changes in Assets and Liabilities	80
STATISTICAL SECTION	
Explanation and Table of Contents	81
Net Assets by Component - Last Eight Fiscal Years	82
Expense, Program Revenues, and Net [Expense]/Revenue - Last Eight Fiscal Years	83
General School System Revenues and Total Change in Net Assets - Last Eight Fiscal Years	84
Fund Balances, Governmental Funds - Last Ten Fiscal Years	85

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

Financial Statements and Schedule
of Expenditures of Federal Awards
Year ended June 30, 2009

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
STATISTICAL SECTION - CONTINUED	
Governmental Funds Revenues - Last Ten Fiscal Years	86 - 87
Governmental Funds Expenditures and Debt Service Ratio - Last Ten Fiscal Years	88 - 89
Other Financing Sources and Uses and Net Change in Fund Balances - Last Ten Fiscal Years	90
Assessed and Estimated Actual Value of Taxable Property - Last Ten Tax Years	91 - 92
Property Tax Rates (Per \$1,000 of Assessed Valuation) Direct and Overlapping Governments - Last Ten Tax Years	93 - 94
Principal Taxpayers June 30, 2009 and Nine Years Ago	95
Property Tax Levies and Collections - Last Ten Years	96 - 97
Outstanding Debt by Type - Last Ten Fiscal Years	98
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	99 - 100
Computation of Direct and Overlapping Debt	101
Computation of Legal Debt Margin - Last Ten Fiscal Years	102
Demographic Statistics - Last Ten Fiscal Years	103 - 104
Principal Employers - June 30, 2009 and 2000	105
Directory of School Facilities	106
Miscellaneous Statistical Data	107
Operating Statistics - Last Ten Fiscal Years	108
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	109
Notes to Schedule of Expenditures of Federal Awards	110
Schedule of Findings and Questioned Costs	111 - 112
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"	113 - 114
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	115 - 116

This page intentionally left blank.

INTRODUCTORY SECTION



Blue Valley Schools

15020 Metcalf - P.O. Box 23901 - Overland Park, Kansas 66283-0901 – 913.239.4000

November 3, 2009

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, 2009.

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 2009 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 the financial records are reliable for preparing financial statements and maintaining accountability for assets. Based on these systems and controls, the information included in this report is believed to be accurate in all material aspects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and accounts of the Blue Valley School District.

The district’s financial statements have been audited by the firm of Lowenthal, Webb & Odermann, Professional Association. The goal of the independent audit was to provide reasonable assurance that the financial statements of the district for the fiscal year ended June 30, 2009, 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, 2009, 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, 2009 the district was comprised of 19 elementary schools, 8 middle schools and 4 high schools with a total audited enrollment of 20,477 students. District enrollment has more than doubled since 1990. Blue Valley has averaged more than

585 new students per year since 1991; however, during the last five years the average increase has leveled to approximately 350 students per year.

Throughout its history, the Blue Valley School District has been known for the accomplishments of its students and staff. For the 2008-2009 school year, the district as a whole achieved Adequate Yearly Progress (AYP), as mandated by the No Child Left Behind Act. This is the sixth year in a row that Blue Valley has made AYP. 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, 95 percent of Blue Valley students met standards or better, and nearly 96 percent of students met standards or better on the Kansas Reading Assessment.

The district's ACT composite score was 24.3 and the SAT composite score was 1,757 compared to the national averages of 21.1 and 1,509 respectively. Six Blue Valley schools were recognized with the Governor's Achievement Award which is an honor that recognizes top performing schools in the state of Kansas. Blue Valley North High School was one of 50 schools nationally that was selected to receive the 2009 Siemens Award for Advanced Placement. Additionally, three Blue Valley teachers earned their National Board certification. A total of 44 Blue Valley teachers have earned this recognition to date and the district has the most national board certified teachers in the state. Finally, all four of the district's high schools were named to *Newsweek's* list of America's top 1,500 public high schools.

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 2009, the Superintendent was assisted by two Deputy Superintendents and one Assistant Superintendent. During that same year, the district employed a staff of approximately 3,148 personnel, of whom approximately 1735 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.

Although growth has slowed over the past few years, 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. Assessed valuation has grown at an average rate of 4.97% over the past 10 years, but the current year value does reflect a slight decrease from the prior year published values. The residential population has increased in the school district by 44,383 since 2000. Over the last four years, the district has averaged approximately 500 new single family building permits per year. The district does anticipate continued growth in the coming years, but the pace has slowed recently as a result of the overall economic climate and residential development continues to include primarily middle and upper bracket single family homes.

MAJOR INITIATIVES

New School Openings

By 2011, the district will have a new elementary school, a new middle school and a new high school. The district will open elementary school 22 (Timber Creek Elementary) in August 2009. The district continues to move forward with the construction of the 5th high school (Blue Valley Southwest High School) and it is expected to open in August 2010. A future middle school will also be housed on the site with the high school and is expected to open in August 2011.

Center for Advanced Professional Studies

The district has implemented a new Center for Advanced Professional Studies (CAPS). This is a unique student learning opportunity that allows students from all high schools to take advanced courses in career pathways of their choice. CAPS brings together four strands of educational interest areas into a center that will give students the chance to take part in integrated study within a profession-based learning approach. The four strands of CAPS include Human Services, Global Business, Engineering and Biosciences and within each

strand are different pathways of interest. The CAPS program will soon move into a cutting edge facility which is currently under construction and has an anticipated opening date of August 2010.

District Wide Construction

In the summer of 2009 the district worked on approximately \$200 million in construction projects. Every school in the district experienced construction in some capacity. Aside from the new school construction, the projects ranged from major mechanical overhauls in several schools to flooring, roofing and paving projects in others. As a result of the busy construction schedule, the district is preparing to issue additional bonds from the \$279,980,000 referendum passed by voters in April 2005. The district anticipates that the issuance will occur in the fall of 2009 and it is projected to be approximately \$73,000,000.

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

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

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

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 1st and may be paid in half or in full by December 20th, with the remaining one-half due by the following May 20th. Motor vehicles are assessed

on January 1st of the current year and the tax is due by the end of the month in which the license plate expires. Taxes are distributed to the District by the county six times per year.

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

AWARDS AND ACKNOWLEDGEMENTS

Comprehensive Annual Financial Report Certifications

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Blue Valley School District for its CAFR for the year ended June 30, 2008. The district also received a Certificate of Excellence in Financial Reporting from ASBO for its fiscal year 2008 CAFR.

In order to be awarded either certificate, the district must publish a CAFR that is easily readable, efficiently organized and conforms to program standards. Such reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The District believes that its current CAFR continues to meet the Certificate of Achievement for Excellence and Certificate of Excellence program requirements and will submit it to the GFOA and to ASBO to determine its eligibility for certification.

The district submitted its budget document to ASBO for the Meritorious Budget Award in 2008-2009 for the fifth year. This program recognizes excellence in school system budgeting and evaluates budget documents against specific criteria and minimum standards. Our submission was again selected to receive the Meritorious Budget Award.

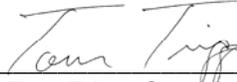
ACKNOWLEDGMENTS

The preparation of this Comprehensive Annual Financial Report was made possible by the dedication and effort of the entire Business & Finance Department staff. Special appreciation is extended to Terra Barrows, Susie Evans, and Marty White for their individual efforts. We also thank the staff of Lowenthal, Webb & Odermann, Professional Association, and 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, 2009

BOARD OF EDUCATION

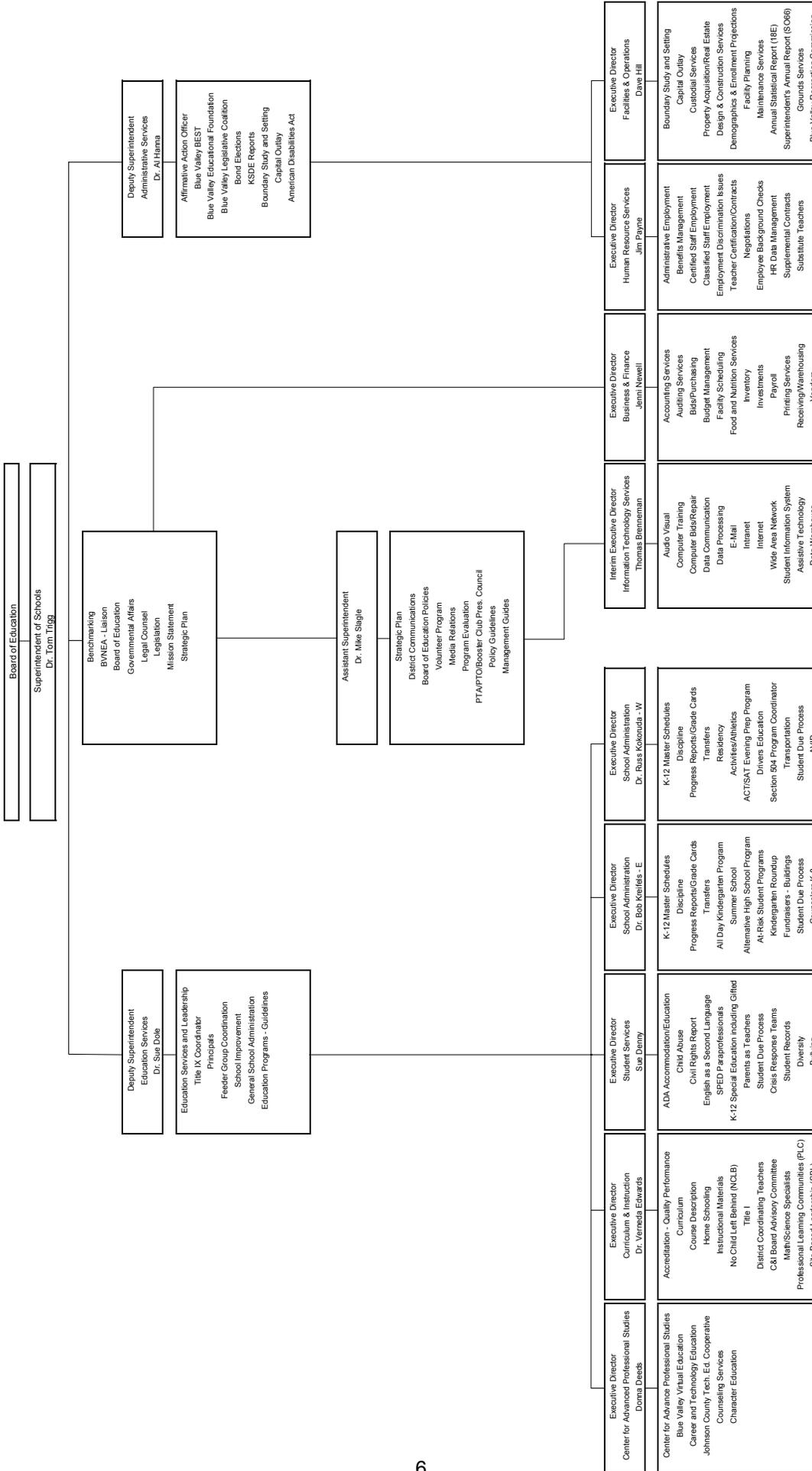
President Steve Klika
Vice President Sue Matson
Board Member Dan French
Board Member Lori Hisle
Board Member Clint Robinson
Board Member Pam Robinson
Board Member Tony Thill
Board Clerk Madeline Prelogar
Treasurer Jenni Newell, CPA

ADMINISTRATIVE OFFICIALS

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

Blue Valley Unified School District #229 Organizational Chart

2008-2009



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Blue Valley Unified School
District No. 229, Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R.", written over the printed name.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written over the printed name.

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

BLUE VALLEY SCHOOL DISTRICT – USD#229

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

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

President

Executive Director

FINANCIAL SECTION

LOWENTHAL, WEBB & ODERMANN, P.A.

David A. Lowenthal, CPA
Patricia L. Webb, CPA
Audrey M. Odermann, CPA

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301
Lawrence, Kansas 66044-2868
Phone: (785) 749-5050
Fax: (785) 749-5061
Website: www.lswwcpa.com

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

Members of American Institute
and Kansas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Education
Blue Valley Unified School District No. 229

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Blue Valley Unified School District No. 229 (the District), as of and for the year ended June 30, 2009, 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 an opinion 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, 2009, and the respective changes in financial position, thereof and the respective budgetary comparison for the General, Supplemental General, Special Education and Capital Outlay Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 11 and the schedule of funding progress and schedule of employer contributions on page 43 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with "Government Auditing Standards," we have also issued our report dated November 3, 2009, on our consideration of District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

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

Lowenthal, Wett & Odermann, P.A.

November 3, 2009

Blue Valley Unified School District No. 229
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

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, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total net assets increased by \$20.2 million. Overall revenues were \$264.2 million.
- The District's net capital assets increased by \$81.8 million during the fiscal year. This is primarily attributable to the construction of the elementary school that will be opening in August, 2009, as well as construction on the high school that is projected to open in August, 2010 and the Center for Advanced Professional Studies (CAPS) facility that is also projected to open in August, 2010.
- The District's total outstanding liabilities increased by \$44.8 million during fiscal year 2008-2009. The key factor in this increase was the issuance of new debt in June, 2009.
- 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 \$1.7 million. The total liability booked to date is \$3.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The first of the government-wide statements is the *Statement of Net Assets*. The *Statement of Net Assets* presents balance information for the entire district operations at a given point in time (June 30, 2009). 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 \$274.4 million, the district has restrictions over the use of these funds. The investment in facilities and equipment is necessary to carry out the mission of the district. Kansas state law segregates funds and places restrictions on spending. This should be considered when reviewing the report.

The second of the government-wide financial statements is the *Statement of Activities*. This statement shows the results of operations that caused the net assets to change from the prior year to the amount reported on the *Statement of Net Assets* as of June 30, 2009. This statement answers the question, "How did we do financially during fiscal year 2009." 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,
- Funding at local, state and federal levels

Blue Valley Unified School District No. 229
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

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

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

Fund Financial Statements

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

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

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

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

Governmental Funds

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

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

Fiduciary Funds

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

Blue Valley Unified School District No. 229
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The district's net assets were larger on June 30, 2009, than they were the year before, increasing by \$20.2 million to \$274.4 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

Statement Classifications	Balance As Of <u>June 30, 2008</u>	Balance As Of <u>June 30, 2009</u>
Current Assets	\$224,617,820	\$208,146,421
Non-current Assets	2,730,324	2,472,578
Capital Assets	<u>393,612,124</u>	<u>475,379,223</u>
Total assets	<u>\$620,960,268</u>	<u>\$685,998,222</u>
Current liabilities	\$68,192,473	\$64,685,718
Non-current liabilities	<u>298,591,221</u>	<u>346,902,032</u>
Total liabilities	<u>\$366,783,694</u>	<u>\$411,587,750</u>
Net assets		
Invested in capital assets, net of related debt	\$142,672,774	\$165,782,762
Restricted	37,572,833	39,786,787
Unrestricted	<u>73,930,967</u>	<u>68,840,923</u>
Total net assets	<u>\$254,176,574</u>	<u>\$274,410,472</u>

The increase in total net assets is due to several factors. It includes a decrease in current assets of \$16.5 million, a decrease in non-current assets of \$0.3 million and an increase in capital assets of \$81.8 million. It also includes a decrease in current liabilities of \$3.5 million and an increase in non-current liabilities of \$48.3 million. Net assets include \$165.8 million invested in capital assets, \$39.8 million restricted for debt service and \$68.8 million unrestricted.

The total costs of all programs and services amounted to \$244.0 million. The following table shows the breakdown of total costs by functional area:

<u>Expense Function</u>	<u>Percentage of Total</u>
Instruction	59%
Student support services	5%
Instructional support staff	6%
General administration	1%
School administration	4%
Operations and maintenance	10%
Student transportation services	2%
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, 2009

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

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

<u>Revenues</u>	Totals For The Year Ended <u>June 30, 2008</u>	Totals For The Year Ended <u>June 30, 2009</u>
Program revenues		
Charges for services	\$11.7	\$12.0
Operating grants and contributions	37.5	40.5
General revenues		
Property taxes	141.3	146.2
Grants and entitlements*	55.8	57.0
Investment earnings	7.5	4.3
Miscellaneous	<u>4.6</u>	<u>4.2</u>
Total revenues	258.4	264.2
*not restricted to specific programs		
<u>Expenses</u>		
Instruction	136.3	143.5
Student support services	11.0	11.3
Instructional support staff	13.9	14.0
General administration	1.9	2.2
School administration	9.5	10.0
Operations and maintenance	41.8	24.0
Student transportation services	6.0	5.6
Food service operations	8.2	9.1
Other support services	9.1	10.6
Interest on long term debt	<u>13.0</u>	<u>13.7</u>
Total Expenses	<u>250.7</u>	<u>244.0</u>
Increase [decrease] in net assets	<u>\$7.7</u>	<u>\$20.2</u>

Total revenues exceeded expenses during the fiscal year. The district's total revenues increased \$5.8 million. The increase was attributable to a combination of three primary factors and many other smaller factors. First is the increase in property taxes of \$4.9 million. This is due to a combination of the growth in the overall population and minimal growth in assessed valuation of property. Second, operating grants and contributions increased by \$3.0 million. This increase was the combination of many smaller increases with the only notable increase being that of \$1.3 million in the KPERs revenue collected. Additionally, investment earnings decreased by \$3.2 million as a result of the overall decline in the strength of the nation's financial markets. The remaining increase of \$1.1 million is an aggregate of several smaller increases/decreases. Expenses decreased by \$6.7 million. The primary factor is the decrease of \$17.8 million in operations and maintenance charges. Additionally, the overall salary increase for all district employees was an average of 4.6% over the previous year, resulting in increases that offset the decrease in operations and maintenance expenses.

Blue Valley Unified School District No. 229
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2009

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

Net Cost of Governmental Activities (In millions of dollars)

<u>Expense Functions</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$143.5	\$106.7
Student support services	11.3	10.7
Instructional support staff	14.0	10.8
General administration	2.2	2.1
School administration	10.0	9.5
Operations and maintenance	24.0	23.3
Student transportation services	5.6	5.6
Food service operations	9.1	0.5
Other support services	10.6	8.6
Interest on long-term debt	<u>13.7</u>	<u>13.7</u>
Total	<u>\$244.0</u>	<u>\$191.5</u>

- Costs of \$12.0 million were financed by users of the district's programs.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$40.5 million.
- Most of the district's net cost of services of \$191.5 million was financed by district and state taxpayers.
- This portion of governmental activities was financed with \$146.2 million in property taxes, \$57.0 million of grants and entitlements not restricted to specific programs, \$4.3 million in investment earnings and \$4.2 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 \$174.1 million; a decrease from last year's ending fund balance of \$185.1 million. Expenditures of \$348.2 million exceeded revenues of \$264.2 million, and other financing sources totaled \$73.0 million, accounting for the difference of \$11.0 million. The reason for this decrease in fund balance is detailed in the section below.

The general, supplemental general, capital outlay and debt service funds are the primary source of revenues for the district. These funds account for \$224.1 million or 84.8% of the total revenues. Special Education represents approximately 2.4% of the total and the 2005 Capital Projects represents approximately 0.7% of the total with the remaining 12.1% in other governmental funds.

Blue Valley Unified School District No. 229
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

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)

Fund	Beginning Fund Balance	Revenues	Expenditures	Other Sources/ Transfers	Ending Fund Balance
Basic Education					
General	\$ 0.7	\$ 124.0	\$ 98.7	\$ [25.4]	\$ 0.6
Supplemental general	2.8	38.5	22.5	[15.8]	3.0
Special education	14.9	6.2	34.5	25.3	11.9
Vocational education	-	0.1	4.1	4.0	-
At Risk (K-12)	-	-	3.3	3.3	-
Professional development	0.8	0.2	1.8	1.6	0.8
Bilingual	-	-	1.5	1.5	-
Virtual education	-	-	-	-	-
Gate receipts	0.1	0.8	0.7	-	0.2
Student projects	0.2	3.3	3.3	-	0.2
Instructional materials	4.0	2.3	1.9	-	4.4
Contingency reserve	7.1	-	-	5.2	12.3
Special reserve	2.5	-	0.6	-	1.9
Special liability	1.0	0.1	0.3	-	0.8
KPERS	-	9.4	9.4	-	-
Federal and state grants*	6.3	4.6	4.7	-	6.2
Total Basic Education	40.4	189.5	187.3	[0.3]	42.3
Expanded Education					
Driver training	0.2	0.1	0.1	-	0.2
Summer school	0.2	0.1	0.2	-	0.1
Parent education	0.2	0.3	0.6	0.3	0.2
Extraordinary schools	1.0	1.6	1.9	-	0.7
Total Expanded Education	1.6	2.1	2.8	0.3	1.2
Capital					
Capital outlay	32.1	21.5	25.3	-	28.3
Debt service	37.6	40.1	37.9	-	39.8
Capital projects (2005)	69.9	2.0	85.5	73.0	59.4
Special assessment	0.4	0.6	0.6	-	0.4
Total Capital	140.0	64.2	149.3	73.0	127.9
Food Service	3.1	8.4	8.8	-	2.7
Total	<u>\$185.1</u>	<u>\$264.2</u>	<u>\$348.2</u>	<u>\$73.0</u>	<u>\$174.1</u>

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

Blue Valley Unified School District No. 229
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

Overall, total expenditures exceeded revenue plus other sources (issuance of bonds), leaving an ending fund balance of \$174.1 million. An analysis of the above table's categories follows:

- Basic Education revenues exceeded expenditures by \$2.2 million with \$0.3 million transferred out to support the parent education program. The general and supplemental general funds are subject to an expenditure limit. The limit is based upon a weighted number of students multiplied by the base state aid per pupil provided in the law. The number of students includes those who are enrolled and attending school on September 20. During the 2008-09 school year, the base state aid per pupil was budgeted at \$4,433. Due to lower than expected revenue collections at the state level, the state reduced this amount by \$33, resulting in a final per pupil allocation of \$4,000. Additional weighting is provided for students receiving bilingual, vocational, at-risk or transportation services. Other weightings also apply, but are not discussed here in the interest of brevity. The school district has no ability to increase the resources in the general and supplemental general funds to cover inflationary increases in costs without annual changes in the statutory base aid per pupil. The textbook, student projects, student materials and gate receipts funds can be increased with school board approval, but are only a small part of the basic education group of funds.

Any balances remaining in the general and supplemental general funds are used to support the subsequent year limit. Therefore, remaining balances in these funds should not be considered as additional resources available to the district in excess of the expenditure limits. The general and supplemental general funds ending fund balances represent \$3.6 million (8.5%) of the basic education balance of \$42.3 million.

Kansas statutes allows school districts to carry a balance in the Special Education fund, the Vocational Education fund, the Professional Development fund, the Bilingual fund, the Contingency Reserve fund, the Special Reserve fund, the Special Liability fund and all other Special Revenue funds. The Contingency Reserve fund balance cannot exceed 10% of the general fund budget. As of June 30, 2009, the District's Contingency Reserve fund was at its maximum legal limit. The Special Reserve fund was created to protect the district from insurable losses that are not otherwise insured and 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 \$1.2 million at June 30, 2009. Tuition for the summer school program and driver's education program is collected prior to June 30th, but most of the expenditures are paid in July and August. The district can adjust revenue in the drivers' education, extraordinary schools and summer school programs because these are fee based programs supported by the users of the programs.
- Capital funds expenditures exceeded revenue by \$85.1 million, with an ending fund balance totaling \$127.9 million. Construction funds accounted for only \$59.4 million of the total ending fund balance. Nearly the entire construction balance is attributable to the \$73.0 million bond issuance in June 2009. There were two issuances outstanding as of June 30, 2009; however, the 2009 issuance makes up all but about \$3.2 million of the ending fund balance.

The capital outlay fund has a balance of \$28.3 million. The fund balance includes budgeted amounts for projects that are only partially completed and paid at June 30. The tax rate on this fund is currently at 8 mills which is the statutory limit.

The debt service balance of \$39.8 million is available to pay the bond and interest payment in October 2009. The current tax rate is sufficient to pay the remaining bonds and interest as they become due.

- Food service revenues exceeded expenditures leaving an ending fund balance of \$2.7 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, 2009

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	\$ 44.9	\$ 44.9	\$ -	\$ 46.3	\$1.4
Intergovernmental	78.6	78.5	[0.1]	77.1	[1.4]
Total Revenue	123.5	123.4	[0.1]	123.4	-
<u>Expenditures</u>					
Instruction	56.8	56.8	-	53.9	[2.9]
Student Support	5.7	5.7	-	5.7	-
Instructional Support	8.1	8.1	-	7.4	[0.7]
General Admin	1.3	1.3	-	1.3	-
School Administration	7.8	7.8	-	7.7	[0.1]
Operations/Maint.	14.9	14.9	-	14.8	[0.1]
Other Support Serv.	5.5	5.5	-	5.0	[0.5]
Transportation	2.5	2.5	-	2.1	[0.4]
Capital Outlay	0.1	0.1	-	0.1	-
Transfers Out	20.8	20.7	[0.1]	25.4	4.7
Total Expenditures	\$123.5	\$123.4	\$[0.1]	\$123.4	\$ -

The final general fund budget decreased \$0.1 million from the original budget. The general fund budget was reduced as a result of two primary factors. The enrollment figures used to develop the original budget were higher than the final enrollment figures. The final general fund budget is based on the total student FTE (with all applicable weightings) as of September 20th, multiplied by the base state aid per pupil. This amount was reduced by \$33 due to lower than expected revenue collections at the state level. The supplemental general fund budget is based on the amount of the general fund budget so budget authority is decreased also.

Capital Asset and Debt Administration

Capital Assets

By the end of 2009, the district had invested \$615.6 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 \$140.2 million, resulting in capital assets, net of depreciation of \$475.4 million. This amount represents a net increase of \$81.8 million from last year. CIP increased by \$67.7 million as construction progressed on a new elementary school, a new high school and the CAPS facility. The elementary school is expected to open in the fall of 2009 and both the high school and the CAPS facility are expected to open in the fall of 2010. Additional increases in the overall capital asset balance can be attributed to numerous smaller dollar purchases reduced accordingly by depreciation.

Blue Valley Unified School District No. 229
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

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

	Assets As Of June 30, 2008	Assets As Of June 30, 2009	% Depreciated
Land	\$23.6	\$24.3	n/a
Construction in progress	36.7	104.4	n/a
Buildings and improvements	294.2	305.4	23.8%
Site improvements	20.4	25.1	30.7%
Furniture	0.4	0.3	84.2%
Technology	12.8	11.1	58.7%
Vehicles	1.8	1.7	39.6%
Food Service	0.3	0.2	95.7%
Equipment	3.4	2.9	79.8%
Total	\$393.6	\$475.4	22.8%

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

Long-Term Debt

Moody's Investors Services and Standard & Poor's have rated the Blue Valley School District at Aa1 and AA, respectively. Kansas law limits the amount of outstanding indebtedness. The current limit for the district is at approximately \$335 million, but the district was given permission to exceed the limit by the State of Kansas. As of June 30, 2009, the district has \$368.9 million of outstanding debt. The district continued to pay down its debt, retiring \$24.9 million of outstanding bonds. The district has a high debt per capita because of its continued growth. Building expansion has been funded with debt, and district management does not feel that the amount of debt is a burden to taxpayers.

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

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, 2009

	Primary Government	Component Unit
	Total Governmental Activities	Total Governmental Activities
ASSETS		
Current assets:		
Cash and investments	\$ 196,730,849	\$ 3,700,162
Cash with fiscal agent	20,356	-
Receivables		
Interest	324,010	-
Other	10,812,552	-
Material and supplies inventory	258,654	-
Total current assets	<u>208,146,421</u>	<u>3,700,162</u>
Noncurrent assets:		
Restricted cash and investments	-	692,003
Bond issuance costs	2,472,578	530,968
Prepaid lease	-	150,000
Capital assets		
Nondepreciable capital assets	128,650,413	-
Depreciable capital assets	486,902,640	31,846,189
Less: Accumulated depreciation	<u>[140,173,830]</u>	<u>[5,913,880]</u>
Total noncurrent assets	<u>477,851,801</u>	<u>27,305,280</u>
Total assets	<u>\$ 685,998,222</u>	<u>\$ 31,005,442</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,782,401	\$ -
Accrued compensation, payroll withholdings and taxes	20,348,992	235,683
Current portion compensated absences	252,172	-
Accrued interest payable	3,927,112	178,865
Matured bonds and interest payable	20,356	-
Retainage payable	7,899,095	-
Unearned revenue	1,924,904	534,677
Long-term liabilities		
Due within one year	<u>26,530,686</u>	<u>706,575</u>
Total current liabilities	<u>64,685,718</u>	<u>1,655,800</u>
Noncurrent liabilities:		
Compensated absences	1,081,347	-
Net other post employment benefit obligation	3,404,253	-
Long-term liabilities		
Due in more than one year	<u>342,416,432</u>	<u>16,346,821</u>
Total noncurrent liabilities	<u>346,902,032</u>	<u>16,346,821</u>
Total liabilities	<u>\$ 411,587,750</u>	<u>\$ 18,002,621</u>
NET ASSETS		
Invested in capital assets, net of related debt	\$ 165,782,762	\$ 9,378,506
Restricted for:		
Debt service	39,786,787	692,003
Unrestricted	<u>68,840,923</u>	<u>2,932,312</u>
Total net assets	<u>\$ 274,410,472</u>	<u>\$ 13,002,821</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, 2009

				Net [Expenses] Revenue and Changes in Net Assets	
	Expenses	Program Revenues		Primary Government	Component Unit
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Total Governmental Activities
Governmental activities:					
Instruction	\$ 143,503,301	\$ 4,835,732	\$ 31,942,871	\$ [106,724,698]	\$ -
Student support services	11,336,565	-	658,409	[10,678,156]	-
Instructional support staff	14,048,127	-	3,239,965	[10,808,162]	-
General administration	2,238,099	-	74,996	[2,163,103]	-
School administration	10,029,431	-	537,490	[9,491,941]	-
Operations and maintenance	23,961,722	-	693,504	[23,268,218]	-
Student transportation services	5,567,436	-	-	[5,567,436]	-
Food service operations	9,072,073	7,127,826	1,415,357	[528,890]	-
Other support services	10,561,416	-	1,991,480	[8,569,936]	-
Interest on long-term debt	13,660,943	-	-	[13,660,943]	-
Total primary government	<u>\$ 243,979,113</u>	<u>\$ 11,963,558</u>	<u>\$ 40,554,072</u>	<u>[191,461,483]</u>	<u>-</u>
Component unit:					
Blue Valley Recreation Commission					
Culture and recreation	\$ 8,645,372	\$ 3,870,533	\$ -	-	[4,774,839]
Total component unit	<u>\$ 8,645,372</u>	<u>\$ 3,870,533</u>	<u>\$ -</u>	<u>-</u>	<u>[4,774,839]</u>
General Revenues:					
Property taxes levied for					
General purposes				85,356,294	4,216,363
Debt service				39,912,179	-
Capital outlay				20,887,673	-
Grants and entitlements not restricted to specific programs				57,024,720	-
Investments earnings				4,290,051	59,971
Miscellaneous				4,226,305	217,896
Subtotal general revenues				<u>211,697,222</u>	<u>4,494,230</u>
Change in net assets				<u>20,235,739</u>	<u>[280,609]</u>
Net assets - beginning				254,176,574	12,279,562
Prior period adjustment				<u>[1,841]</u>	<u>1,003,868</u>
Net assets - beginning, restated				<u>254,174,733</u>	<u>13,283,430</u>
Net assets - ending				<u>\$ 274,410,472</u>	<u>\$ 13,002,821</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, 2009

	<u>General</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>Capital Outlay</u>
ASSETS				
Cash and investments	\$ 10,713,368	\$ 3,006,201	\$ 11,664,187	\$ 29,299,734
Cash with fiscal agent	-	-	-	-
Receivables				
Interest	-	-	324,010	-
Other	10,582,432	-	8,055	-
Due from other funds	20,310	-	-	-
Material and supplies inventory	<u>169,440</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 21,485,550</u>	<u>\$ 3,006,201</u>	<u>\$ 11,996,252</u>	<u>\$ 29,299,734</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 423,997	\$ -	\$ 36,998	\$ 646,353
Accrued liabilities	20,339,787	-	-	-
Matured bonds and interest payable	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	-	-	-	362,620
Deferred revenue	<u>114,382</u>	<u>-</u>	<u>33,444</u>	<u>-</u>
Total liabilities	<u>20,878,166</u>	<u>-</u>	<u>70,442</u>	<u>1,008,973</u>
Fund balance:				
Reserved for encumbrances	437,944	-	45,748	15,871,324
Reserved for materials and supplies	169,440	-	-	-
Reserved for debt service	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue fund	-	3,006,201	11,880,062	12,419,437
Capital project fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>607,384</u>	<u>3,006,201</u>	<u>11,925,810</u>	<u>28,290,761</u>
Total liabilities and fund balance	<u>\$ 21,485,550</u>	<u>\$ 3,006,201</u>	<u>\$ 11,996,252</u>	<u>\$ 29,299,734</u>

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

<u>Debt Service</u>	<u>2005 Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 39,795,992	\$ 69,373,574	\$ 32,877,793	\$ 196,730,849
20,356	-	-	20,356
-	-	-	324,010
-	-	222,065	10,812,552
-	-	-	20,310
-	-	89,214	258,654
<u>\$ 39,816,348</u>	<u>\$ 69,373,574</u>	<u>\$ 33,189,072</u>	<u>\$ 208,166,731</u>
\$ -	\$ 2,486,442	\$ 188,611	\$ 3,782,401
9,205	-	-	20,348,992
20,356	-	-	20,356
-	-	20,310	20,310
-	7,536,475	-	7,899,095
-	-	1,777,078	1,924,904
<u>29,561</u>	<u>10,022,917</u>	<u>1,985,999</u>	<u>33,996,058</u>
-	40,210,612	213,492	56,779,120
-	-	89,214	258,654
39,786,787	-	-	39,786,787
-	-	30,900,367	58,206,067
-	19,140,045	-	19,140,045
<u>39,786,787</u>	<u>59,350,657</u>	<u>31,203,073</u>	<u>174,170,673</u>
<u>\$ 39,816,348</u>	<u>\$ 69,373,574</u>	<u>\$ 33,189,072</u>	<u>\$ 208,166,731</u>

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

This page intentionally left blank.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

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

June 30, 2009

Total Governmental Fund Balances		\$ 174,170,673
----------------------------------	--	----------------

Amounts reported for governmental activities in the statement of net assets are different because

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

Bond issuance costs		2,472,578
---------------------	--	-----------

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

The cost of capital assets is	615,553,053	
Accumulated depreciation is	<u>140,173,830</u>	475,379,223

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	368,947,118	
Accrued compensation	1,333,519	
Net other post employment benefit obligation	3,404,253	
Accrued interest on the bonds	<u>3,927,112</u>	<u>[377,612,002]</u>

Net Assets of Governmental Activities		<u>\$ 274,410,472</u>
---------------------------------------	--	-----------------------

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	<u>General</u>	Supplemental <u>General</u>	Special <u>Education</u>	Capital <u>Outlay</u>
REVENUES:				
Taxes	\$ 46,236,493	\$ 38,477,598	\$ -	\$ 20,887,673
Intergovernmental	77,734,987	-	4,297,451	-
Charges for services	46,580	-	-	-
Investment revenue	-	-	1,326,235	547,755
Use of money and property	-	-	336,703	-
Other local sources	-	-	250,138	108,694
Total revenues	<u>124,018,060</u>	<u>38,477,598</u>	<u>6,210,527</u>	<u>21,544,122</u>
EXPENDITURES:				
Current				
Instruction	54,558,282	19,901,204	25,962,891	3,755,245
Student support services	5,677,915	932,947	3,919,955	-
Instructional support staff	7,529,393	422,077	675,220	18,283
General administration	1,349,819	-	556,114	1,726
School administration	7,714,947	1,227,087	-	40,078
Operations and maintenance	14,736,442	44,679	-	2,163,306
Student transportation services	2,068,295	-	3,372,053	-
Food service operations	-	-	-	-
Other support services	5,000,430	-	-	2,627,085
Capital outlay	69,751	-	-	16,781,232
Debt service				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>98,705,274</u>	<u>22,527,994</u>	<u>34,486,233</u>	<u>25,386,955</u>
Excess [deficiency] of revenues over [under] expenditures	<u>25,312,786</u>	<u>15,949,604</u>	<u>[28,275,706]</u>	<u>[3,842,833]</u>
OTHER FINANCING SOURCES [USES]				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	25,349,467	-
Transfers [out]	<u>[25,373,214]</u>	<u>[15,769,323]</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[25,373,214]</u>	<u>[15,769,323]</u>	<u>25,349,467</u>	<u>-</u>
Net change in fund balances	[60,428]	180,281	[2,926,239]	[3,842,833]
Fund balance - Beginning of year	<u>667,812</u>	<u>2,825,920</u>	<u>14,852,049</u>	<u>32,133,594</u>
Fund balance - End of year	<u>\$ 607,384</u>	<u>\$ 3,006,201</u>	<u>\$ 11,925,810</u>	<u>\$ 28,290,761</u>

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

<u>Debt Service</u>	<u>2005 Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 39,912,179	\$ -	\$ 642,203	\$ 146,156,146
192,329	-	15,354,025	97,578,792
-	-	11,916,978	11,963,558
25	1,968,702	110,631	3,953,348
-	-	-	336,703
-	-	3,867,473	4,226,305
<u>40,104,533</u>	<u>1,968,702</u>	<u>31,891,310</u>	<u>264,214,852</u>
-	-	23,780,207	127,957,829
-	-	709,226	11,240,043
-	-	5,280,880	13,925,853
-	-	87,490	1,995,149
-	-	932,009	9,914,121
-	-	1,001,159	17,945,586
-	-	82,882	5,523,230
-	-	9,000,040	9,000,040
-	-	2,217,030	9,844,545
-	85,500,922	638,266	102,990,171
23,860,000	-	-	23,860,000
<u>14,030,579</u>	<u>-</u>	<u>-</u>	<u>14,030,579</u>
<u>37,890,579</u>	<u>85,500,922</u>	<u>43,729,189</u>	<u>348,227,146</u>
<u>2,213,954</u>	<u>[83,532,220]</u>	<u>[11,837,879]</u>	<u>[84,012,294]</u>
-	73,000,000	-	73,000,000
-	11,532	-	11,532
-	-	15,793,070	41,142,537
-	-	-	[41,142,537]
-	<u>73,011,532</u>	<u>15,793,070</u>	<u>73,011,532</u>
2,213,954	[10,520,688]	3,955,191	[11,000,762]
<u>37,572,833</u>	<u>69,871,345</u>	<u>27,247,882</u>	<u>185,171,435</u>
<u>\$ 39,786,787</u>	<u>\$ 59,350,657</u>	<u>\$ 31,203,073</u>	<u>\$ 174,170,673</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, 2009

Total Net Change In Fund Balances - Governmental Funds			\$ [11,000,762]
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		[706,941]	
Capital outlays		98,423,703	
Depreciation expense		<u>[15,947,822]</u>	81,768,940
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest increased.			[286,658]
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 \$1,659,770. Compensated absences used were less than the amounts earned by \$191,842.			[1,851,612]
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.			757,363
Bond proceeds are an other financing source in the governmental funds, but it increases long-term liabilities in the statement of net assets and does not affect the statement of activities.			[73,011,532]
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>23,860,000</u>
Changes In Net Assets of Governmental Activities			<u>\$ 20,235,739</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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 681,920	\$ -	\$ 681,920	\$ 956,631	\$ 956,631	\$ [274,711]
Current	44,727,768	-	44,727,768	43,647,277	43,647,277	1,080,491
Delinquent	826,805	-	826,805	277,594	277,594	549,211
Total taxes	46,236,493	-	46,236,493	44,881,502	44,881,502	1,354,991
Intergovernmental:						
State and local	57,799,954	[587,500]	57,212,454	59,736,478	59,627,307	[2,414,853]
Special education aid	19,935,033	-	19,935,033	18,921,751	18,921,751	1,013,282
Total intergovernmental	77,734,987	[587,500]	77,147,487	78,658,229	78,549,058	[1,401,571]
Fees and charges	46,580	-	46,580	-	-	46,580
Total revenues	124,018,060	[587,500]	123,430,560	123,539,731	123,430,560	-
EXPENDITURES:						
Instruction	54,558,282	[615,354]	53,942,928	56,851,402	56,851,402	2,908,474
Student support services	5,677,915	1,500	5,679,415	5,685,345	5,685,345	5,930
Instructional support staff	7,529,393	[70,272]	7,459,121	8,147,967	8,147,967	688,846
General administration	1,349,819	13,051	1,362,870	1,357,128	1,357,128	[5,742]
School administration	7,714,947	[6,503]	7,708,444	7,807,857	7,807,857	99,413
Operations and maintenance	14,736,442	58,646	14,795,088	14,864,508	14,864,508	69,420
Other support services	5,000,430	[28,996]	4,971,434	5,458,073	5,458,073	486,639
Transportation	2,068,295	-	2,068,295	2,496,182	2,496,182	427,887
Capital outlay	69,751	-	69,751	69,939	69,939	188
Transfers out	25,373,214	-	25,373,214	20,801,330	20,692,159	[4,681,055]
Total expenditures	124,078,488	[647,928]	123,430,560	123,539,731	123,430,560	-
Excess [deficiency] of revenues over [under] expenditures	[60,428]	60,428	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	667,812	[667,812]	-			
FUND BALANCE - End of year	\$ 607,384	\$ [607,384]	\$ -			

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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 498,353	\$ -	\$ 498,353	\$ 695,565	\$ 695,565	\$ [197,212]
Current	34,278,924	-	34,278,924	33,361,019	33,361,019	917,905
Delinquent	572,184	-	572,184	201,808	201,808	370,376
Motor vehicle	3,098,413	-	3,098,413	3,170,920	3,170,920	[72,507]
Rental excise	29,724	-	29,724	-	-	29,724
Total taxes	38,477,598	-	38,477,598	37,429,312	37,429,312	1,048,286
Intergovernmental:						
State and local	-	-	-	43,746	43,746	[43,746]
Total intergovernmental	-	-	-	43,746	43,746	[43,746]
Total revenues	38,477,598	-	38,477,598	37,473,058	37,473,058	1,004,540
EXPENDITURES:						
Instruction	19,901,204	-	19,901,204	20,769,998	20,769,998	868,794
Student support services	932,947	-	932,947	953,937	953,937	20,990
Instructional support staff	422,077	-	422,077	423,941	423,941	1,864
School administration	1,227,087	-	1,227,087	1,216,732	1,216,732	[10,355]
Operations and maintenance	44,679	-	44,679	44,905	44,905	226
Transfers out	15,769,323	-	15,769,323	14,887,804	14,887,804	[881,519]
Total expenditures	38,297,317	-	38,297,317	38,297,317	38,297,317	-
Excess [deficiency] of revenues over [under] expenditures	180,281	-	180,281	\$ [824,259]	\$ [824,259]	\$ 1,004,540
FUND BALANCE - Beginning of year	2,825,920	-	2,825,920			
FUND BALANCE - End of year	\$ 3,006,201	\$ -	\$ 3,006,201			

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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
Federal	\$ 2,963,114	\$ -	\$ 2,963,114	\$ 2,963,114	\$ 2,963,114	\$ -
State and local	1,334,337	-	1,334,337	352,047	352,047	982,290
Total intergovernmental	4,297,451	-	4,297,451	3,315,161	3,315,161	982,290
Use of money and property	336,703	-	336,703	-	-	336,703
Investment revenue	1,326,235	-	1,326,235	2,500,000	2,500,000	[1,173,765]
Other local sources	250,138	-	250,138	1,495,000	1,495,000	[1,244,862]
Total revenues	6,210,527	-	6,210,527	7,310,161	7,310,161	[1,099,634]
EXPENDITURES:						
Instruction	25,962,891	29,988	25,992,879	27,481,212	27,481,212	1,488,333
Student support services	3,919,955	-	3,919,955	4,102,486	4,102,486	182,531
Instructional support staff	675,220	-	675,220	821,587	821,587	146,367
General administration	556,114	-	556,114	567,982	567,982	11,868
Transportation	3,372,053	-	3,372,053	3,159,750	3,159,750	[212,303]
Total expenditures	34,486,233	29,988	34,516,221	36,133,017	36,133,017	1,616,796
Excess [deficiency] of revenues over [under] expenditures	[28,275,706]	[29,988]	[28,305,694]	[28,822,856]	[28,822,856]	517,162
OTHER FINANCING SOURCES [USES]:						
Transfers in	25,349,467	-	25,349,467	24,622,856	24,622,856	726,611
Total other financing sources [uses]	25,349,467	-	25,349,467	24,622,856	24,622,856	726,611
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[2,926,239]	[29,988]	[2,956,227]	\$ [4,200,000]	\$ [4,200,000]	\$ 1,243,773
FUND BALANCE - Beginning of year	14,852,049	[15,760]	14,836,289			
FUND BALANCE - End of year	\$ 11,925,810	\$ [45,748]	\$ 11,880,062			

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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 387,114	\$ -	\$ 387,114	\$ 392,518	\$ 392,518	\$ [5,404]
Current	18,501,945	-	18,501,945	18,051,472	18,051,472	450,473
Delinquent	283,483	-	283,483	114,716	114,716	168,767
Motor vehicle	1,699,081	-	1,699,081	1,741,728	1,741,728	[42,647]
Rental excise	16,050	-	16,050	-	-	16,050
Total taxes	20,887,673	-	20,887,673	20,300,434	20,300,434	587,239
Intergovernmental	-	-	-	24,032	24,032	[24,032]
Investment revenue	547,755	-	547,755	900,000	900,000	[352,245]
Other local sources	108,694	-	108,694	160,000	160,000	[51,306]
Total revenues	21,544,122	-	21,544,122	21,384,466	21,384,466	159,656
EXPENDITURES:						
Instruction	3,755,245	[154,516]	3,600,729	10,020,178	10,020,178	6,419,449
Instructional support staff	18,283	-	18,283	-	-	[18,283]
General administration	1,726	-	1,726	-	-	[1,726]
School administration	40,078	38,690	78,768	-	-	[78,768]
Central services	-	-	-	1,336,237	1,336,237	1,336,237
Operations and maintenance	2,163,306	144,557	2,307,863	1,160,530	1,160,530	[1,147,333]
Transportation	-	135,375	135,375	140,000	140,000	4,625
Other support services	2,627,085	197,624	2,824,709	1,717,955	1,717,955	[1,106,754]
Capital outlay	16,781,232	8,469,158	25,250,390	32,425,268	32,425,268	7,174,878
Total expenditures	25,386,955	8,830,888	34,217,843	46,800,168	46,800,168	12,582,325
Excess [deficiency] of revenues over [under] expenditures	[3,842,833]	[8,830,888]	[12,673,721]	\$ [25,415,702]	\$ [25,415,702]	\$ 12,741,981
FUND BALANCE - Beginning of year	32,133,594	[6,677,816]	25,455,778			
FUND BALANCE - End of year	\$ 28,290,761	\$ [15,508,704]	\$ 12,782,057			

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, 2009

	Pension Trust <u>Fund</u>	Agency <u>Funds</u>
ASSETS:		
Cash and investments	\$ 324,137	\$ 1,326,328
Total assets	<u>\$ 324,137</u>	<u>\$ 1,326,328</u>
LIABILITIES:		
Liabilities:		
Other liabilities	\$ -	\$ 507,347
Due to student organizations	<u>-</u>	<u>818,981</u>
Total liabilities	<u>\$ -</u>	<u>\$ 1,326,328</u>
NET ASSETS:		
Held in trust for pension benefits	<u>\$ 324,137</u>	<u>\$ -</u>
Total net assets	<u>\$ 324,137</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, 2009

	Pension Trust <u>Fund</u>
Additions:	
Investment Earnings:	
Interest and dividends on investments	\$ 12,466
Net increase/decrease in the fair value of investments	<u>492</u>
Total investment earnings	<u>12,958</u>
 Total additions	 <u>12,958</u>
 Deductions:	
Plan management fees	<u>5,600</u>
 Total deductions	 <u>5,600</u>
 Changes in net assets	 7,358
 Net assets - beginning	 <u>316,779</u>
 Net assets - ending	 <u>\$ 324,137</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, 2009

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. 151st 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, 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

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.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Use of Estimates

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

H. Deferred Revenue

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

I. Fund Balance Reserves

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

J. Net Assets

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

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

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

If the board of education elects to amend the budget, it must publish a notice of public hearing in the local newspaper. At least ten days after publication the hearing may be held and the budget may be amended at that time. The budget was not amended by the District for the June 30, 2009 school year.

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

A legal operating budget is not required for capital projects funds, agency funds, and certain special revenue funds. Legal operating budgets are required for the following funds: General, Supplemental General, Bilingual Education, 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, 2009

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

	Major Governmental Funds					Other Nonmajor Governmental Funds	Total Budgeted Governmental Funds
	General Fund	Debt Service Fund	Supplemental General Fund	Special Education Fund	Capital Outlay Fund		
GAAP FUND BALANCE June 30, 2009	\$ 607,384	\$ 39,786,787	\$ 3,006,201	\$ 11,925,810	\$ 28,290,761	\$ 31,203,073	\$ 114,820,016
Adjustments:							
Unreserved fund balances not subject to the Kansas Budget Law:							
Contingency Reserve	-	-	-	-	-	[12,343,056]	[12,343,056]
Instructional Materials	-	-	-	-	-	[4,308,881]	[4,308,881]
Gate Receipts	-	-	-	-	-	[200,578]	[200,578]
Student Projects	-	-	-	-	-	[225,722]	[225,722]
Special Reserve	-	-	-	-	-	[2,056,195]	[2,056,195]
Gifts Fund	-	-	-	-	-	462,169	462,169
Retainage payable	-	-	-	-	362,620	-	362,620
Current year encumbrances	[437,944]	-	-	[45,748]	[15,871,324]	[213,492]	[16,568,508]
Reserve for material and supplies inventory	[169,440]	-	-	-	-	[89,214]	[258,654]
Total deductions	[607,384]	-	-	[45,748]	[15,508,704]	[18,974,969]	[35,136,805]
BUDGETARY FUND BALANCE June 30, 2009	\$ -	\$ 39,786,787	\$ 3,006,201	\$ 11,880,062	\$ 12,782,057	\$ 12,228,104	\$ 79,683,211

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	14.797
Capital Outlay	8.000
Special Assessment	0.254
Cost of Living	1.548
Extraordinary Growth Facilities	1.204
Bond and Interest	15.324
Total tax levy	\$ 61.127

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, 2009

Note 3. RESTATEMENT OF EQUITY

After the close of the prior year, it was realized that various items were improperly capitalized in the prior year financial statements. The net assets were properly restated as follows:

	Total Governmental Funds
Net Assets - Beginning	\$ 254,176,574
Prior Period Adjustments: Capital Assets	<u>[1,841]</u>
Net Assets - Beginning, Restated	<u>\$ 254,174,733</u>

Note 4. DETAILED NOTES ON ALL FUNDS

A. Investments

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

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

A. Investments (Continued)

At June 30, 2009, the District has the following investments, at fair value:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasuries	\$ 41,392,052	NA
Certificates of Deposit	54,501,200	NA
CDARS	39,162,652	NA
Kansas Municipal Investment Pool	<u>72,943,161</u>	S&P AAf/S1+
Total fair value	<u>\$ 207,999,065</u>	

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

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

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

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

A. Investments (Continued)

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

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

	Fair Value	Rating
U.S. Government Securities	\$ 725,572	NA
Certificates of Deposits	200,542	NA
CDARS	2,205,000	NA
KMIP	<u>7,995</u>	S&P AAf/S1+
Total Investments	<u>\$ 3,139,109</u>	

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance <u>July 1, 2008</u>	Prior Period <u>Adjustment</u>	Balance, Restated <u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2009</u>
District governmental activities:						
Nondepreciable assets:						
Land	\$ 23,643,268	\$ -	\$ 23,643,268	\$ 650,096	\$ -	\$ 24,293,364
Construction in progress	36,653,758	-	36,653,758	81,681,190	[13,977,899]	104,357,049
Depreciable assets:						
Buildings and improvements	380,169,519	[3,590]	380,165,929	20,775,332	-	400,941,261
Site improvements	29,955,707	-	29,955,707	6,267,440	-	36,223,147
Furniture	2,121,034	-	2,121,034	13,754	[1,370]	2,133,418
Technology	26,375,477	[1,355]	26,374,122	2,262,801	[1,716,974]	26,919,949
Vehicles	2,842,482	-	2,842,482	54,785	[163,501]	2,733,766
Food service equipment	3,650,062	-	3,650,062	-	[107,546]	3,542,516
Equipment	13,857,242	2,919	13,860,161	696,204	[147,782]	14,408,583
Totals at historical cost	<u>519,268,549</u>	<u>[2,026]</u>	<u>519,266,523</u>	<u>112,401,602</u>	<u>[16,115,072]</u>	<u>615,553,053</u>
Less accumulated depreciation for:						
Buildings and improvements	85,992,446	1	85,992,447	9,502,178	-	95,494,625
Site improvements	9,511,103	1	9,511,104	1,607,564	-	11,118,668
Furniture	1,713,270	[1]	1,713,269	83,692	[1,370]	1,795,591
Technology	13,573,632	[62]	13,573,570	3,315,674	[1,093,149]	15,796,095
Vehicles	995,351	-	995,351	184,083	[95,761]	1,083,673
Food service equipment	3,395,784	-	3,395,784	101,054	[107,545]	3,389,293
Equipment	10,474,839	[124]	10,474,715	1,153,577	[132,407]	11,495,885
Total accumulated depreciation	<u>125,656,425</u>	<u>[185]</u>	<u>125,656,240</u>	<u>15,947,822</u>	<u>[1,430,232]</u>	<u>140,173,830</u>
Governmental activities capital assets, net	<u>\$ 393,612,124</u>	<u>\$ [1,841]</u>	<u>\$ 393,610,283</u>	<u>\$ 96,453,780</u>	<u>\$ [14,684,840]</u>	<u>\$ 475,379,223</u>
Component unit governmental activities:						
Buildings and improvements	\$ 28,114,067	\$ -	\$ 28,114,067	\$ 1,950,245	\$ -	\$ 30,064,312
Equipment	1,673,794	-	1,673,794	128,881	[20,798]	1,781,877
Totals at historical cost	<u>29,787,861</u>	<u>-</u>	<u>29,787,861</u>	<u>2,079,126</u>	<u>[20,798]</u>	<u>31,846,189</u>
Less accumulated depreciation for:						
Buildings and improvements	4,170,233	-	4,170,233	362,076	-	4,532,309
Equipment	1,279,310	-	1,279,310	110,053	[7,792]	1,381,571
Total accumulated depreciation	<u>5,449,543</u>	<u>-</u>	<u>5,449,543</u>	<u>472,129</u>	<u>[7,792]</u>	<u>5,913,880</u>
Governmental activities capital assets, net	<u>\$ 24,338,318</u>	<u>\$ -</u>	<u>\$ 24,338,318</u>	<u>\$ 1,606,997</u>	<u>\$ [13,006]</u>	<u>\$ 25,932,309</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets (Continued)

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

Instruction	\$ 14,329,256
Instructional support	10,817
Student support	6,561
General administration	226,982
School administration	35,961
Operations and maintenance	700,166
Other support services	<u>638,079</u>
 Total depreciation	 <u>\$ 15,947,822</u>

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

Culture and recreation	<u>\$ 472,129</u>
 Total depreciation	 <u>\$ 472,129</u>

C. Long - Term Liabilities

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

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2009</u>	Amounts Due Within <u>One Year</u>
District Governmental Activities					
General Obligation Bonds	\$ 320,810,695	\$ 73,011,532	\$ [24,875,109]	\$ 368,947,118	\$ 26,530,686
Net Other Post Employment Benefit Obligation	1,744,483	2,058,870	[399,100]	3,404,253	-
Compensated Absences	<u>1,141,677</u>	<u>444,014</u>	<u>[252,172]</u>	<u>1,333,519</u>	<u>252,172</u>
 Total governmental activities					
Long-term liabilities	<u>\$ 323,696,855</u>	<u>\$ 75,514,416</u>	<u>\$ [25,526,381]</u>	<u>\$ 373,684,890</u>	<u>\$ 26,782,858</u>
 Component Unit Governmental Activities					
Certificates of Participation	<u>\$ 17,729,972</u>	<u>\$ -</u>	<u>\$ [676,576]</u>	<u>\$ 17,053,396</u>	<u>\$ 706,575</u>
 Total governmental activities					
Long-term liabilities	<u>\$ 17,729,972</u>	<u>\$ -</u>	<u>\$ [676,576]</u>	<u>\$ 17,053,396</u>	<u>\$ 706,575</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Long - Term Liabilities (Continued)

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

General Obligation Bonds	Date Issued	Maturity Date	Interest Rate	Original Amount	Outstanding June 30, 2009
1999A	11/15/99	10/01/08	5.0% to 5.7%	\$ 45,000,000	\$ -
2000A	12/15/00	10/01/09	4.3% to 5.7%	60,000,000	2,300,000
2001A	08/15/01	10/01/18	4.0% to 5.1%	73,010,000	60,975,345
2002A	07/15/02	10/01/21	3.1% to 5.0%	36,799,907	26,549,808
2003A	07/01/03	10/01/10	2.0% to 4.0%	41,702,028	6,851,965
2004A	05/15/04	10/01/16	3.0% to 5.0%	26,136,058	3,549,772
2005A	05/12/05	10/01/25	3.0% to 5.25%	58,922,916	49,443,333
2005B	05/12/05	10/01/19	3.0% to 5.0%	48,971,286	46,289,610
2007A	10/09/07	10/01/27	4.0% to 5.0%	101,301,845	99,975,753
2009A	06/01/09	10/01/29	1.25% to 5.75%	<u>73,011,532</u>	<u>73,011,532</u>
Total general obligation bonds payable				<u>\$ 564,855,572</u>	<u>\$ 368,947,118</u>

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

Certificates of Participation	Date Issued	Interest Rate	Original Amount	Outstanding June 30, 2009
2001	09/28/01	2.5% to 4.3%	\$ 6,818,844	\$ 2,154,653
2006A	03/09/06	3.5% to 4.375%	9,815,057	9,816,299
2006B	03/09/06	3.7% to 4.375%	<u>5,068,758</u>	<u>5,082,444</u>
Total certificates of participation payable			<u>\$ 21,702,659</u>	<u>\$ 17,053,396</u>

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

District:

Year Ending June 30	Principal Due	Interest Due	Totals
2010	\$ 26,530,686	\$ 15,732,798	\$ 42,263,484
2011	27,335,685	15,217,068	42,552,753
2012	26,919,703	14,071,586	40,991,289
2013	25,311,445	12,894,836	38,206,281
2014	26,441,446	11,727,724	38,169,170
2015 to 2019	112,062,229	42,374,678	154,436,907
2020 to 2024	68,117,526	21,321,966	89,439,492
2025 to 2029	51,503,398	6,831,475	58,334,873
2030	<u>4,725,000</u>	<u>135,843</u>	<u>4,860,843</u>
Total	<u>\$ 368,947,118</u>	<u>\$ 140,307,974</u>	<u>\$ 509,255,092</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 4. DETAILED NOTES ON ALL FUNDS (Continued)

C. Long - Term Liabilities (Continued)

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

Component Unit:

Year Ending <u>June 30</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Totals</u>
2010	\$ 706,575	\$ 700,584	\$ 1,407,159
2011	736,575	669,839	1,406,414
2012	766,575	637,081	1,403,656
2013	816,991	604,840	1,421,831
2014	836,691	573,545	1,410,236
2015 to 2019	4,718,455	2,333,915	7,052,370
2020 to 2024	5,788,455	1,242,605	7,031,060
2025 to 2026	<u>2,683,379</u>	<u>119,876</u>	<u>2,803,255</u>
Total	<u>\$ 17,053,696</u>	<u>\$ 6,882,285</u>	<u>\$ 23,935,981</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 \$335 million at June 30, 2009. The District has received authorization from the State of Kansas to exceed this limit.

In prior years, the District had defeased certain outstanding debt obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2009, the total outstanding defeased debt for all issues was \$34,330,000.

D. Operating Leases

The District leases copiers under an operating lease. Total costs for this lease was \$606,657 for the year ended June 30, 2009. The future minimum lease payments for the lease are \$606,657 for the next three fiscal years.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 5. OTHER INFORMATION

A. Deferred Compensation Plan

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

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

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

B. Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 7.37% of covered payroll. These contribution requirements are established by KPERS and periodically revised. The estimated State of Kansas contributions to KPERS for the District employees for the years ending June 30, 2009, 2008, and 2007 were \$9,445,979, \$8,123,194, and \$7,275,348, respectively, equal to the required contributions for each year. The District recognizes these on-behalf payments as revenues and expenditures in the KPERS Fund as required.

C. Interfund Transfers and Due To/From Other Funds

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

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major:				
General	\$ -	\$ 25,373,214	\$ 20,310	\$ -
Supplemental	-	15,769,323	-	-
Special Education	25,349,467	-	-	-
Nonmajor:				
Special Revenue	<u>15,793,070</u>	<u>-</u>	<u>-</u>	<u>20,310</u>
Total	<u>\$ 41,142,537</u>	<u>\$ 41,142,537</u>	<u>\$ 20,310</u>	<u>\$ 20,310</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

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, 2009.

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, 2009, are as follows:

<u>Project Name</u>	<u>Project Budget</u>	<u>Cumulative expenditures through June 30, 2009</u>
Construction Projects 2005	<u>\$ 297,567,279</u>	<u>\$ 213,769,400</u>

F. Postemployment Healthcare Plan

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

Funding Policy. The contribution requirements of plan participants and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ended June 30, 2009, plan participants contributed approximately \$399,100 to the Plan (approximately 100% of total premiums) through their required contribution of \$438.50 per month for retiree-only coverage and \$829.68 for retiree and dependent coverage.

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.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 5. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

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>\$ 2,058,870</u>
Annual OPEB cost (expense)	2,058,870
Benefit payments	<u>399,100</u>
Change in net OPEB obligation	1,659,770
Net OPEB obligation - beginning of year	<u>1,744,483</u>
Net OPEB obligation - end of year	<u>\$ 3,404,253</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, 2009 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2008	\$ 1,980,013	\$ 235,530	\$ 1,744,483
June 30, 2009	2,058,870	399,100	3,404,253

The information for the preceding years was not available.

Funding Status and Funding Progress. As of the year ended June 30, 2009, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$15,541,741 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,541,741. The covered payroll (annual payroll of active employees covered by the plan) was \$134,360,931, and the ratio of the UAAL to the covered payroll was 11.6%.

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.

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.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2009

Note 5. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

In the year ended June 30, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 10% initially, reduced by decrements to an ultimate rate of 6% after ten years. The UAAL is being amortized as a level dollar over an open thirty-year period.

G. Reclassifications

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2009

Schedule of Employer Contributions:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2008	\$ 1,980,013	\$ 235,530	\$ 1,744,483
June 30, 2009	2,058,870	399,100	3,404,253

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)
6/30/2008	\$ -	\$ 12,095,652	\$ 12,095,652	0.0%	\$ 113,678,600	10.6%
6/30/2009	-	15,541,741	15,541,741	0.0%	134,360,931	11.6%

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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.

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

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

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

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

Grant Funds: A number of grant funds including; DAC Grant, Blue Valley Foundation Grant, Community Grants, Kauffman Grant, College Now, Johnson County Grant, Parents as Teachers Grant, and the Special Event 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.

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

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2009

	Vocational Education	At Risk	Driver Training	Professional Development	Special Assessment	Food Service	DAC Grant	Bilingual Education	Virtual Education
ASSETS									
Cash and investments	\$ 25,422	\$ 2,016	\$ 181,866	\$ 690,336	\$ 398,802	\$ 2,971,073	\$ 9,657	\$ 353	\$ 84,825
Other receivable	-	-	-	96,263	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-	89,214	-	-	-
Total assets	\$ 25,422	\$ 2,016	\$ 181,866	\$ 786,599	\$ 398,802	\$ 3,060,287	\$ 9,657	\$ 353	\$ 84,825
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 13,482	\$ 875	\$ -	\$ 5,361	\$ -	\$ 1,064	\$ -	\$ 353	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	6,625	-	-	370,446	-	-	84,825
Total liabilities	13,482	875	6,625	5,361	-	371,510	-	353	84,825
Fund balances:									
Reserved for encumbrances	11,940	1,141	-	1,238	-	1,563	-	-	-
Reserved for materials and supplies	-	-	-	-	-	89,214	-	-	-
Unreserved	-	-	175,241	780,000	398,802	2,598,000	9,657	-	-
Total fund balances	11,940	1,141	175,241	781,238	398,802	2,688,777	9,657	-	-
Total liabilities and fund balances	\$ 25,422	\$ 2,016	\$ 181,866	\$ 786,599	\$ 398,802	\$ 3,060,287	\$ 9,657	\$ 353	\$ 84,825

Continued on next page

See independent auditor's report on the financial statements.

Summer School	Parent Education Program	Extraordinary School Program	Gate Receipts	Student Projects	Instructional Materials	Contingency Reserve	Drug Free Grant	Title VI Merge Grant	Title I
\$ 72,275	\$ 130,607	\$ 949,205	\$ 200,578	\$ 225,722	\$ 5,508,087	\$ 12,343,056	\$ 8,476	\$ -	\$ 3,137
-	87,381	-	-	-	-	-	-	3,487	13,472
-	-	-	-	-	-	-	-	-	-
<u>\$ 72,275</u>	<u>\$ 217,988</u>	<u>\$ 949,205</u>	<u>\$ 200,578</u>	<u>\$ 225,722</u>	<u>\$ 5,508,087</u>	<u>\$ 12,343,056</u>	<u>\$ 8,476</u>	<u>\$ 3,487</u>	<u>\$ 16,609</u>
\$ 3,861	\$ 114	\$ 2,626	\$ -	\$ -	\$ 70,500	\$ -	\$ 4,973	\$ 1,046	\$ 15,676
-	-	-	-	-	-	-	-	2,441	-
-	-	248,187	-	-	1,062,830	-	-	-	-
<u>3,861</u>	<u>114</u>	<u>250,813</u>	<u>-</u>	<u>-</u>	<u>1,133,330</u>	<u>-</u>	<u>4,973</u>	<u>3,487</u>	<u>15,676</u>
748	2,913	2,554	-	-	65,876	-	-	-	933
-	-	-	-	-	-	-	-	-	-
<u>67,666</u>	<u>214,961</u>	<u>695,838</u>	<u>200,578</u>	<u>225,722</u>	<u>4,308,881</u>	<u>12,343,056</u>	<u>3,503</u>	<u>-</u>	<u>-</u>
<u>68,414</u>	<u>217,874</u>	<u>698,392</u>	<u>200,578</u>	<u>225,722</u>	<u>4,374,757</u>	<u>12,343,056</u>	<u>3,503</u>	<u>-</u>	<u>933</u>
<u>\$ 72,275</u>	<u>\$ 217,988</u>	<u>\$ 949,205</u>	<u>\$ 200,578</u>	<u>\$ 225,722</u>	<u>\$ 5,508,087</u>	<u>\$ 12,343,056</u>	<u>\$ 8,476</u>	<u>\$ 3,487</u>	<u>\$ 16,609</u>

Continued on next page

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
June 30, 2009

	Blue Valley Foundation Grant	Community Grants	Kauffman Grant	College Now	Special Reserve	Johnson County Grant
ASSETS						
Cash and investments	\$ 64,630	\$ 30,028	\$ 59,781	\$ -	\$ 2,056,195	\$ 6,071,285
Other receivable	-	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-	-
Total assets	\$ 64,630	\$ 30,028	\$ 59,781	\$ -	\$ 2,056,195	\$ 6,071,285
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 6,283	\$ 755	\$ 2,907	\$ -	\$ -	\$ 53,155
Due to other funds	-	-	-	-	-	-
Deferred revenue	4,165	-	-	-	-	-
Total liabilities	10,448	755	2,907	-	-	53,155
Fund balances:						
Reserved for encumbrances	21,744	83	264	-	-	100,768
Reserved for materials and supplies	-	-	-	-	-	-
Unreserved	32,438	29,190	56,610	-	2,056,195	5,917,362
Total fund balances	54,182	29,273	56,874	-	2,056,195	6,018,130
Total liabilities and fund balances	\$ 64,630	\$ 30,028	\$ 59,781	\$ -	\$ 2,056,195	\$ 6,071,285

Continued on next page

See independent auditor's report on the financial statements.

Parents as Teachers Grant	Title II-A	Title II-D	Title V	Title III	Special Liability	KPERS	Special Event	Small Learning Communities Grant	Total Nonmajor Special Revenue Funds
\$ -	\$ 3,714	\$ -	\$ -	\$ -	\$ 786,667	\$ -	\$ -	\$ -	\$ 32,877,793
16,213	3,114	368	-	1,767	-	-	-	-	222,065
-	-	-	-	-	-	-	-	-	89,214
<u>\$ 16,213</u>	<u>\$ 6,828</u>	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ 1,767</u>	<u>\$ 786,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,189,072</u>
\$ -	\$ 5,543	\$ -	\$ -	\$ 37	\$ -	\$ -	\$ -	\$ -	\$ 188,611
16,213	-	-	-	1,656	-	-	-	-	20,310
-	-	-	-	-	-	-	-	-	1,777,078
<u>16,213</u>	<u>5,543</u>	<u>-</u>	<u>-</u>	<u>1,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,985,999</u>
-	1,285	368	-	74	-	-	-	-	213,492
-	-	-	-	-	-	-	-	-	89,214
-	-	-	-	-	786,667	-	-	-	30,900,367
-	1,285	368	-	74	786,667	-	-	-	31,203,073
<u>\$ 16,213</u>	<u>\$ 6,828</u>	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ 1,767</u>	<u>\$ 786,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,189,072</u>

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
For the Year Ended June 30, 2009

	Vocational Education	At Risk	Driver Training	Professional Development	Special Assessment	Food Service	DAC Grant	Bilingual Education	Virtual Education
REVENUES:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 641,991	\$ -	\$ -	\$ -	\$ -
Intergovernmental	96,978	-	14,250	169,548	-	1,246,768	-	-	-
Charges for services	-	-	96,850	-	-	7,127,826	-	-	-
Investment revenue	-	-	-	-	-	49,903	-	-	-
Other local sources	-	-	-	-	-	3,177	6,994	-	-
Total revenues	96,978	-	111,100	169,548	641,991	8,427,674	6,994	-	-
EXPENDITURES:									
Current									
Instruction	3,813,528	2,986,543	121,143	-	-	-	-	1,300,298	-
Student support services	-	48,064	-	-	-	-	-	-	-
Instructional support staff	165,428	4,513	-	1,809,237	-	-	-	103,705	-
General administration	-	-	12,494	-	-	-	-	-	-
School administration	113,537	218,940	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	82,882	-
Operations and maintenance	-	132	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-
Food service operations	-	-	-	-	-	8,831,451	-	-	-
Capital outlay									
Facility acquisition and construction	-	-	-	-	638,266	-	-	-	-
Total expenditures	4,092,493	3,258,192	133,637	1,809,237	638,266	8,831,451	-	1,486,885	-
Excess [deficiency] of revenues over [under] expenditures	[3,995,515]	[3,258,192]	[22,537]	[1,639,689]	3,725	[403,777]	6,994	[1,486,885]	-
OTHER FINANCING SOURCES [USES]:									
Transfers in	3,994,569	3,255,145	-	1,635,515	-	-	-	1,486,885	-
Total other financing sources [uses]	3,994,569	3,255,145	-	1,635,515	-	-	-	1,486,885	-
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[946]	[3,047]	[22,537]	[4,174]	3,725	[403,777]	6,994	-	-
Fund balance - Beginning of year	12,886	4,188	197,778	785,412	395,077	3,092,554	2,663	-	-
Fund balance - End of year	\$ 11,940	\$ 1,141	\$ 175,241	\$ 781,238	\$ 398,802	\$ 2,688,777	\$ 9,657	\$ -	\$ -

Continued on next page

See independent auditor's report on the financial statements.

<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 VI Merge Grant</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	357,430	-	-	-	-	-	33,062	128,593	172,633
91,375	-	1,550,143	767,558	-	2,283,226	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	3,292,530	-	-	-	-	-
<u>91,375</u>	<u>357,430</u>	<u>1,550,143</u>	<u>767,558</u>	<u>3,292,530</u>	<u>2,283,226</u>	<u>-</u>	<u>33,062</u>	<u>128,593</u>	<u>172,633</u>
193,842	561,692	1,683,386	708,746	3,296,599	1,830,194	-	-	-	25,783
-	-	-	-	-	-	-	-	-	-
-	33,815	103,084	-	-	37,200	-	38,302	128,593	148,944
-	-	-	-	-	-	-	-	-	-
16,411	-	45,120	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>210,253</u>	<u>595,507</u>	<u>1,831,590</u>	<u>708,746</u>	<u>3,296,599</u>	<u>1,867,394</u>	<u>-</u>	<u>38,302</u>	<u>128,593</u>	<u>174,727</u>
<u>[118,878]</u>	<u>[238,077]</u>	<u>[281,447]</u>	<u>58,812</u>	<u>[4,069]</u>	<u>415,832</u>	<u>-</u>	<u>[5,240]</u>	<u>-</u>	<u>[2,094]</u>
-	240,990	-	-	-	-	5,179,966	-	-	-
-	240,990	-	-	-	-	5,179,966	-	-	-
[118,878]	2,913	[281,447]	58,812	[4,069]	415,832	5,179,966	[5,240]	-	[2,094]
<u>187,292</u>	<u>214,961</u>	<u>979,839</u>	<u>141,766</u>	<u>229,791</u>	<u>3,958,925</u>	<u>7,163,090</u>	<u>8,743</u>	<u>-</u>	<u>3,027</u>
\$ 68,414	\$ 217,874	\$ 698,392	\$ 200,578	\$ 225,722	\$ 4,374,757	\$ 12,343,056	\$ 3,503	\$ -	\$ 933

Continued on next page

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 BALANCE -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Year Ended June 30, 2009

	Blue Valley Foundation <u>Grant</u>	Community <u>Grants</u>	Kauffman <u>Grant</u>	College <u>Now</u>	Special <u>Reserve</u>	Johnson County <u>Grant</u>
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	25,000	-	-	-	3,259,804
Charges for services	-	-	-	-	-	-
Investment revenue	-	-	-	-	44,097	-
Other local sources	<u>25,877</u>	<u>2,923</u>	<u>371,637</u>	<u>164,335</u>	<u>-</u>	<u>-</u>
Total revenues	<u>25,877</u>	<u>27,923</u>	<u>371,637</u>	<u>164,335</u>	<u>44,097</u>	<u>3,259,804</u>
EXPENDITURES:						
Current						
Instruction	-	-	314,284	171,611	254,517	-
Student support services	-	-	-	-	2,753	-
Instructional support staff	2,113	-	3,226	-	17,445	1,669,935
General administration	-	-	-	-	-	-
School administration	-	-	-	-	511	-
Student transportation services	-	-	-	-	-	-
Operations and maintenance	-	-	-	-	230,214	-
Other support services	269	480	-	-	6,911	1,831,529
Food service operations	-	-	-	-	-	-
Capital outlay						
Facility acquisition and construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,382</u>	<u>480</u>	<u>317,510</u>	<u>171,611</u>	<u>512,351</u>	<u>3,501,464</u>
Excess [deficiency] of revenues over [under] expenditures	<u>23,495</u>	<u>27,443</u>	<u>54,127</u>	<u>[7,276]</u>	<u>[468,254]</u>	<u>[241,660]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	23,495	27,443	54,127	[7,276]	[468,254]	[241,660]
Fund balance - Beginning of year	<u>30,687</u>	<u>1,830</u>	<u>2,747</u>	<u>7,276</u>	<u>2,524,449</u>	<u>6,259,790</u>
Fund balance - End of year	<u>\$ 54,182</u>	<u>\$ 29,273</u>	<u>\$ 56,874</u>	<u>\$ -</u>	<u>\$ 2,056,195</u>	<u>\$ 6,018,130</u>

Continued on next page

See independent auditor's report on the financial statements.

Parents as Teachers Grant	Title II-A	Title II-D	Title V	Title III	Special Liability	KPERS	Special Event	Small Learning Communities Grant	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ -	\$ -	\$ -	\$ 642,203
32,843	274,933	3,717	1,089	81,022	-	9,445,979	-	10,376	15,354,025
-	-	-	-	-	-	-	-	-	11,916,978
-	-	-	-	-	16,631	-	-	-	110,631
-	-	-	-	-	-	-	-	-	3,867,473
<u>32,843</u>	<u>274,933</u>	<u>3,717</u>	<u>1,089</u>	<u>81,022</u>	<u>16,843</u>	<u>9,445,979</u>	<u>-</u>	<u>10,376</u>	<u>31,891,310</u>
32,843	12,082	3,502	-	40,768	-	6,428,846	-	-	23,780,207
-	-	-	-	-	-	658,409	-	-	709,226
-	262,483	-	1,110	40,245	-	699,863	-	11,639	5,280,880
-	-	-	-	-	-	74,996	-	-	87,490
-	-	-	-	-	-	537,490	-	-	932,009
-	-	-	-	-	-	-	-	-	82,882
-	-	-	-	-	269,638	501,175	-	-	1,001,159
-	-	-	-	-	-	376,611	1,230	-	2,217,030
-	-	-	-	-	-	168,589	-	-	9,000,040
-	-	-	-	-	-	-	-	-	638,266
<u>32,843</u>	<u>274,565</u>	<u>3,502</u>	<u>1,110</u>	<u>81,013</u>	<u>269,638</u>	<u>9,445,979</u>	<u>1,230</u>	<u>11,639</u>	<u>43,729,189</u>
-	368	215	[21]	9	[252,795]	-	[1,230]	[1,263]	[11,837,879]
-	-	-	-	-	-	-	-	-	15,793,070
-	-	-	-	-	-	-	-	-	15,793,070
-	368	215	[21]	9	[252,795]	-	[1,230]	[1,263]	3,955,191
-	917	153	21	65	1,039,462	-	1,230	1,263	27,247,882
\$ -	\$ 1,285	\$ 368	\$ -	\$ 74	\$ 786,667	\$ -	\$ -	\$ -	\$ 31,203,073

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)
 VOCATIONAL EDUCATION FUND
 For the Year Ended June 30, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
Federal	\$ 96,978	\$ -	\$ 96,978	\$ 86,585	\$ 86,585	\$ 10,393
Total intergovernmental	96,978	-	96,978	86,585	86,585	10,393
Other local sources	-	-	-	500,000	500,000	[500,000]
Total revenues	96,978	-	96,978	586,585	586,585	[489,607]
EXPENDITURES:						
Instruction	3,813,528	[946]	3,812,582	4,157,361	4,157,361	344,779
Instructional support staff	165,428	-	165,428	173,031	173,031	7,603
School administration	113,537	-	113,537	115,542	115,542	2,005
Total expenditures	4,092,493	[946]	4,091,547	4,445,934	4,445,934	354,387
Excess [deficiency] of revenues over [under] expenditures	[3,995,515]	946	[3,994,569]	[3,859,349]	[3,859,349]	[135,220]
OTHER FINANCING SOURCES [USES]:						
Transfers in	3,994,569	-	3,994,569	3,859,349	3,859,349	135,220
Total other financing sources [uses]	3,994,569	-	3,994,569	3,859,349	3,859,349	135,220
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[946]	946	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	12,886	[12,886]	-			
FUND BALANCE - End of year	\$ 11,940	\$ [11,940]	\$ -			

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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Other local sources	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ [200,000]
Total revenues	-	-	-	200,000	200,000	[200,000]
EXPENDITURES:						
Instruction	2,986,543	[2,678]	2,983,865	3,236,387	3,236,387	252,522
Student support services	48,064	-	48,064	50,233	50,233	2,169
Instructional support staff	4,513	[357]	4,156	15,861	15,861	11,705
School administration	218,940	[12]	218,928	218,481	218,481	[447]
Operations and maintenance	132	-	132	-	-	[132]
Total expenditures	3,258,192	[3,047]	3,255,145	3,520,962	3,520,962	265,817
Excess [deficiency] of revenues over [under] expenditures	[3,258,192]	3,047	[3,255,145]	[3,320,962]	[3,320,962]	65,817
OTHER FINANCING SOURCES [USES]:						
Transfers in	3,255,145	-	3,255,145	3,320,962	3,320,962	[65,817]
Total other financing sources [uses]	3,255,145	-	3,255,145	3,320,962	3,320,962	[65,817]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	[3,047]	3,047	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	4,188	[4,188]	-			
FUND BALANCE - End of year	\$ 1,141	\$ [1,141]	\$ -			

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, 2009

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State	\$ 14,250	\$ -	\$ 14,250	\$ 42,552	\$ 42,552	\$ [28,302]
Total intergovernmental	14,250	-	14,250	42,552	42,552	[28,302]
Charges for services	96,850	-	96,850	100,000	100,000	[3,150]
Total revenues	111,100	-	111,100	142,552	142,552	[31,452]
EXPENDITURES:						
Instruction	121,143	-	121,143	128,910	128,910	7,767
General administration	12,494	-	12,494	-	-	[12,494]
School administration	-	-	-	11,484	11,484	11,484
Operations and maintenance	-	-	-	31,600	31,600	31,600
Total expenditures	133,637	-	133,637	171,994	171,994	38,357
Excess [deficiency] of revenues over [under] expenditures	[22,537]	-	[22,537]	\$ [29,442]	\$ [29,442]	\$ 6,905
FUND BALANCE - Beginning of year	197,778	-	197,778			
FUND BALANCE - End of year	\$ 175,241	\$ -	\$ 175,241			

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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 169,548	\$ -	\$ 169,548	\$ 573,540	\$ 573,540	\$ [403,992]
Total revenues	<u>169,548</u>	<u>-</u>	<u>169,548</u>	<u>573,540</u>	<u>573,540</u>	<u>[403,992]</u>
EXPENDITURES:						
Instructional support staff	<u>1,809,237</u>	<u>[4,174]</u>	<u>1,805,063</u>	<u>2,710,547</u>	<u>2,710,547</u>	<u>905,484</u>
Total expenditures	<u>1,809,237</u>	<u>[4,174]</u>	<u>1,805,063</u>	<u>2,710,547</u>	<u>2,710,547</u>	<u>905,484</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[1,639,689]</u>	<u>4,174</u>	<u>[1,635,515]</u>	<u>[2,137,007]</u>	<u>[2,137,007]</u>	<u>501,492</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>1,635,515</u>	<u>-</u>	<u>1,635,515</u>	<u>2,137,007</u>	<u>2,137,007</u>	<u>[501,492]</u>
Total other financing sources [uses]	<u>1,635,515</u>	<u>-</u>	<u>1,635,515</u>	<u>2,137,007</u>	<u>2,137,007</u>	<u>[501,492]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[4,174]</u>	<u>4,174</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of year	<u>785,412</u>	<u>[5,412]</u>	<u>780,000</u>			
FUND BALANCE - End of year	<u>\$ 781,238</u>	<u>\$ [1,238]</u>	<u>\$ 780,000</u>			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL ASSESSMENT FUND
 For the Year Ended June 30, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 6,151	\$ -	\$ 6,151	\$ 7,621	\$ 7,621	\$ [1,470]
Current	587,345	-	587,345	571,211	571,211	16,134
Delinquent	8,910	-	8,910	2,339	2,339	6,571
Motor vehicle	39,196	-	39,196	40,223	40,223	[1,027]
Rental excise	389	-	389	-	-	389
Total taxes	641,991	-	641,991	621,394	621,394	20,597
Intergovernmental:						
State and local	-	-	-	546	546	[546]
Total intergovernmental	-	-	-	546	546	[546]
Total revenues	641,991	-	641,991	621,940	621,940	20,051
EXPENDITURES:						
Capital outlay	638,266	-	638,266	692,818	692,818	54,552
Total expenditures	638,266	-	638,266	692,818	692,818	54,552
Excess [deficiency] of revenues over [under] expenditures	3,725	-	3,725	\$ [70,878]	\$ [70,878]	\$ 74,603
FUND BALANCE - Beginning of year	395,077	-	395,077			
FUND BALANCE - End of year	\$ 398,802	\$ -	\$ 398,802			

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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
Federal	\$ 1,163,421	\$ -	\$ 1,163,421	\$ 1,066,534	\$ 1,066,534	\$ 96,887
State and local	83,347	-	83,347	85,421	85,421	[2,074]
Total intergovernmental	1,246,768	-	1,246,768	1,151,955	1,151,955	94,813
Charges for services	7,127,826	-	7,127,826	7,188,426	7,188,426	[60,600]
Investment revenue	49,903	-	49,903	-	-	49,903
Miscellaneous	3,177	-	3,177	67,063	67,063	[63,886]
Total revenues	8,427,674	-	8,427,674	8,407,444	8,407,444	20,230
EXPENDITURES:						
Food service operations	8,831,451	[196,419]	8,635,032	8,909,123	8,909,123	274,091
Total expenditures	8,831,451	[196,419]	8,635,032	8,909,123	8,909,123	274,091
Excess [deficiency] of revenues over [under] expenditures	[403,777]	196,419	[207,358]	\$ [501,679]	\$ [501,679]	\$ 294,321
FUND BALANCE - Beginning of year	3,092,554	[287,196]	2,805,358			
FUND BALANCE - End of year	\$ 2,688,777	\$ [90,777]	\$ 2,598,000			

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)
 BILINGUAL EDUCATION FUND
 For the Year Ended June 30, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Interest on Idle Funds	\$ -	\$ -	\$ -	\$ 260,000	\$ 260,000	\$ [260,000]
Total revenues	-	-	-	260,000	260,000	[260,000]
EXPENDITURES:						
Instruction	1,300,298	-	1,300,298	1,556,559	1,556,559	256,261
Instructional support staff	103,705	-	103,705	104,118	104,118	413
Student transportation services	82,882	-	82,882	89,900	89,900	7,018
Total expenditures	1,486,885	-	1,486,885	1,750,577	1,750,577	263,692
Excess [deficiency] of revenues over [under] expenditures	[1,486,885]	-	[1,486,885]	[1,490,577]	[1,490,577]	3,692
OTHER FINANCING SOURCES [USES]:						
Transfers in	1,486,885	-	1,486,885	1,490,577	1,490,577	[3,692]
Total other financing sources [uses]	1,486,885	-	1,486,885	1,490,577	1,490,577	[3,692]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-			
FUND BALANCE - End of year	\$ -	\$ -	\$ -			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SUMMER SCHOOL FUND
 For the Year Ended June 30, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Charges for services	\$ 91,375	\$ -	\$ 91,375	\$ 345,370	\$ 345,370	\$ [253,995]
Total revenues	<u>91,375</u>	<u>-</u>	<u>91,375</u>	<u>345,370</u>	<u>345,370</u>	<u>[253,995]</u>
EXPENDITURES:						
Instruction	193,842	174	194,016	332,055	332,055	138,039
School administration	<u>16,411</u>	<u>-</u>	<u>16,411</u>	<u>13,145</u>	<u>13,145</u>	<u>[3,266]</u>
Total expenditures	<u>210,253</u>	<u>174</u>	<u>210,427</u>	<u>345,200</u>	<u>345,200</u>	<u>134,773</u>
Excess [deficiency] of revenues over [under] expenditures	[118,878]	[174]	[119,052]	<u>\$ 170</u>	<u>\$ 170</u>	<u>\$ [119,222]</u>
FUND BALANCE - Beginning of year	<u>187,292</u>	<u>[574]</u>	<u>186,718</u>			
FUND BALANCE - End of year	<u>\$ 68,414</u>	<u>\$ [748]</u>	<u>\$ 67,666</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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$357,430	\$ -	\$ 357,430	\$ 347,463	\$ 347,463	\$ 9,967
Federal	-	-	-	25,000	25,000	[25,000]
Total intergovernmental	357,430	-	357,430	372,463	372,463	[15,033]
Investment income	-	-	-	128,258	128,258	[128,258]
Other local sources	-	-	-	9,133	9,133	[9,133]
Total revenues	357,430	-	357,430	509,854	509,854	[152,424]
EXPENDITURES:						
Instructional	561,692	2,913	564,605	-	-	[564,605]
Student support services	-	-	-	742,069	742,069	742,069
Instructional support staff	33,815	-	33,815	34,606	34,606	791
Total expenditures	595,507	2,913	598,420	776,675	776,675	178,255
Excess [deficiency] of revenues over [under] expenditures	[238,077]	[2,913]	[240,990]	[266,821]	[266,821]	25,831
OTHER FINANCING SOURCES [USES]:						
Transfers in	240,990	-	240,990	258,383	258,383	[17,393]
Total other financing sources [uses]	240,990	-	240,990	258,383	258,383	[17,393]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	2,913	[2,913]	-	\$ [8,438]	\$ [8,438]	\$ 8,438
FUND BALANCE - Beginning of year	214,961	-	214,961			
FUND BALANCE - End of year	\$217,874	\$ [2,913]	\$ 214,961			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 EXTRAORDINARY SCHOOL PROGRAM FUND
 For the Year Ended June 30, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Charges for services	\$ 1,550,143	\$ -	\$ 1,550,143	\$ 1,739,821	\$ 1,739,821	\$ [189,678]
Other local sources	-	-	-	-	-	-
Total revenues	<u>1,550,143</u>	<u>-</u>	<u>1,550,143</u>	<u>1,739,821</u>	<u>1,739,821</u>	<u>[189,678]</u>
EXPENDITURES:						
Instruction	1,683,386	900	1,684,286	2,026,926	2,026,926	342,640
Instructional support staff	103,084	-	103,084	71,107	71,107	[31,977]
School administration	45,120	-	45,120	-	-	[45,120]
Operations and maintenance	-	-	-	94,899	94,899	94,899
Total expenditures	<u>1,831,590</u>	<u>900</u>	<u>1,832,490</u>	<u>2,192,932</u>	<u>2,192,932</u>	<u>360,442</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[281,447]</u>	<u>[900]</u>	<u>[282,347]</u>	<u>[453,111]</u>	<u>[453,111]</u>	<u>170,764</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[281,447]</u>	<u>[900]</u>	<u>[282,347]</u>	<u>\$ [453,111]</u>	<u>\$ [453,111]</u>	<u>\$ 170,764</u>
FUND BALANCE - Beginning of year	<u>979,839</u>	<u>[1,655]</u>	<u>978,184</u>			
FUND BALANCE - End of year	<u>\$ 698,392</u>	<u>\$ [2,555]</u>	<u>\$ 695,837</u>			

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, 2009

	<u>Drug Free Grant</u>	<u>Title VI Merge Grant</u>	<u>Title I</u>	<u>Title II-A</u>	<u>Title II-D</u>	<u>Title V</u>
REVENUES:						
Intergovernmental:						
Federal	<u>\$ 33,062</u>	<u>\$ 128,593</u>	<u>\$ 172,633</u>	<u>\$ 274,933</u>	<u>\$ 3,717</u>	<u>\$ 1,089</u>
Total revenues	<u>33,062</u>	<u>128,593</u>	<u>172,633</u>	<u>274,933</u>	<u>3,717</u>	<u>1,089</u>
EXPENDITURES:						
Instruction	<u>-</u>	<u>-</u>	<u>25,783</u>	<u>12,082</u>	<u>3,502</u>	<u>-</u>
Instructional support staff	<u>38,302</u>	<u>128,593</u>	<u>148,944</u>	<u>262,483</u>	<u>-</u>	<u>1,110</u>
Total expenditures	<u>38,302</u>	<u>128,593</u>	<u>174,727</u>	<u>274,565</u>	<u>3,502</u>	<u>1,110</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[5,240]</u>	<u>-</u>	<u>[2,094]</u>	<u>368</u>	<u>215</u>	<u>[21]</u>
FUND BALANCE - Beginning of year	<u>8,743</u>	<u>-</u>	<u>3,027</u>	<u>917</u>	<u>153</u>	<u>21</u>
FUND BALANCE - End of year	<u>\$ 3,503</u>	<u>\$ -</u>	<u>\$ 933</u>	<u>\$ 1,285</u>	<u>\$ 368</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

Title III	Small Learning Communities Grant	Total GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
\$ 81,022	\$ 10,376	\$ 705,425	\$ -	\$ 705,425	\$ 955,403	\$ 955,403	\$ [249,978]
<u>81,022</u>	<u>10,376</u>	<u>705,425</u>	<u>-</u>	<u>705,425</u>	<u>955,403</u>	<u>955,403</u>	<u>[249,978]</u>
40,768	-	82,135	92	82,227	158,976	158,976	76,749
<u>40,245</u>	<u>11,639</u>	<u>631,316</u>	<u>[11,600]</u>	<u>619,716</u>	<u>796,448</u>	<u>796,448</u>	<u>176,732</u>
<u>81,013</u>	<u>11,639</u>	<u>713,451</u>	<u>[11,508]</u>	<u>701,943</u>	<u>955,424</u>	<u>955,424</u>	<u>253,481</u>
9	[1,263]	[8,026]	11,508	3,482	\$ [21]	\$ [21]	\$ 3,503
<u>65</u>	<u>1,263</u>	<u>14,189</u>	<u>[14,168]</u>	<u>21</u>			
\$ 74	\$ -	\$ 6,163	\$ [2,660]	\$ 3,503			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 GIFTS AND GRANTS FUNDS
 For the Year Ended June 30, 2009

	DAC Grant	Blue Valley Foundation Grant	Community Grants	Kauffman Grant	College Now	Johnson County Grant	Parents as Teachers Grant
REVENUES:							
Intergovernmental	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 3,259,804	\$ 32,843
Other local sources	6,994	25,877	2,923	371,637	164,335	-	-
Total revenues	6,994	25,877	27,923	371,637	164,335	3,259,804	32,843
EXPENDITURES:							
Instruction	-	-	-	314,284	171,611	-	32,843
Student support services	-	-	-	-	-	-	-
Other support services	-	269	-	-	-	1,831,529	-
Instructional support staff	-	2,113	480	3,226	-	1,669,935	-
Total expenditures	-	2,382	480	317,510	171,611	3,501,464	32,843
Excess [deficiency] of revenues over [under] expenditures	6,994	23,495	27,443	54,127	[7,276]	[241,660]	-
FUND BALANCE - Beginning of year	2,663	30,687	1,830	2,747	7,276	6,259,790	-
FUND BALANCE - End of year	\$ 9,657	\$ 54,182	\$ 29,273	\$ 56,874	\$ -	\$ 6,018,130	\$ -

See independent auditor's report on the financial statements.

Special Event	Gift	Total GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
					Original	Final	
\$ -	\$ -	\$ 3,317,647	\$ -	\$ 3,317,647	\$ 3,564,725	\$ 3,564,725	\$ [247,078]
-	-	571,766	-	571,766	-	-	571,766
-	-	3,889,413	-	3,889,413	3,564,725	3,564,725	324,688
-	56,531	575,269	-	575,269	782,535	782,535	207,266
-	-	-	-	-	4,271	4,271	4,271
1,230	-	1,833,028	[59,766]	1,773,262	2,327,501	2,327,501	554,239
-	-	1,675,754	-	1,675,754	1,584,438	1,584,438	[91,316]
1,230	56,531	4,084,051	[59,766]	4,024,285	4,698,745	4,698,745	674,460
[1,230]	[56,531]	[194,638]	59,766	[134,872]	\$ [1,134,020]	\$ [1,134,020]	\$ 999,148
1,230	563,878	6,870,101	[227,802]	6,642,299			
\$ -	\$ 507,347	\$ 6,675,463	\$ [168,036]	\$ 6,507,427			

See independent auditor's report on the financial statements.

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL LIABILITY FUND
 For the Year Ended June 30, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Current	\$ 212	\$ -	\$ 212	\$ -	\$ -	\$ 212
Total taxes	<u>212</u>	<u>-</u>	<u>212</u>	<u>-</u>	<u>-</u>	<u>212</u>
Investment revenue	<u>16,631</u>	<u>-</u>	<u>16,631</u>	<u>-</u>	<u>-</u>	<u>16,631</u>
Total revenues	<u>16,843</u>	<u>-</u>	<u>16,843</u>	<u>-</u>	<u>-</u>	<u>16,843</u>
EXPENDITURES:						
General administration	<u>269,638</u>	<u>-</u>	<u>269,638</u>	<u>503,966</u>	<u>503,966</u>	<u>234,328</u>
Total expenditures	<u>269,638</u>	<u>-</u>	<u>269,638</u>	<u>503,966</u>	<u>503,966</u>	<u>234,328</u>
Excess [deficiency] of revenues over [under] expenditures	[252,795]	-	[252,795]	\$ [503,966]	\$ [503,966]	\$ 251,171
FUND BALANCE - Beginning of year	<u>1,039,462</u>	<u>-</u>	<u>1,039,462</u>			
FUND BALANCE - End of year	<u>\$ 786,667</u>	<u>\$ -</u>	<u>\$ 786,667</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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental	\$ 9,445,979	\$ -	\$ 9,445,979	\$ 9,796,572	\$ 9,796,572	\$ [350,593]
Total revenues	<u>9,445,979</u>	<u>-</u>	<u>9,445,979</u>	<u>9,796,572</u>	<u>9,796,572</u>	<u>[350,593]</u>
EXPENDITURES:						
Instruction	6,428,846	-	6,428,846	6,667,458	6,667,458	238,612
Student support services	658,409	-	658,409	682,846	682,846	24,437
Instructional support staff	699,863	-	699,863	725,839	725,839	25,976
General administration	74,996	-	74,996	77,779	77,779	2,783
School administration	537,490	-	537,490	557,439	557,439	19,949
Operations and maintenance	501,175	-	501,175	519,776	519,776	18,601
Transportation	-	-	-	3,160	3,160	3,160
Other support services	376,611	-	376,611	387,429	387,429	10,818
Food service operations	<u>168,589</u>	<u>-</u>	<u>168,589</u>	<u>174,846</u>	<u>174,846</u>	<u>6,257</u>
Total expenditures	<u>9,445,979</u>	<u>-</u>	<u>9,445,979</u>	<u>9,796,572</u>	<u>9,796,572</u>	<u>350,593</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>			
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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
In process	\$ 525,323	\$ -	\$ 525,323	\$ 716,032	\$ 716,032	\$ [190,709]
Current	35,450,626	-	35,450,626	34,492,375	34,492,375	958,251
Delinquent	753,031	-	753,031	212,728	212,728	540,303
Motor vehicle	3,153,400	-	3,153,400	3,232,213	3,232,213	[78,813]
Rental excise	29,799	-	29,799	-	-	29,799
Total taxes	39,912,179	-	39,912,179	38,653,348	38,653,348	1,258,831
Intergovernmental	192,329	-	192,329	44,579	44,579	147,750
Investment income	25	-	25	-	-	25
Total revenues	40,104,533	-	40,104,533	38,697,927	38,697,927	1,406,606
EXPENDITURES:						
Debt Service						
Principal	23,860,000	-	23,860,000	23,860,000	23,860,000	-
Interest and other charges	14,030,579	-	14,030,579	14,035,579	14,035,579	5,000
Total expenditures	37,890,579	-	37,890,579	37,895,579	37,895,579	5,000
Excess [deficiency] of revenues over [under] expenditures	2,213,954	-	2,213,954	<u>\$ 802,348</u>	<u>\$ 802,348</u>	<u>\$ 1,411,606</u>
FUND BALANCE - Beginning of year	37,572,833	-	37,572,833			
FUND BALANCE - End of year	<u>\$ 39,786,787</u>	<u>\$ -</u>	<u>\$ 39,786,787</u>			

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, 2009

	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	\$ 818,981	\$ -	\$ -	\$ 507,347	\$ 1,326,328
Total assets	<u>\$ 818,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,347</u>	<u>\$ 1,326,328</u>
LIABILITIES:					
Liabilities:					
Other liabilities	\$ -	\$ -	\$ -	\$ 507,347	\$ 507,347
Due to student organizations	<u>818,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>818,981</u>
Total liabilities	<u>\$ 818,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,347</u>	<u>\$ 1,326,328</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, 2009

	Balance June 30, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2009</u>
Gift Fund	\$ 563,878	\$ -	\$ 56,531	\$ 507,347
Extraordinary Growth Fund	-	3,534,998	3,534,998	-
Cost of Living Fund	-	3,750,544	3,750,544	-
Student Organization Funds	<u>824,142</u>	<u>2,331,737</u>	<u>2,336,898</u>	<u>818,981</u>
Assets - cash and investments	<u>\$ 1,388,020</u>	<u>\$ 9,617,279</u>	<u>\$ 9,678,971</u>	<u>\$ 1,326,328</u>
Other liabilities	\$ 563,878	\$ -	\$ 56,531	\$ 507,347
Extraordinary Growth Fund	-	3,534,998	3,534,998	-
Cost of Living Fund	-	3,750,544	3,750,544	-
Due to student organizations	<u>824,142</u>	<u>2,331,737</u>	<u>2,336,898</u>	<u>818,981</u>
Total liabilities	<u>\$ 1,388,020</u>	<u>\$ 9,617,279</u>	<u>\$ 9,678,971</u>	<u>\$ 1,326,328</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.

STATISTICAL SECTION

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.

<u>Contents</u>	Page
Financial Trends	82 - 90
<p>These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time</p>	
Revenue Capacity	91 - 97
<p>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</p>	
Debt Capacity	98 - 102
<p>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.</p>	
Demographic and Economic Information	103 - 105
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	
Operating Information	106 - 108
<p>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.</p>	

This page intentionally left blank.

TABLE 1
(UNAUDITED)

	2002	2003	2004	2005	2006	2007	2008	2009
BLUE VALLEY USD #229, KANSAS								
NET ASSETS BY COMPONENT								
LAST EIGHT FISCAL YEARS (1)								
(Accrual Basis of Accounting)								
Governmental Activities								
Invested in capital assets, net of related debt	\$ 15,507,776	\$ 46,312,666	\$ 39,813,390	\$ 30,283,612	\$ 81,069,192	\$ 125,031,167	\$ 142,672,774	\$ 165,782,762
Restricted	15,502,942	16,506,805	32,841,738	40,798,617	39,397,044	37,511,989	37,572,833	39,786,787
Unrestricted	56,453,465	91,965,651	93,658,200	119,902,908	106,844,431	83,884,422	73,930,967	68,840,923
Total Net Assets	\$ 87,464,183	\$ 154,785,122	\$ 166,313,328	\$ 190,985,137	\$ 227,310,667	\$ 246,427,578	\$ 254,176,574	\$ 274,410,472

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

(2) The overall increase in net assets is a result of the combination of an increase in capital assets of approximately \$81.8 million, a decrease in non-current assets of approximately \$0.3 million, a decrease in current assets of approximately 16.5 million, a decrease in current liabilities of approximately \$3.5 million, and the increase of non-current liabilities of approximately \$48.3 million.

Source: Blue Valley USD #229 Basic Financial Statements

This page intentionally left blank.

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

	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental Activities:								
Instruction	86,729,224	99,627,197	102,807,598	110,527,667	118,875,612	129,750,442	136,331,621	143,503,301
Student Support Services	5,672,369	5,413,798	8,097,686	8,901,355	9,271,192	10,263,514	11,012,546	11,336,565
Instructional Support Staff	7,275,941	7,556,984	8,053,434	8,885,959	9,609,695	12,468,579	13,873,761	14,048,127
General Administration	2,477,029	870,530	1,061,669	1,999,311	1,687,518	2,002,360	1,908,155	2,238,099
School Administration	6,991,251	7,234,030	7,640,721	8,956,488	8,484,871	8,693,089	9,435,950	10,029,431
Operations and Maintenance	13,492,523	14,135,909	13,758,135	14,958,372	15,762,596	28,661,222	41,842,939	23,961,722
Student Transportation Services	3,693,281	4,056,977	4,302,750	4,509,985	5,010,015	5,155,479	6,039,966	5,567,436
Food Service Operations	5,800,476	6,008,368	6,194,694	6,955,985	7,029,954	7,666,945	8,232,432	9,072,073
Other Support Services	8,127,252	9,443,688	8,986,200	9,825,539	10,152,371	9,158,895	9,110,570	10,961,416
Interest on Long-Term Debt	13,744,551	14,049,414	12,696,041	11,173,237	12,120,303	10,910,056	12,597,424	13,660,943
Total Primary Government Expenses	154,143,897	168,399,095	173,400,928	185,193,908	198,004,127	225,120,541	250,766,364	243,979,113
Program Revenues								
Governmental Activities:								
Charges for Services								
Instruction	1,505,313	3,352,660	3,203,451	3,429,202	4,110,165	4,626,280	4,636,633	4,835,732
Student Support Services	613	-	-	-	-	-	-	-
Instructional Support Staff	9,027	15,328	14,805	48,717	-	-	-	-
General Administration	31,140	10,422	9,870	-	-	-	-	-
School Administration	11,443	8,394	7,895	-	-	-	-	-
Operations and Maintenance	63,256	-	-	-	-	-	-	-
Food Service Operations	5,300,712	5,752,694	5,972,320	6,295,954	6,776,696	6,653,212	7,102,181	7,127,826
Student Activities	635,973	-	-	-	-	-	-	-
Other Support Services	43,985	56,505	53,956	-	-	-	-	-
Total Charges for Services	7,601,462	9,196,003	9,262,297	9,773,873	10,886,861	11,479,492	11,738,814	11,963,558
Operating Grants and Contributions								
Instruction	11,695,502	16,200,315	17,553,589	17,294,542	20,371,196	23,859,029	27,786,773	31,942,871
Student Support Services	705,679	-	-	370,072	421,646	493,496	557,898	658,409
Instructional Support Staff	574,252	381,986	448,129	1,056,887	1,391,506	2,933,506	3,581,338	3,239,965
General Administration	168,810	-	-	29,289	45,841	60,274	63,958	74,996
School Administration	-	-	-	336,644	380,293	436,999	457,922	537,490
Operations and Maintenance	-	46	-	350,212	378,172	457,342	506,087	693,504
Student Transportation Services	1,056,705	9,600	682,822	922,331	1,039,109	1,172,239	1,285,607	1,415,357
Food Service Operations	524,039	581,642	3,156,884	4,421,836	5,347,450	3,432,731	3,304,414	1,991,480
Other Support Services	-	784,134	-	-	-	-	-	-
Total Operating Grants and Contributions	14,724,987	17,957,723	21,841,424	24,781,813	29,375,213	32,844,616	37,543,987	40,554,072
Total Primary Government Program Revenue	22,326,446	27,153,726	31,103,721	34,555,686	40,262,074	44,324,108	49,282,811	52,517,630
Total Primary Government Net [Expense]	[131,817,448]	[141,245,369]	[142,297,207]	[150,638,222]	[157,742,053]	[180,796,433]	[201,502,553]	[191,461,483]

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

Source: Blue Valley USD #229 Basic Financial Statements

TABLE 2
(UNAUDITED)

This page intentionally left blank.

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

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

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

Source: Blue Valley USD #229 Basic Financial Statements

This page intentionally left blank.

TABLE 4
(UNAUDITED)

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 591,324	\$ 228,587	\$ 1,069,260	\$ 1,384,722	\$ 1,816,625	\$ 858,477	\$ 783,901	\$ 565,728	\$ 667,812	\$ 607,384
Unreserved	113,325	1,480,553	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 704,649</u>	<u>\$ 1,709,140</u>	<u>\$ 1,069,260</u>	<u>\$ 1,384,722</u>	<u>\$ 1,816,625</u>	<u>\$ 858,477</u>	<u>\$ 783,901</u>	<u>\$ 565,728</u>	<u>\$ 667,812</u>	<u>\$ 607,384</u>
All Other Governmental Funds										
Reserved	\$ 37,343,586	\$ 49,182,421	\$ 32,662,396	\$ 29,072,911	\$ 46,313,009	\$ 63,804,744	\$ 66,822,273	\$ 65,020,852	\$ 137,538,270	\$ 96,217,177
Unreserved, reported in:										
Special revenue funds	18,746,186	13,167,211	17,008,649	26,063,694	44,555,641	48,410,658	55,204,078	64,193,479	68,965,486	58,206,067
Capital project funds	11,739	15,575,463	26,158,987	13,307,940	8,694,250	47,455,587	23,998,113	[7,719,235]	[22,000,133]	19,140,045
Total All Other Governmental Funds	<u>\$ 56,101,511</u>	<u>\$ 77,925,095</u>	<u>\$ 75,830,032</u>	<u>\$ 68,444,545</u>	<u>\$ 99,562,900</u>	<u>\$ 159,670,989</u>	<u>\$ 146,024,464</u>	<u>\$ 121,495,096</u>	<u>\$ 184,503,623</u>	<u>\$ 173,563,289</u>

Source: Blue Valley USD #229 Basic Financial Statements

This page intentionally left blank.

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

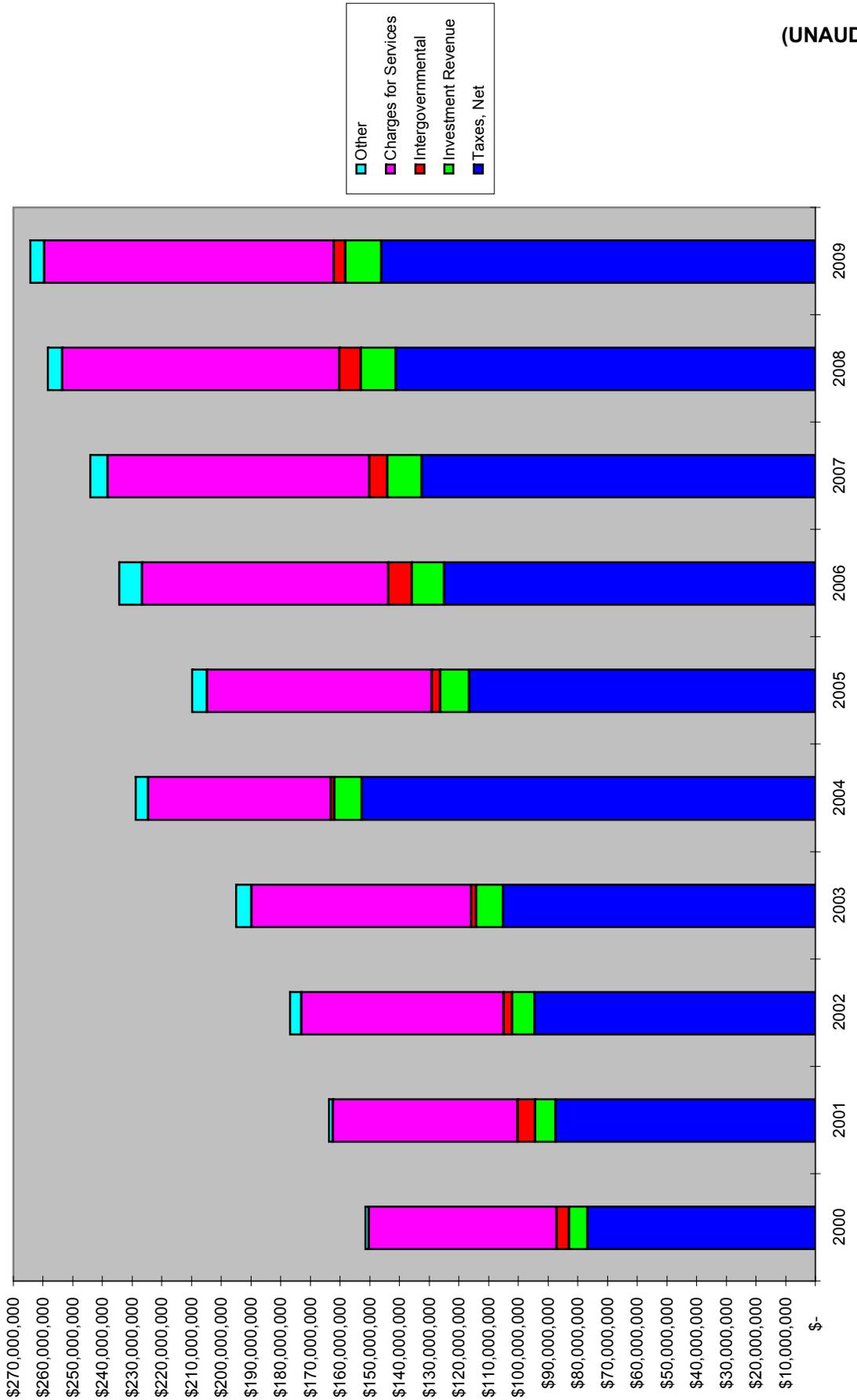
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Taxes, Net	\$ 76,671,457	\$ 87,449,925	\$ 94,484,366	\$ 105,015,154	\$ 152,574,717	\$ 116,498,573	\$ 124,989,214	\$ 132,529,099	\$ 141,289,691	\$ 146,156,146
Intergovernmental	63,204,903	62,187,700	68,077,026	73,990,043	61,391,653	75,568,466	82,841,457	88,054,327	93,328,402	97,578,792
Charges for Services	6,230,085	6,918,672	7,601,462	9,196,003	9,262,297	9,773,873	10,886,861	11,479,492	11,738,814	11,963,558
Investment Revenue	4,205,837	5,903,744	2,814,672	1,581,074	1,318,793	2,922,200	7,833,321	6,197,811	7,147,028	3,953,348
Other	1,226,741	1,361,638	3,808,753	5,295,155	4,285,872	5,107,112	7,772,605	5,905,077	4,932,543	4,563,008
Total Revenues	\$ 151,539,023	\$ 163,821,679	\$ 176,786,279	\$ 195,077,429	\$ 228,833,332	\$ 209,870,224	\$ 234,323,458	\$ 244,166,806	\$ 258,436,478	\$ 264,214,852

Source: Blue Valley USD #229 Basic Financial Statements

This page intentionally left blank.

TABLE 5
2 of 2
(UNAUDITED)

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



This page intentionally left blank.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Instruction	\$ 65,797,285	\$ 71,156,522	\$ 80,716,767	\$ 90,975,605	\$ 93,504,794	\$ 99,944,110	\$ 106,725,121	\$ 117,085,871	\$ 121,486,276	\$ 127,957,829
Student Support Services	5,074,241	5,408,390	5,816,394	5,452,105	8,074,065	8,888,039	9,248,764	10,250,486	10,904,833	11,240,043
Instructional Support Staff	8,311,997	8,962,960	7,264,362	7,398,470	7,864,586	8,777,865	9,520,891	12,402,046	13,723,597	13,925,853
General Administration	2,320,395	2,472,174	2,468,250	975,111	1,026,977	1,554,136	1,636,544	1,953,602	1,847,360	1,995,149
School Administration	7,578,461	8,150,453	6,934,682	7,323,425	7,575,656	8,293,743	8,401,493	8,834,264	9,303,560	9,914,121
Operations and Maintenance	12,492,958	12,976,994	13,704,982	14,792,392	13,375,439	14,438,998	15,986,366	17,182,606	17,906,087	17,945,586
Student Transportation Services	2,933,690	3,284,616	3,633,281	4,058,977	4,302,750	4,509,985	5,010,015	5,155,479	5,985,926	5,523,230
Food Service Operations	4,940,655	5,210,172	5,800,476	6,033,081	6,194,694	6,955,995	7,029,964	7,666,945	8,158,776	9,000,040
Other Support Services	5,937,078	6,230,966	7,869,129	8,768,443	7,751,395	8,139,626	9,051,363	8,313,729	8,405,030	9,844,545
Capital Outlay	41,444,945	45,790,673	45,880,397	21,429,163	14,625,875	15,708,257	34,731,926	41,834,028	60,280,041	102,990,171
Debt Service										
Principal Retirement	15,293,598	17,329,337	21,541,986	21,314,132	21,292,812	20,925,000	28,130,000	26,490,000	25,955,000	23,860,000
Interest and Other Charges	12,090,603	14,018,094	14,727,634	13,880,101	13,686,448	11,578,355	12,572,122	11,744,291	12,671,226	14,030,579
Total Expenditures (1)	\$ 184,215,906	\$ 200,991,351	\$ 216,358,340	\$ 202,401,005	\$ 199,275,491	\$ 209,714,109	\$ 248,044,559	\$ 268,913,347	\$ 296,627,712	\$ 348,227,146

Debt service as a percentage of noncapital expenditures	19.18%	20.20%	21.28%	19.45%	18.94%	16.75%	19.08%	16.84%	15.00%	15.17%
---	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

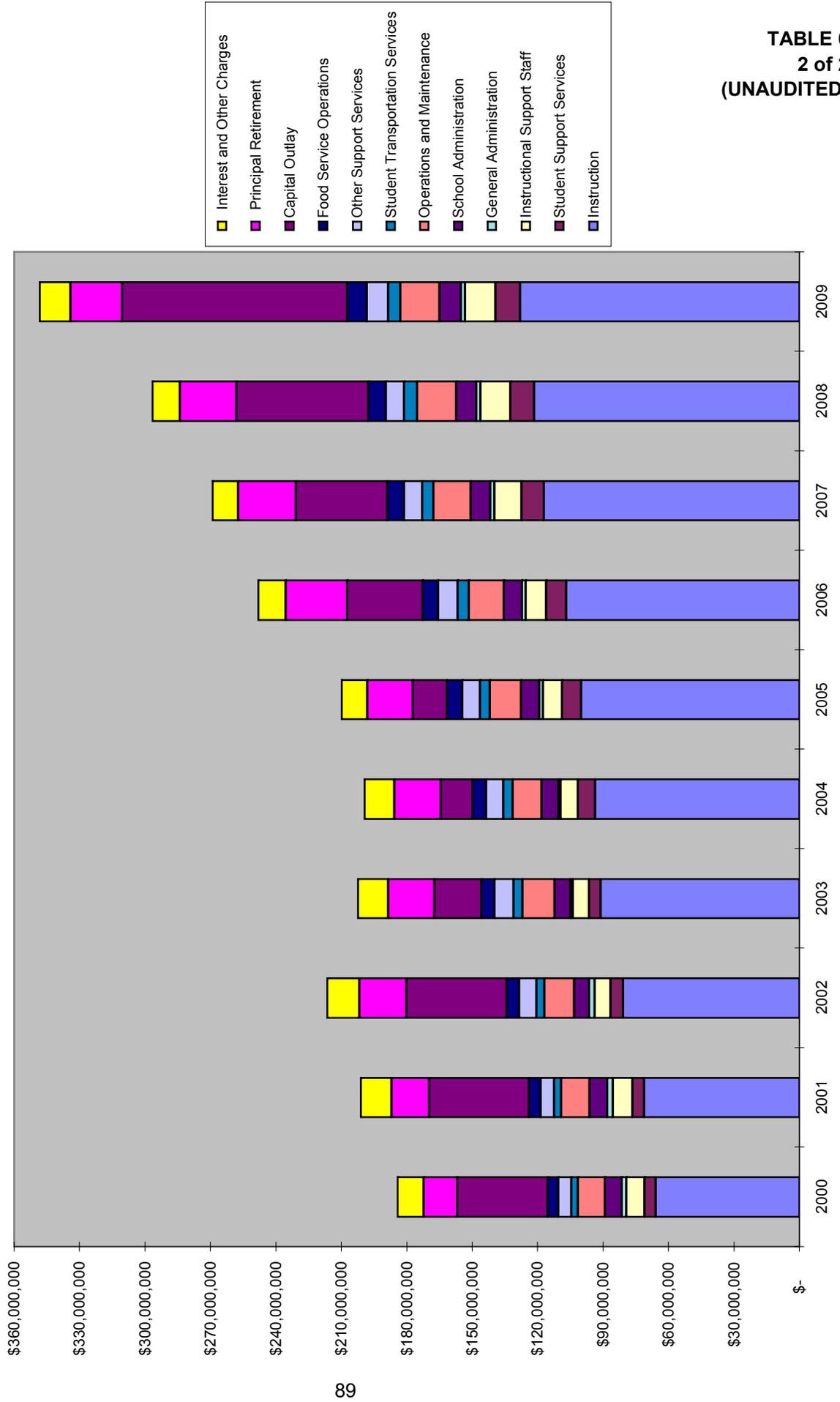
(1) Expenditures include General, Special Revenue, Debt Service and Capital Project Funds.

Source: Blue Valley USD #229 Basic Financial Statements

This page intentionally left blank.

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

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



This page intentionally left blank.

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Excess of Revenues Over [Under] Expenditures	\$ [32,676,883]	\$ [37,169,672]	\$ [39,572,061]	\$ [7,323,576]	\$ 29,557,841	\$ 156,115	\$ [13,721,101]	\$ [24,747,541]	\$ [38,191,234]	\$ [84,012,294]
Other Financing Sources [Uses]										
Issuance of bonds	45,000,000	60,000,000	36,799,907	253,551	67,838,086	107,894,202	-	-	98,780,000	73,000,000
Bond premium	-	-	-	-	-	-	-	-	2,521,845	11,532
Sale of capital assets	-	-	37,211	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	[65,845,669]	[48,900,376]	-	-	-	-
Transfers in	11,594,738	9,465,398	22,055,438	25,811,580	24,586,321	23,573,434	29,756,111	35,739,528	38,975,070	41,142,537
Transfers [out]	[11,594,738]	[9,465,398]	[22,055,438]	[25,811,580]	[24,586,321]	[23,573,434]	[29,756,111]	[35,739,528]	[38,975,070]	[41,142,537]
Total Other Financing Sources [Uses]	45,000,000	60,000,000	36,837,118	253,551	1,992,417	58,993,826	-	-	101,301,845	73,011,532
Net Change in Fund Balances	\$ [12,323,117]	\$ 22,830,328	\$ [2,734,943]	\$ [7,070,025]	\$ 31,550,258	\$ 59,149,941	\$ [13,721,101]	\$ [24,747,541]	\$ 63,110,611	\$ [11,000,762]

Source: Blue Valley USD #229 Basic Financial Statements

This page intentionally left blank.

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

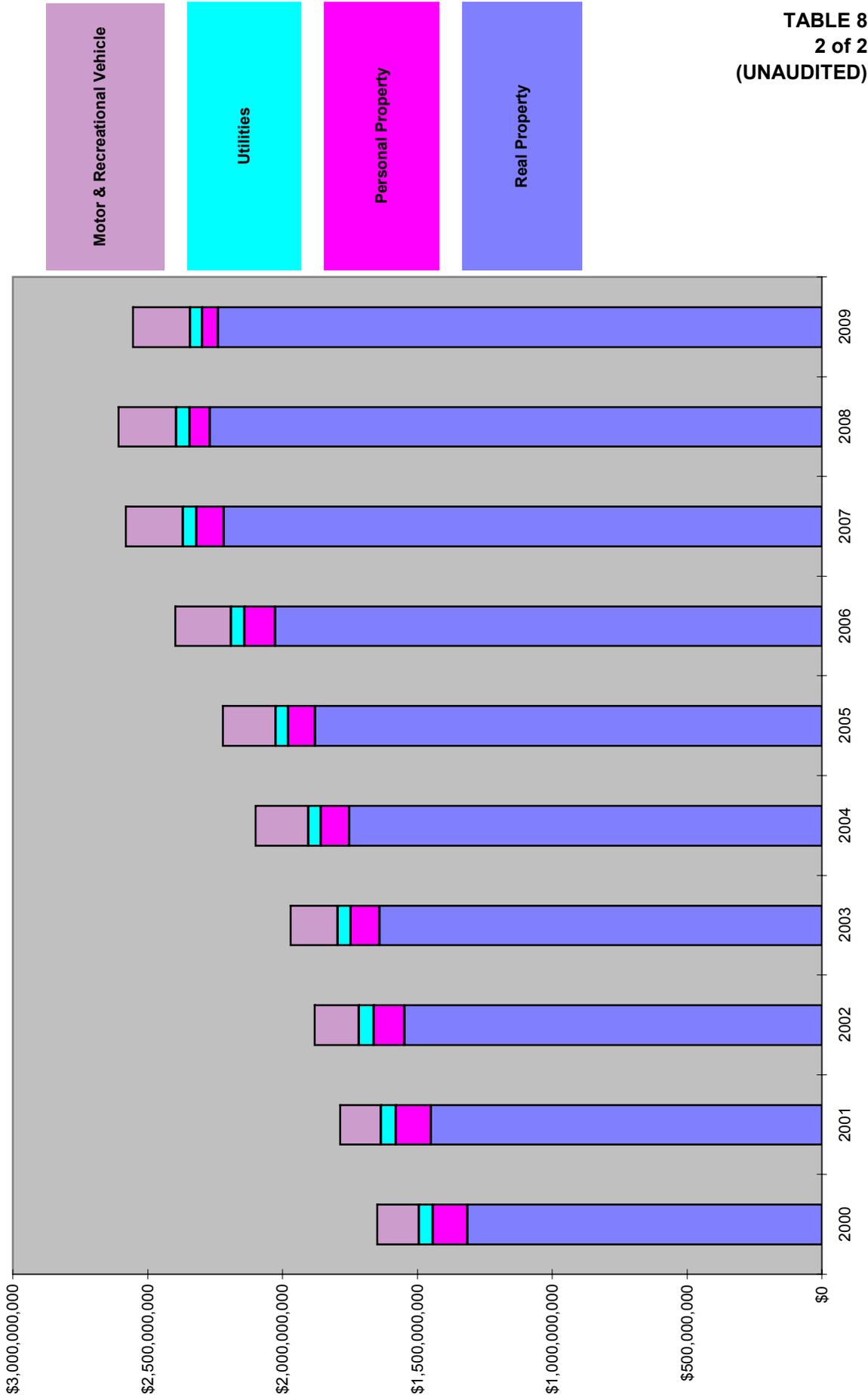
Tax Year	Real Property Assessed Value		Personal Property Assessed Value		Utilities Assessed Value		Total Assessed Value		Motor and Recreational Vehicle Assessed Value		Real Property Estimated Value		Personal Property Estimated Value		Utilities Estimated Value		Total Estimated Value		Ratio of Total Assessed to Total Estimated Act. Value	
	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
2000	1,313,742,363	129,021,902	51,679,143	1,494,443,408	154,602,808	1,649,046,216	9,128,623,855	507,486,148	157,808,776	9,793,918,779	15.26%	63.164								
2001	1,449,805,083	128,792,357	56,330,441	1,634,927,881	150,435,329	1,785,363,210	10,177,281,707	506,583,271	173,174,102	10,857,039,080	15.06%	62.719								
2002	1,547,043,998	113,755,160	55,431,693	1,716,230,851	163,847,965	1,880,078,816	10,944,390,420	447,436,963	170,768,355	11,562,595,738	14.84%	67.402								
2003	1,640,548,603	106,639,802	46,978,605	1,794,167,010	175,238,053	1,969,405,063	11,690,923,901	419,449,888	145,357,940	12,255,731,729	14.64%	63.365								
2004	1,752,533,550	104,190,521	47,377,868	1,904,101,939	196,573,594	2,100,675,533	12,480,187,831	409,816,049	146,709,392	13,036,713,272	14.61%	62.117								
2005	1,877,957,042	100,706,067	46,803,224	2,025,466,333	195,673,594	2,221,139,927	13,409,356,063	396,110,530	144,928,544	13,950,395,137	14.52%	61.379								
2006	2,026,922,653	114,330,698	49,950,845	2,191,204,196	206,202,418	2,397,406,614	14,433,965,100	449,700,745	154,633,350	15,038,299,195	14.57%	60.700								
2007	2,217,623,523	101,117,683	50,463,281	2,369,204,487	211,344,270	2,580,548,757	15,646,599,414	396,649,696	156,688,128	16,199,937,238	14.62%	59.503								
2008	2,269,087,214	75,143,203	48,829,704	2,393,060,121	214,145,732	2,607,205,853	16,047,278,270	295,563,265	152,017,026	16,494,858,561	14.51%	61.127								
2009	2,239,687,543	57,223,630	45,513,707	2,342,424,880	211,894,290	2,554,319,170	15,854,551,230	225,079,611	142,219,287	16,221,850,128	14.44%	65.079								

(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

This page intentionally left blank.

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



This page intentionally left blank.

BLUE VALLEY USD #229, KANSAS
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX YEARS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Blue Valley USD #229										
General	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Supplemental General	13.846	12.558	14.951	10.044	8.601	12.212	14.816	14.063	14.797	16.040
Extraordinary Growth	3.372	5.250	6.525	5.411	4.801	3.036	2.432	1.464	1.204	2.055
Capital Outlay	3.983	5.000	6.999	8.996	9.000	8.998	8.000	7.994	8.000	8.000
Cost of Living	0.000	0.000	0.000	0.000	0.000	0.000	0.405	0.995	1.548	2.485
Bond & Interest	21.728	19.759	18.735	18.501	18.640	17.008	14.853	14.824	15.324	16.204
Special Assessment	0.235	0.152	0.192	0.413	0.162	0.125	0.194	0.163	0.254	0.295
Special Liability	0.000	0.000	0.000	0.000	0.913	0.000	0.000	0.000	0.000	0.000
Total - Direct	63.164	62.719	67.402	63.365	62.117	61.379	60.700	59.503	61.127	65.079
				(2)						
State of Kansas	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Johnson County	15.676	16.333	16.221	16.381	16.041	17.922	17.949	17.985	17.767	17.716
City of Overland Park	7.499	7.649	7.847	9.057	9.037	9.037	8.889	8.832	8.852	8.890
Johnson County Library	2.981	2.971	2.948	2.954	2.956	2.955	2.960	2.962	3.057	3.151
Johnson County Parks	1.322	1.382	1.602	2.365	2.367	2.286	2.290	2.295	2.341	2.346
Community College	7.646	7.743	9.428	9.432	9.438	8.960	8.872	8.749	8.768	8.784
Blue Valley Recreation Commission	2.525	1.458	1.186	1.186	2.080	1.950	1.699	1.598	1.603	1.604
Johnson County Wastewater	4.647	4.181	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total - Overlapping Governments	43.796	43.217	40.732	42.875	43.419	44.610	44.159	43.921	43.888	43.991
			(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

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

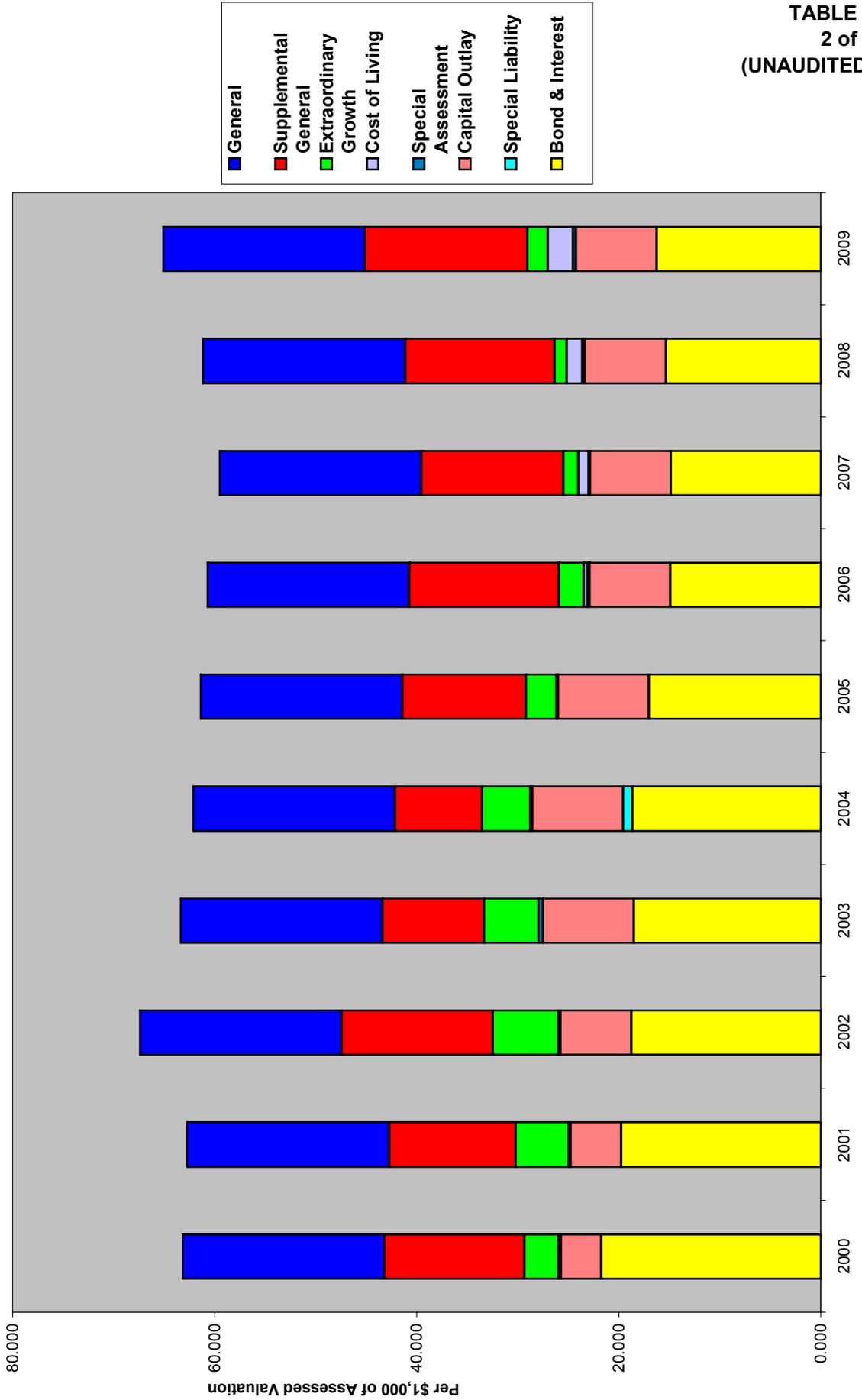
(2) 2004 is the first year that taxes were levied for the Special Liability Fund.

Source: Johnson County Department of Records and Tax Administration

This page intentionally left blank.

TABLE 9
2 of 2
(UNAUDITED)

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



This page intentionally left blank.

**TABLE 10
(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS
PRINCIPAL TAXPAYERS
JUNE 30, 2009 and Nine Years Ago**

<u>Name</u>	<u>Industry</u>	<u>2008 Assessed Valuation</u>	<u>Rank</u>	<u>Percent of Total Assessed Valuation</u>	<u>1999 Assessed Valuation</u>	<u>Rank</u>	<u>Percent of Total Assessed Valuation</u>
UCM/SREP - Corporate Woods, L.L.C.	Office Buildings	\$ 60,779,771	1	2.54%			
Town Center Plaza, L.L.C.	Retail Shopping Center	21,543,861	2	0.90%	\$ 16,256,319	2	0.99%
Central Tennessee Hospital (Menorah)	Hospital	17,432,175	3	0.73%			
Kansas City Power & Light	Electric Utility	16,854,610	4	0.70%	13,569,351	5	0.83%
MEPT Lighton Plaza, LLC	Office Buildings	15,452,502	5	0.65%			
Privitera Realty Holdings	Real Estate	12,955,240	6	0.54%			
Rubicon Investments II, L.L.C.	Real Estate	11,625,001	7	0.49%			
119th Street Development, L.L.C.	Real Estate	11,529,661	8	0.48%			
Southwestern Bell Telephone	Telecommunications	11,470,853	9	0.48%	13,385,700	6	0.82%
Sprint-Nextel (formerly Sprint Communications Co.)	Telecommunications	11,438,763	10	0.48%	14,758,984	4	0.90%
Knickerbocker Properties, Inc.	Real Estate (Office Buildings)				55,090,718	1	3.36%
ASR Lighton, L.L.C.	Real Estate (Office Buildings)				16,094,126	3	0.98%
Saint Luke's South Hospital	Hospital				12,358,910	7	0.75%
Parkprop, Inc.	Hotel				10,515,151	8	0.64%
FP Office, Inc.	Retail Shopping Center				9,918,425	9	0.60%
TIAA Realty, Inc.	Retail Shopping Center				9,561,277	10	0.58%
		<u>\$ 191,082,437</u>		<u>7.98%</u>	<u>\$ 171,508,961</u>		<u>10.45%</u>

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

This page intentionally left blank.

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
1999/00	83,622,868	81,358,092	97.29%	(284,697)	81,073,395	96.95%	2,264,776	2.71%
2000/01	96,986,127	93,869,039	96.79%	679,051	94,548,090	97.49%	3,117,088	3.21%
2001/02	103,745,151	101,529,382	97.86%	822,621	102,352,003	98.66%	2,215,769	2.14%
2002/03	116,339,799	113,991,585	97.93%	1,911,854	115,903,439	99.57%	2,408,154	2.07%
2003/04	115,724,865	114,414,498	98.87%	2,164,420	116,578,918	100.74%	1,310,367	1.13%
2004/05	120,899,038	119,733,750	99.04%	2,599,891	122,333,641	101.19%	1,165,288	0.96%
2005/06	127,159,843	125,869,520	98.99%	1,594,199	127,463,719	100.24%	1,290,323	1.01%
2006/07	134,897,273	133,258,915	98.79%	1,483,684	134,742,599	99.89%	1,638,358	1.21%
2007/08	142,489,917	140,715,925	98.76%	1,537,660	142,253,585	99.83%	1,773,992	1.24%
2008/09	145,020,974	142,760,844	98.44%	2,642,569	145,403,413	100.26%	2,260,130	1.56%
	(1)	(2)		(2) (3) (4)	(2)		(2)	

(1) Tax year balances.

(2) Collection year balances.

(3) Delinquent Taxes in 1999/00 were negative because the county processed a backlog of tax abatements.

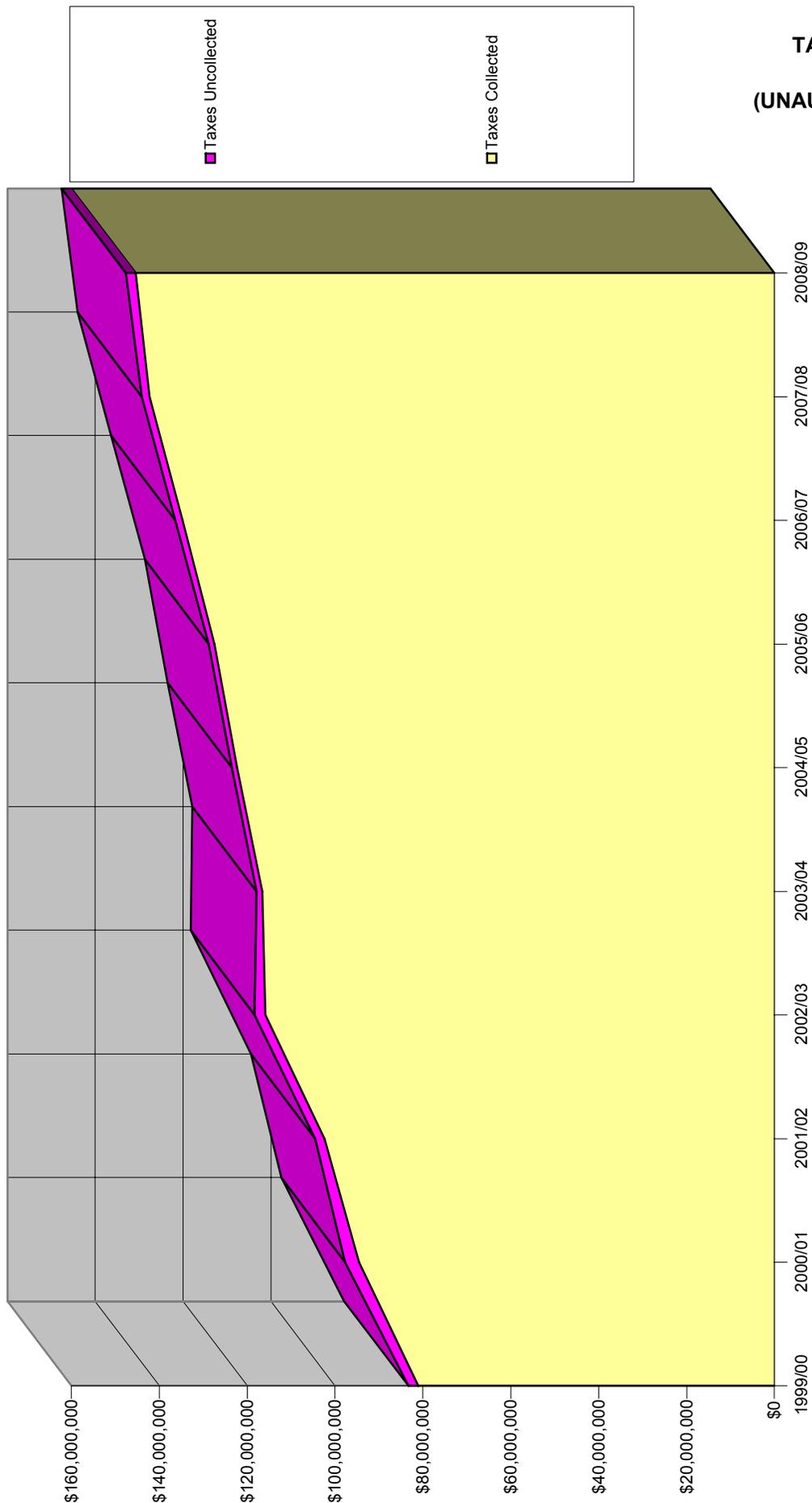
(4) 2002/03 Delinquent Tax Collections do not include Delinquent Personal Property totals. Distribution of Delinquent Personal Property Taxes did not occur until October 31, 2003

Source: Johnson County Treasurer's Office

This page intentionally left blank.

TABLE 11
2 of 2
(UNAUDITED)

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



This page intentionally left blank.

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

Fiscal Year	General Obligation			Total	District Population	Personal Income	Per Capita	Percentage of Personal Income
	Capital Leases	Bonds						
2000	-	242,986,217		242,986,217	74,304	3,386,645,000	3,270	7.17%
2001	-	285,485,608		285,485,608	76,437	3,386,645,000	3,735	8.43%
2002	793,785	301,358,992		302,152,777	95,023	3,386,645,000	3,180	8.92%
2003	404,560	280,739,424		281,143,984	98,095	3,386,645,000	2,866	8.30%
2004	-	262,969,298		262,969,298	103,120	3,386,645,000	2,550	7.76%
2005	-	302,770,973		302,770,973	107,333	4,433,181,800	2,821	6.83%
2006	-	273,731,881		273,731,881	111,000	4,433,181,800	2,466	6.17%
2007	-	246,352,866		246,352,866	116,256	4,433,181,800	2,119	5.56%
2008	-	320,810,695		320,810,695	120,256	4,433,181,800	2,668	7.24%
2009	-	368,947,118		368,947,118	118,687	4,433,181,800	3,109	8.32%

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

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

This page intentionally left blank.

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

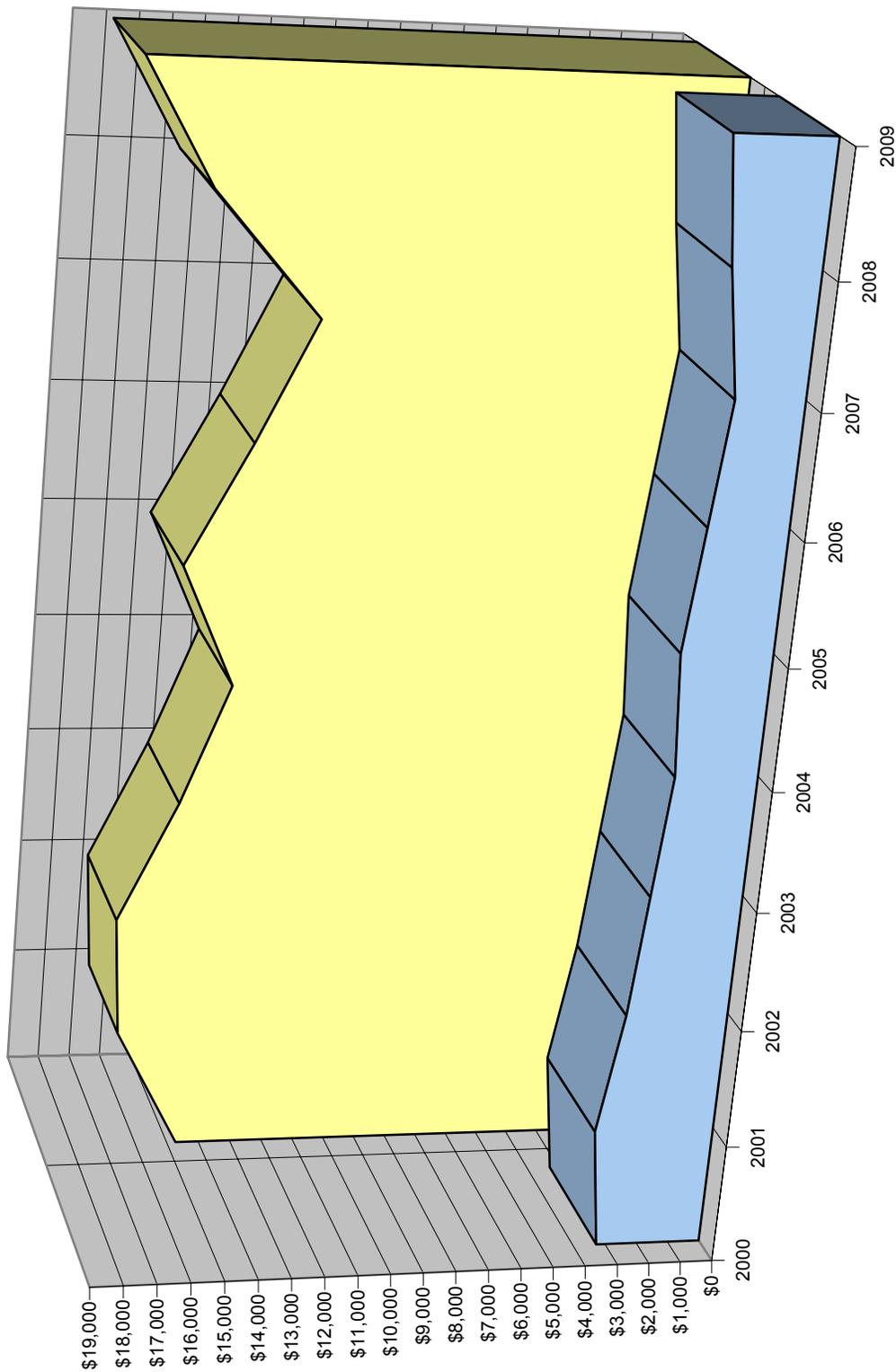
Fiscal Year	District Population	District Enrollment	Total Equalized Assessed Value	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita	Bonded Debt Per Pupil
2000	74,304	16,512	1,438,756,668	242,986,217	16.89%	3,270	14,716
2001	76,437	16,986	1,649,046,216	285,485,608	17.31%	3,735	16,807
2002	95,023	17,685	1,785,363,210	302,152,777	16.92%	3,180	17,085
2003	98,095	18,244	1,880,078,816	281,143,984	14.95%	2,866	15,410
2004	103,120	18,703	1,969,405,063	262,969,298	13.35%	2,550	14,060
2005	107,333	19,104	2,100,675,533	302,770,973	14.41%	2,821	15,849
2006	111,000	19,590	2,221,139,927	273,731,881	12.32%	2,464	13,973
2007	116,256	20,058	2,397,406,614	246,352,866	10.28%	2,119	12,282
2008	120,256	20,364	2,580,548,757	320,810,695	12.43%	2,668	15,754
2009	118,687	20,477	2,607,205,853	368,947,118	14.15%	3,109	18,018

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

This page intentionally left blank.

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



This page intentionally left blank.

TABLE 14
(UNAUDITED)

BLUE VALLEY USD #229, KANSAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2009

	Principal Amount of Outstanding Debt	Percent Applicable to School District	Amount Applicable to School District
Direct			
Blue Valley USD #229	\$ 368,947,118	100.00%	\$ 368,947,118
Overlapping			
Johnson County	\$ 249,525,000	28.830%	\$ 71,938,058
Johnson County Parks & Recreation	4,030,000	28.830%	1,161,849
City of Olathe	280,200,000	5.550%	15,551,100
City of Leawood	79,495,000	79.500%	63,198,525
City of Overland Park	180,285,000	55.300%	99,697,605
Johnson County Fire District #2	5,070,000	58.740%	2,978,118
Miami County	11,785,000	0.01566%	1,846
Total Overlapping Debt			<u>254,527,101</u>
Total Direct and Overlapping Debt			<u>\$ 623,474,219</u>

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

This page intentionally left blank.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Assessed Valuation of Taxable Property	\$ 1,291,773,124	\$ 1,494,443,408	\$ 1,634,927,881	\$ 1,716,230,851	\$ 1,794,167,010	\$ 1,904,101,939	\$ 2,025,466,333	\$ 2,191,204,196	\$ 2,369,204,487	\$ 2,393,060,121
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	180,848,237	209,222,077	228,889,903	240,272,319	251,183,381	266,574,271	283,565,287	306,768,587	331,688,628	335,028,417
Total net debt applicable to limit	242,986,217	285,485,608	301,358,992	280,739,424	262,969,298	302,770,973	273,731,881	246,352,866	320,810,695	388,947,118
Legal Debt Margin	\$ [62,137,980]	\$ [76,263,531]	\$ [72,469,089]	\$ [40,467,105]	\$ [11,785,917]	\$ [36,196,702]	\$ 9,833,406	\$ 60,415,721	\$ 10,877,933	\$ [33,918,701]
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	134.36%	136.45%	131.66%	116.84%	104.69%	113.58%	96.53%	80.31%	96.72%	110.12%

(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.

This page intentionally left blank.

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

Fiscal Year	Elementary School			Middle School		High School	Total Student Enrollment		Average Daily Attendance		Total District Population		Personal Income		Per Capita Personal Income		Unemployment Rate
																	(2)
2000	7,688	4,029	4,795	16,512	96.8%	74,304	3,386,645,000	45,578	1.9%								
2001	7,912	4,014	5,060	16,986	96.8%	76,437	3,386,645,000	44,306	2.4%								
2002	8,225	4,209	5,251	17,685	96.5%	95,023	3,386,645,000	35,640	3.4%								
2003	8,525	4,304	5,415	18,244	96.5%	98,095	3,386,645,000	34,524	3.8%								
2004	8,696	4,456	5,551	18,703	96.6%	103,120	3,386,645,000	32,842	4.1%								
2005	8,848	4,519	5,737	19,104	96.5%	107,333	4,433,181,800	41,303	4.8%								
2006	9,092	4,634	5,864	19,590	96.4%	111,000	4,433,181,800	39,939	4.7%								
2007	9,351	4,732	5,975	20,058	96.2%	116,256	4,433,181,800	38,133	4.1%								
2008	9,433	4,864	6,067	20,364	96.3%	120,256	4,433,181,800	36,865	3.7%								
2009	9,474	4,838	6,165	20,477	96.6%	118,687	4,433,181,800	37,352	4.8%								

(1) Enrollment counts as of September 20th.

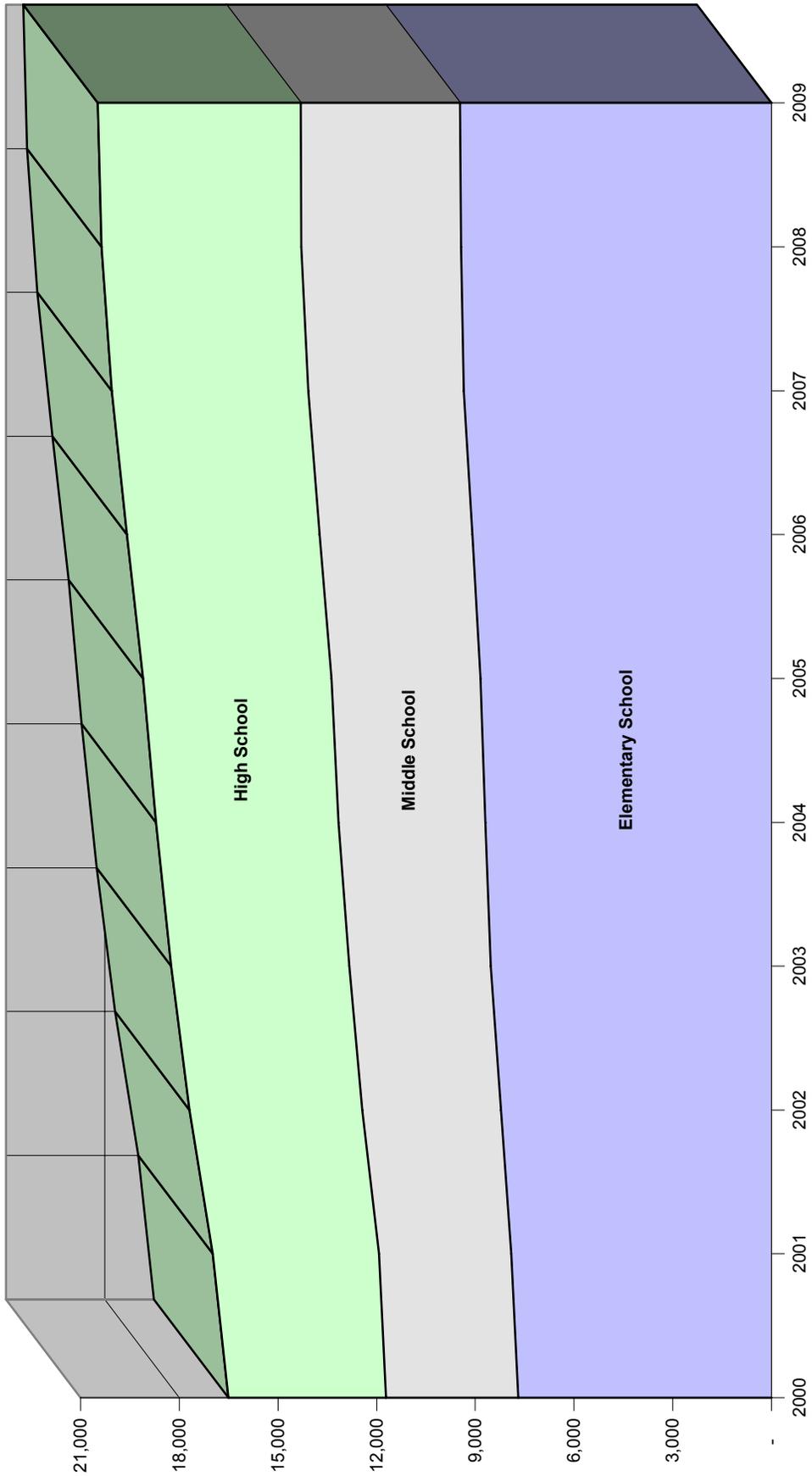
(2) Unemployment rates are for all of Johnson County.

Source: 2008 Johnson County CAFR , Kansas State Department of Education and Blue Valley USD #229 records

This page intentionally left blank.

TABLE 16
2 of 2
(UNAUDITED)

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



S t u d e n t s

This page intentionally left blank.

TABLE 17
(UNAUDITED)

BLUE VALLEY USD #229, KANSAS
PRINCIPAL EMPLOYERS
JUNE 30, 2009 AND 2000

<u>Employer</u>	June 30, 2009			June 30, 2000		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
Sprint-Nextel	10,902	1	9.19%	5,000	1	6.73%
Black & Veatch	3,247	2	2.74%			
Embarq	3,227	3	2.72%	2,500	2	3.36%
Blue Valley School District #229	3,153	4	2.66%	2,100	3	2.83%
YRC Worldwide	1,259	5	1.06%	1,000	4	1.35%
Quintiles Transnational Corp.	900	6	0.76%			
Zurich North America Commercial	843	7	0.71%	640	5	0.86%
Menorah Medical Center	840	8	0.71%	625	6	0.84%
Saint Lukes South Hospital	776	9	0.65%	450	8	0.61%
SPX Cooling Technologies	555	10	0.47%			
AT&T				550	7	0.74%
Farmers Insurance Group				400	9	0.54%
Children's Mercy South Hospital				275	10	0.37%
Total	<u>25,702</u>		<u>21.66%</u>	<u>13,540</u>		<u>18.22%</u>

(1) Only estimates are available for June 30, 2000

Source: Overland Park Chamber of Commerce (as of May 2009) and Blue Valley USD #229 records

This page intentionally left blank.

**TABLE 18
(UNAUDITED)**

**BLUE VALLEY USD #229, KANSAS
DIRECTORY OF SCHOOL FACILITIES
AS OF JUNE 30, 2009**

<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, 2008</u>	<u>Percent of Student Capacity</u>
Blue Valley High School	1970			1,461	1430	97.88%
Blue Valley North High School	1986			1,647	1470	89.25%
Blue Valley Northwest High School	1993			1,672	1597	95.51%
Blue Valley West High School	2001			1,748	1583	90.56%
Blue Valley Academy	1997			85	85	100.00%
Blue Valley Middle School	1997			728	569	78.16%
Harmony Middle School	1992			644	579	89.91%
Lakewood Middle School	2002			700	687	98.14%
Leawood Middle School	1981			588	497	84.52%
Overland Trail Middle School	1990			644	581	90.22%
Oxford Middle School	1988			588	660	112.24%
Pleasant Ridge Middle School	1997			756	670	88.62%
Prairie Star Middle School	1996			728	595	81.73%
Blue River Elementary School	1997	25	25		589	100.00%
Cedar Hills Elementary School	2004	23	28		610	121.74%
Cottonwood Point Elementary School	1990	21	19		410	90.48%
Harmony Elementary School	1992	25	26		612	104.00%
Heartland Elementary School	1995	21	20		432	95.24%
Indian Valley Elementary School	1982	16	14		307	87.50%
Lakewood Elementary School	1999	26	29		692	111.54%
Leawood Elementary School	1978	19	21		452	110.53%
Liberty View Elementary School	2002	25	28		647	112.00%
Mission Trail Elementary School	1989	22	22		462	100.00%
Morse Elementary School	1980	17	20		444	117.65%
Oak Hill Elementary School	1987	20	21		440	105.00%
Overland Trail Elementary School	1990	24	25		581	104.17%
Prairie Star Elementary School	1993	22	24		528	109.09%
Stanley Elementary School	1988	21	18		395	85.71%
Stilwell Elementary School	1955	21	16		345	76.19%
Sunrise Point Elementary School	2006	23	26		519	113.04%
Sunset Ridge Elementary School	1998	25	25		537	100.00%
Valley Park Elementary School	1985	20	22		472	110.00%
Total					<u>20,477</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.

This page intentionally left blank.

BLUE VALLEY USD #229, KANSAS
MISCELLANEOUS STATISTICAL DATA
AS OF JUNE 30, 2009

Year of Incorporation	1965
Form of Government	Elected Board
Area of District	91 Square Miles
Population of District	118,687
Ending Enrollment 2007/2008	20,477
Number of Schools	
Elementary Schools	19
Middle Schools	8
High Schools	4
Total	<u><u>31</u></u>
Average Class Size - Elementary	21.3
Number of Full-Time Equivalent Employees	
Classified	1,412.50
Certified	1,735.00
Total	<u><u>3,147.50</u></u>

Teacher Summary

Degree	Number of Teachers	% of Total	Salary Range	
			Low	High
Bachelors	222	12.9%	\$ 37,883	\$ 49,306
Bachelors + 12	75	4.4%	38,810	52,644
Bachelors + 24	154	9.0%	39,737	53,757
Masters	365	21.3%	41,901	59,042
Masters + 12	191	11.1%	43,137	65,997
Masters + 24	123	7.1%	44,374	67,388
Masters + 36	106	6.2%	45,610	68,778
Masters + 48	73	4.3%	46,846	70,169
Masters + 60	387	22.5%	49,010	72,116
Doctorate	21	1.2%	50,010	73,116

Certified Employee Allocation

	Elementary				Total
	District Office	School	Middle School	High School	
Superintendent	1.00	-	-	-	1.00
Asst. Superintendent	3.00	-	-	-	3.00
Adm. Assistants	-	1.00	-	4.30	5.30
Principals	-	19.00	8.00	5.00	32.00
Asst. Principals	-	-	8.00	12.50	20.50
Directors Special Ed.	6.50	-	-	-	6.50
Director Career Tech. Ed.	1.00	-	-	-	1.00
Instructional Coordinators	29.80	-	-	3.70	33.50
Other Directors	11.50	-	-	-	11.50
Curriculum Specialists	15.25	-	-	-	15.25
Vocational Arts Teachers	-	-	-	51.30	51.30
Special Ed. Teachers	-	114.50	56.40	52.90	223.80
Pre-Kindergarten	-	23.30	-	-	23.30
Kindergarten	-	58.00	-	-	58.00
Other Teachers	-	467.70	280.95	296.80	1,045.45
Library Media	-	19.00	8.00	8.00	35.00
Counselors	-	19.00	16.00	20.00	55.00
School Psychologists	1.40	10.70	3.80	4.00	19.90
Nurses	-	19.00	8.00	4.50	31.50
Speech Pathologists	0.80	28.10	4.10	1.80	34.80
Audiologists	1.80	-	-	-	1.80
Social Workers	3.00	-	-	-	3.00
Reading	-	19.00	-	2.60	21.60
Other	1.00	-	-	-	1.00
	<u>76.05</u>	<u>798.30</u>	<u>393.25</u>	<u>467.40</u>	<u>1,735.00</u>

Source: Blue Valley USD #229 records

This page intentionally left blank.

**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
2000	16,512	115,386,760	6,988	N/A	N/A	1,321	12	1.66%
2001	16,986	123,853,247	7,291	N/A	N/A	1,378	12	1.62%
2002	17,685	134,208,323	7,589 \$	154,143,897 \$	8,716	1,451	12	1.87%
2003	18,244	145,777,609	7,990	168,399,095	9,230	1,492	12	2.14%
2004	18,703	149,670,356	8,002	173,400,928	9,271	1,502	12	2.69%
2005	19,104	161,502,497	8,454	185,193,908	9,694	1,532	12	3.33%
2006	19,590	172,610,511	8,811	198,004,127	10,107	1,568	12	3.42%
2007	20,058	188,845,028	9,415	225,120,541	11,223	1,650	12	3.73%
2008	20,364	197,721,445	9,709	250,785,364	12,315	1,722	12	3.74%
2009	20,477	207,346,396	10,126	243,979,113	11,915	1,735	12	5.12%

- (1) Enrollment counts as of September 20th
- (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)**

This page intentionally left blank.

GOVERNMENTAL AUDIT SECTION

BLUE VALLEY UNIFIED SCHOOL DISTRICT NO. 229
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

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>					
Smaller Learning	84.215	\$ -	\$ 10,376	\$ 10,376	\$ -
Passed Through State Department of Education:					
Title I	84.010	-	172,633	172,633	-
Title VI-B Special Education	84.027	-	2,998,140	2,998,140	-
C.P. Prog. Impr. Sec.	84.048	-	96,978	96,978	-
Early Childhood Act	84.173	-	94,075	94,075	-
Drug-Free Schools - Title IV	84.186	-	33,062	29,558	3,504
Tech Prep Education	84.243	-	10,000	10,000	-
Title V Innovative Programs	84.298	21	1,089	1,110	-
Title II-D	84.318	-	3,717	3,717	-
Title III English Language	84.365	-	81,022	81,022	-
Mathematics and Science Partnerships	84.366	-	127	127	-
Title II-A Teacher Quality	84.367	-	274,933	274,933	-
Total U.S. Department of Education			<u>3,776,152</u>	<u>3,772,669</u>	
<u>U.S. Department of Health & Human Services</u>					
Passed Through State Department of Education:					
Youth Behavior Risk Survey	93.938	-	2,550	2,550	-
Total U.S. Department of Health & Human Services			<u>2,550</u>	<u>2,550</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	32,260	32,260	-
National School Lunch Program	10.555	-	1,131,161	1,131,161	-
Total U.S. Department of Agriculture			<u>1,163,421</u>	<u>1,163,421</u>	
Total Expenditures of Federal Awards			<u>\$ 4,942,123</u>	<u>\$ 4,938,640</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, 2009

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, 2009

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	Title VI-B Special Education

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, 2009

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted

LOWENTHAL, WEBB & ODERMANN, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301
Lawrence, Kansas 66044-2868
Phone: (785) 749-5050
Fax: (785) 749-5061
Website: www.lswwcpa.com

David A. Lowenthal, CPA
Patricia L. Webb, CPA
Audrey M. Odermann, CPA

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

Members of American Institute
and Kansas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON 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, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 3, 2009. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance and Other Matters

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

However, we noted certain matters we have reported to the District's management in a separate letter dated November 3, 2009.

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

Lowenthal, Wett & Odemann, P.A.

November 3, 2009

LOWENTHAL, WEBB & ODERMANN, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301
Lawrence, Kansas 66044-2868
Phone: (785) 749-5050
Fax: (785) 749-5061
Website: www.lswwcpa.com

David A. Lowenthal, CPA
Patricia L. Webb, CPA
Audrey M. Odermann, CPA

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

Members of American Institute
and Kansas Society of
Certified Public Accountants

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

Board of Education
Blue Valley Unified School District No. 229

Compliance

We have audited the compliance of Blue Valley Unified School District No. 229 with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2009. Blue Valley Unified School District No. 229's major federal programs are identified in the 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, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of law, 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Lowenthal, Wett & Odermann, P.A.

November 3, 2009

