

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SINGLE AUDIT REPORTING PACKAGE
FISCAL YEAR ENDED JUNE 30, 2010**

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8

<u>CONTENTS</u>	<u>Page</u>
REPORT ON AUDIT OF FINANCIAL STATEMENTS	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Required Supplementary Information)	5
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	28
Statement of Fiduciary Assets and Liabilities	29
Notes to Financial Statements	30
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL: (Required Supplementary Information)	
General Fund	48
Note to Required Supplementary Information	49

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8

<u>CONTENTS (Cont'd)</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION	
Other Major Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Debt Service Fund	54
Bond Building Fund	55
Non-Major Governmental Funds:	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Non-Major Special Revenue Funds	58
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Non-Major Capital Projects Funds	82
STATISTICAL SECTION	
Property Tax Levies and Collections	88
Estimated Net Full Cash Value Histories	89
Secondary Assessed Valuation by Property Classification	90
Direct and Overlapping Obligation Debt Ratios	91
Computation of Legal Debt Margin Information	92
Direct and Overlapping Governmental Activities Debt	93
Principal Property Taxpayers	94
Average Daily Membership (ADM)	95
Direct and Overlapping Property Tax Rates	96

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8

CONTENTS (Concl'd)

Page

SINGLE AUDIT SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	99
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	101
Schedule of Expenditures of Federal Awards	104
Notes to Schedule of Expenditures of Federal Awards	105
Schedule of Findings and Questioned Costs	106
Summary Schedule of Prior Audit Findings	108

REPORT ON AUDIT OF FINANCIAL STATEMENTS

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

Governing Board
Osborn Elementary School District No. 8

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Osborn Elementary School District No. 8 (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, each major fund, and the aggregate remaining fund information of the Osborn Elementary School District No. 8, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2011, on our consideration of the Osborn Elementary School District No. 8's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying supplementary information such as the combining and individual fund financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

March 10, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

As management of the Osborn Elementary School District No. 8 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2010.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$6.5 million which represents a 42 percent increase from the prior fiscal year as a result of the completion of District-wide renovations.
- General revenues accounted for \$28.3 million in revenue, or 78 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7.8 million or 22 percent of total current fiscal year revenues.
- The District had approximately \$29.5 million in expenses related to governmental activities, a decrease of 16 percent from the prior fiscal year as a result of a decrease in students and conservative spending due to the statewide budget crisis.
- Among major funds, the General Fund had \$19.9 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$18.2 million in expenditures. The General Fund's fund balance increase from a deficit of \$3,630 at the prior fiscal year end to \$2.0 million at the end of the current fiscal year as a result of an increase in property tax revenues combined with a decrease in expenditures due to a decrease in students and conservative spending.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, and the Bond Building Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, the fiduciary funds do not have a measurement focus.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$22.3 million at the current fiscal year end.

A portion of the District's net assets (46 percent) reflects its investment in capital assets (e.g., land and improvements; buildings and vehicles; furniture and equipment; and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net assets (11 percent) are restricted by statute for the specified purposes of debt service repayment and capital outlay investment.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

	As of June 30, 2010	As of June 30, 2009
Current assets	\$ 16,220,395	\$ 28,342,184
Capital assets, net	<u>61,495,481</u>	<u>52,637,402</u>
Total assets, net	<u>77,715,876</u>	<u>80,979,586</u>
Current and other liabilities	2,508,591	7,429,454
Long-term liabilities	<u>52,898,708</u>	<u>57,784,942</u>
Total liabilities	<u>55,407,299</u>	<u>65,214,396</u>
Net assets:		
Invested in capital assets, net of related debt	10,256,602	5,250,629
Restricted	2,488,020	2,136,853
Unrestricted	<u>9,563,955</u>	<u>8,377,708</u>
Total net assets	<u>\$ 22,308,577</u>	<u>\$ 15,765,190</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Assets.

- The principal retirement of \$5.2 million of bonds.
- The addition of \$10.9 million in capital assets through the remodeling of all District facilities and other school improvements and purchases of vehicles, furniture and equipment.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

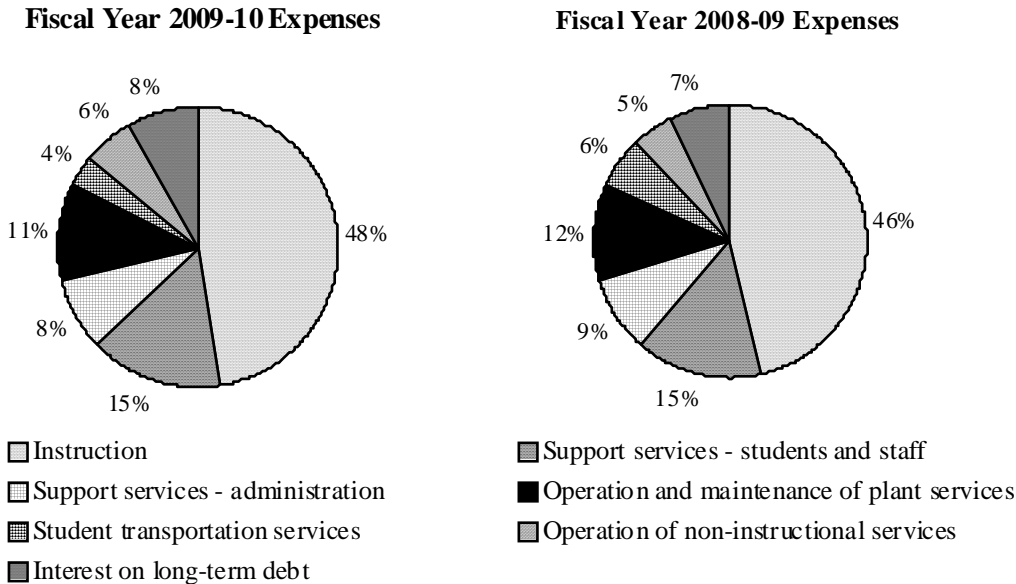
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net assets. The District's total revenues for the current fiscal year were \$36.1 million. The total cost of all programs and services was \$29.5 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009
Revenues:		
Program revenues:		
Charges for services	\$ 315,048	\$ 499,798
Operating grants and contributions	7,172,092	6,758,416
Capital grants and contributions	301,146	1,113,498
General revenues:		
Property taxes	18,729,854	16,872,643
Investment income	138,442	849,651
Unrestricted county aid	698,622	
Unrestricted state aid	7,700,966	10,531,785
Unrestricted federal aid	1,030,300	
Total revenues	\$ 36,086,470	\$ 36,625,791
Expenses:		
Instruction	\$ 14,052,287	\$ 16,312,014
Support services – students and staff	4,530,619	5,191,884
Support services – administration	2,414,759	3,109,449
Operation and maintenance of plant services	3,350,341	4,035,763
Student transportation services	1,123,254	2,111,868
Operation of non-instructional services	1,625,759	1,779,426
Interest on long-term debt	2,446,064	2,543,803
Total expenses	29,543,083	35,084,207
Change in net assets	\$ 6,543,387	\$ 1,541,584

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



The following are significant current year transactions that have had an impact on the change in net assets.

- Unrestricted state aid revenues decreased \$2.8 million due to statewide budget cuts.
- Property tax revenues increased \$1.9 million due to an increase in the assessed value of the District and an increase in the property tax rate.
- Unrestricted federal aid increased \$1.0 million due to the American Recovery and Reinvestment Act.
- Instruction expense decreased \$2.3 million due to a decrease in students.

The following table presents the cost of the seven major District functional activities: instruction, support services – students and staff, support services – administration, operation and maintenance of plant services, student transportation services, operation of non-instructional services and interest on long-term debt. The table also shows each function’s net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District’s taxpayers by each of these functions.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	<u>Year Ended June 30, 2010</u>		<u>Year Ended June 30, 2009</u>	
	<u>Total</u> <u>Expenses</u>	<u>Net (Expense)/</u> <u>Revenue</u>	<u>Total</u> <u>Expenses</u>	<u>Net (Expense)/</u> <u>Revenue</u>
Instruction	\$ 14,052,287	\$ (11,078,103)	\$ 16,312,014	\$ (12,658,355)
Support services – students and staff	4,530,619	(2,258,189)	5,191,884	(3,152,387)
Support services – administration	2,414,759	(2,144,640)	3,109,449	(2,755,069)
Operation and maintenance of plant services	3,350,341	(2,973,279)	4,035,763	(3,703,507)
Student transportation services	1,123,254	(1,074,774)	2,111,868	(2,018,227)
Operation of non-instructional services	1,625,759	220,252	1,779,426	118,853
Interest on long-term debt	2,446,064	(2,446,064)	2,543,803	(2,543,803)
Total	<u>\$ 29,543,083</u>	<u>\$ (21,754,797)</u>	<u>\$ 35,084,207</u>	<u>\$ (26,712,495)</u>

- The cost of all governmental activities this year was \$29.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$7.8 million.
- Net cost of governmental activities of \$21.8 million was financed by general revenues, which are made up of primarily property taxes of \$18.7 million and state aid of \$7.7 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$8.5 million, a decrease of \$5.8 million due primarily to the completion of District-wide renovations.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)

The General Fund comprises 23 percent of the total fund balance. Approximately \$1.7 million or 89 percent of the General Fund's fund balance constitutes unreserved fund balance. The remaining fund balance is reserved for prepaid items and it is not available for spending because it has already been committed.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$2.0 million to \$2.0 million as of fiscal year end was a result of an increase in property tax revenues because of an increase in the assessed value of the District and a decrease in expenditures due to a decrease in students. General Fund revenues increased \$1.1 million and expenditures decreased \$1.7 million.

Fund balance in the Debt Service Fund decreased \$275,947 or 38 percent due to decreased bonded debt requirements, while fund balance of the Bond Building fund decreased \$8.7 million or 92 percent primarily due to the completion of renovated District facilities.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$238,825 increase, or 1 percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of year end, the District had invested \$85.7 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$9.9 million from the prior fiscal year, primarily due to the completion of District-wide remodeling projects. Total depreciation expense for the current fiscal year was \$2.1 million.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2010 and June 30, 2009.

	As of June 30, 2010	As of June 30, 2009
Capital assets – non-depreciable	\$ 4,580,083	\$ 26,979,616
Capital assets – depreciable, net	56,915,398	25,657,786
Total	<u>\$ 61,495,481</u>	<u>\$ 52,637,402</u>

Additional information on the District's capital assets can be found in Note 5.

Debt Administration. At year end, the District had \$52.0 million in long-term debt outstanding, \$3.7 million due within one year. This represents a net decrease of \$4.8 million due to the principal retirement of \$5.2 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 5 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$92.8 million and the Class B debt limit is \$30.9 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 6 through 8.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2010-11 budget. Among them:

- Fiscal year 2009-10 budget balance carry forward (estimated \$500,000).
- District student population (estimated 3,100).
- The cost of maintaining the District at current salary levels and factoring in an increase in benefits.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Concl'd)

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund decreased 8 percent to \$17.3 million in fiscal year 2010-11. A decrease in students is the primary reason for the decrease. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2010-11 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Osborn Elementary School District No. 8, 1226 West Osborn Road, Phoenix, Arizona 85013.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 10,508,423
Property taxes receivable	1,561,929
Accounts receivable	24,713
Deposits	54,054
Due from governmental entities	3,848,725
Prepaid items	222,551
Total current assets	16,220,395
Noncurrent assets:	
Land	4,580,083
Land improvements	3,757,738
Buildings and improvements	71,571,583
Vehicles, furniture and equipment	5,747,869
Accumulated depreciation	(24,161,792)
Total noncurrent assets	61,495,481
Total assets	77,715,876
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	480,662
Accrued payroll and employee benefits	664,455
Compensated absences payable	58,486
Accrued interest payable	1,256,031
Unearned revenues	107,443
Obligations under capital leases	79,876
Bonds payable	3,662,623
Total current liabilities	6,309,576
Noncurrent liabilities:	
Non-current portion of long-term obligations	49,097,723
Total non-current liabilities	49,097,723
Total liabilities	55,407,299
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	10,256,602
Restricted for:	
Debt service	772,459
Capital outlay	1,715,561
Unrestricted	9,563,955
Total net assets	\$ 22,308,577

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

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
Instruction	\$ 14,052,287	\$ 50,622	\$ 2,622,416	\$ 301,146	\$ (11,078,103)	
Support services - students and staff	4,530,619		2,272,430		(2,258,189)	
Support services - administration	2,414,759		270,119		(2,144,640)	
Operation and maintenance of plant services	3,350,341	167,183	209,879		(2,973,279)	
Student transportation services	1,123,254		48,480		(1,074,774)	
Operation of non-instructional services	1,625,759	97,243	1,748,768		220,252	
Interest on long-term debt	2,446,064				(2,446,064)	
Total governmental activities	\$ 29,543,083	\$ 315,048	\$ 7,172,092	\$ 301,146	(21,754,797)	
General revenues:						
Taxes:						
Property taxes, levied for general purposes						11,756,924
Property taxes, levied for debt service						5,822,959
Property taxes, levied for capital outlay						1,149,971
Investment income						138,442
Unrestricted county aid						698,622
Unrestricted state aid						7,700,966
Unrestricted federal aid						1,030,300
Total general revenues						28,298,184
Changes in net assets					6,543,387	
Net assets, beginning of year					15,765,190	
Net assets, end of year					\$ 22,308,577	

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

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FUND FINANCIAL STATEMENTS

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 4,070	\$ 5,297,860	\$ 631,716
Property taxes receivable	1,090,032	360,152	
Accounts receivable	1,675		
Deposits			
Due from governmental entities	2,313,227		
Due from other funds			157,107
Prepaid items	222,551		
Total assets	\$ 3,631,555	\$ 5,658,012	\$ 788,823
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 182,400	\$	\$
Due to other funds	157,107		
Accrued payroll and employee benefits	163,806		
Deferred revenues	1,162,160	316,837	
Bonds payable		3,629,522	
Bond interest payable		1,256,031	
Total liabilities	1,665,473	5,202,390	
Fund balances:			
Reserved for prepaid items	222,551		
Unreserved:			
Undesignated	1,743,531	455,622	788,823
Unreserved reported in:			
Special revenue funds			
Capital projects funds			
Total fund balances	1,966,082	455,622	788,823
Total liabilities and fund balances	\$ 3,631,555	\$ 5,658,012	\$ 788,823

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 4,574,777	\$ 10,508,423
111,745	1,561,929
23,038	24,713
54,054	54,054
1,535,498	3,848,725
	157,107
	222,551
<u>\$ 6,299,112</u>	<u>\$ 16,377,502</u>

\$ 298,262	\$ 480,662
	157,107
500,649	664,455
216,895	1,695,892
	3,629,522
	1,256,031
<u>1,015,806</u>	<u>7,883,669</u>

222,551

2,987,976

3,677,197	3,677,197
1,606,109	1,606,109
<u>5,283,306</u>	<u>8,493,833</u>

<u>\$ 6,299,112</u>	<u>\$ 16,377,502</u>
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OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total governmental fund balances **\$ 8,493,833**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

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

Governmental capital assets	\$ 85,657,273	
Less accumulated depreciation	<u>(24,161,792)</u>	61,495,481

Some revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.

Property taxes	1,535,021	
Intergovernmental	<u>53,428</u>	1,588,449

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(804,728)	
Special termination benefits	(66,278)	
Obligations under capital leases	(345,302)	
Bonds payable	<u>(48,052,878)</u>	<u>(49,269,186)</u>

Net assets of governmental activities **\$ 22,308,577**

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

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General	Debt Service	Bond Building
Revenues:			
Other local	\$ 724,688	\$ 36,603	\$ 33,073
Property taxes	11,437,960	5,763,071	
State aid and grants	6,750,704		
Federal aid, grants and reimbursements	1,030,300		
Total revenues	19,943,652	5,799,674	33,073
Expenditures:			
Current -			
Instruction	9,596,148		
Support services - students and staff	2,434,378		
Support services - administration	1,958,776		
Operation and maintenance of plant services	3,155,513		
Student transportation services	981,622		
Operation of non-instructional services	70,054		
Capital outlay			8,682,795
Debt service -			
Interest and fiscal charges		2,446,064	
Principal retirement		3,662,622	
Total expenditures	18,196,491	6,108,686	8,682,795
Excess (deficiency) of revenues over expenditures	1,747,161	(309,012)	(8,649,722)
Other financing sources (uses):			
Transfer in		33,065	
Capital lease agreements			
Transfer out			(33,065)
Total other financing sources (uses)		33,065	(33,065)
Changes in fund balances	1,747,161	(275,947)	(8,682,787)
Fund balances (deficits), beginning of year	(3,630)	731,569	9,471,610
(Decrease) in reserve for inventory			
Increase in reserve for prepaid items	222,551		
Fund balances, end of year	\$ 1,966,082	\$ 455,622	\$ 788,823

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 639,733	\$ 1,434,097
1,084,669	18,285,700
1,551,840	8,302,544
6,918,366	7,948,666
<u>10,194,608</u>	<u>35,971,007</u>
2,996,255	12,592,403
2,219,435	4,653,813
455,963	2,414,739
319,934	3,475,447
57,329	1,038,951
1,536,704	1,606,758
1,720,671	10,403,466
	2,446,064
<u>97,833</u>	<u>3,760,455</u>
<u>9,404,124</u>	<u>42,392,096</u>
<u>790,484</u>	<u>(6,421,089)</u>
292,997	326,062
443,135	443,135
<u>(292,997)</u>	<u>(326,062)</u>
<u>443,135</u>	<u>443,135</u>
<u>1,233,619</u>	<u>(5,977,954)</u>
4,097,312	14,296,861
(47,625)	(47,625)
	222,551
<u>\$ 5,283,306</u>	<u>\$ 8,493,833</u>

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net changes in fund balances - total governmental funds **\$ (5,803,028)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 10,937,007	
Less current year depreciation	<u>(2,057,206)</u>	8,879,801

Issuance of capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Assets.		(443,135)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	444,154	
Intergovernmental	<u>(328,691)</u>	115,463

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Capital lease principal retirement	97,833	
Bond principal retirement	<u>3,662,622</u>	3,760,455

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Loss on disposal of capital assets	(21,722)	
Special termination benefits	39,120	
Compensated absences	<u>16,433</u>	<u>33,831</u>

Change in net assets in governmental activities **\$ 6,543,387**

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

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 498,821
Total assets	<u>\$ 498,821</u>
<u>LIABILITIES</u>	
Deposits held for others	460,420
Due to student groups	<u>38,401</u>
Total liabilities	<u>\$ 498,821</u>

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

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Osborn Elementary School District No. 8 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted Federal, State and County aid, and other items not included among program revenues are reported instead as general revenues.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – 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 grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fund Financial Statements – 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 resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and, therefore, the expenditures and related liabilities have been recognized. Compensated absences are recorded only when payment is due.

Property taxes, State aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as deferred revenue on the governmental fund financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. It is described as the Maintenance and Operation Fund by A.R.S.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Bond Building Fund – The Bond Building Fund accounts for monies received from District bond issues that are used to acquire sites, construct or renovate school buildings, supply buildings with furniture and apparatus, improve school grounds, and purchase transportation vehicles.

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which accounts for resources held by the District on behalf of others. This fund type includes the Student Activities Fund and accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

The agency funds are custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the governmental fund financial statements.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

Property tax levies are obtained by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

The County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

G. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

Inventories on hand at year end were immaterial and therefore not included on the fund or government-wide financial statements.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements. Prepaid items are recorded as expenditures when purchased in the fund financial statements and are offset by a reserve of fund balance.

I. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; and construction in progress, are reported in the government-wide financial statements.

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15 – 50 years
Buildings and improvements	7 – 50 years
Vehicles, furniture and equipment	5 – 25 years

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting compensatory, vacation, and sick leave with pay. Employees earn one and a half hours of compensatory leave for one hour worked over 40 hours during a workweek. The employee may not accrue more than 75 hours of compensatory time. Employees can accrue 15 days of vacation days per year. Any excess vacation not used prior to November 1 is forfeited. Employees who have more than three years of service earn sick leave at different rates depending upon the amount of hours worked per day and the number of months worked during the year. An employee may accrue up to 200 days of sick leave. In the event of termination, compensatory leave is paid out at the average regular rate received during the previous three years of service. A full-time support staff member is paid sick leave at a rate of \$50 a day and part time employees receive an amount equal to half their daily rate of pay, not to exceed \$25 per day. The current and long-term liabilities, including related benefits, for accumulated compensatory, vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

M. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

N. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess Expenditures Over Budget – At year end, the District had expenditures in a fund that exceeded the budget, however this does not constitute a violation of any legal provisions.

NOTE 3 – CASH AND INVESTMENTS

A.R.S. authorize the District to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – CASH AND INVESTMENTS (Concl'd)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$18,356 and the bank balance was \$17,079. At year end, all of the District's deposits were entirely covered by Federal depository insurance.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's investment pool and that pool's structure does not provide for shares.

At year end, the District's investments consisted of the following.

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	606 days	\$ 10,988,888
Total		<u>\$ 10,988,888</u>

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 – RECEIVABLES

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District's individual major funds and non-major governmental, and internal service funds in the aggregate, were as follows.

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from State government	\$ 2,307,173	\$ 403,751
Due from County government	6,054	325
Due from other Districts		1,131,422
Net due from governmental entities	\$ 2,313,227	\$ 1,535,498

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 1,110,882	\$
Delinquent property taxes receivable (Debt Service Fund)	316,837	
Delinquent property taxes receivable (Non-Major Governmental Funds)	107,302	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		107,443
Measurable but unavailable revenues (General Fund)	51,278	
Measurable but unavailable revenues (Non-Major Governmental Funds)	2,150	
Total deferred revenue for governmental funds	\$ 1,588,449	\$ 107,443

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,580,083	\$	\$	\$ 4,580,083
Construction in progress	22,399,533	9,718,072	32,117,605	
Total capital assets, not being depreciated	<u>26,979,616</u>	<u>9,718,072</u>	<u>32,117,605</u>	<u>4,580,083</u>
Capital assets, being depreciated:				
Land improvements	1,973,277	1,784,461		3,757,738
Buildings and improvements	40,521,043	31,050,540		71,571,583
Vehicles, furniture and equipment	6,306,669	501,539	1,060,339	5,747,869
Total capital assets being depreciated	<u>48,800,989</u>	<u>33,336,540</u>	<u>1,060,339</u>	<u>81,077,190</u>
Less accumulated depreciation for:				
Land improvements	(398,109)	(147,405)		(545,514)
Buildings and improvements	(18,477,336)	(1,569,285)		(20,046,621)
Vehicles, furniture and equipment	(4,267,758)	(340,516)	(1,038,617)	(3,569,657)
Total accumulated depreciation	<u>(23,143,203)</u>	<u>(2,057,206)</u>	<u>(1,038,617)</u>	<u>(24,161,792)</u>
Total capital assets, being depreciated, net	<u>25,657,786</u>	<u>31,279,334</u>	<u>21,722</u>	<u>56,915,398</u>
Governmental activities capital assets, net	<u>\$ 52,637,402</u>	<u>\$40,997,406</u>	<u>\$32,139,327</u>	<u>\$61,495,481</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 1,675,608
Support services – students and staff	1,481
Support services – administration	156,510
Operation and maintenance of plant services	77,971
Student transportation services	119,974
Operation of non-instructional services	25,662
Total depreciation expense – governmental activities	<u>\$ 2,057,206</u>

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired copiers under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay and Soft Capital Funds, both non-major governmental funds, are used to pay the capital lease obligation.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows.

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 409,931
Less: Accumulated depreciation	61,490
Total	\$ 348,441

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows.

	Governmental Activities
Year Ending June 30:	
2011	\$ 97,832
2012	97,832
2013	97,832
2014	97,832
Total minimum lease payments	391,328
Less: amount representing interest	46,026
Present value of minimum lease payments	\$ 345,302
Due within one year	\$ 79,876

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Maturity	Outstanding Principal June 30, 2010	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 1998	\$ 8,675,000	4.7-4.75%	7/1/10-15	\$ 8,902,093	\$ 59,522
Refunding Bonds, Series 2004	8,425,000	3.5-4.75%	7/1/10-13	7,795,000	2,995,000
School Improvement Bonds, Project of 2006, Series A (2007)	26,300,000	3.75-5.0%	7/1/10-23	25,680,307	533,101
School Improvement Bonds, Project of 2006, Series B (2008)	10,700,000	4.0-6.25%	7/1/10-24	9,305,000	75,000
Total				<u>\$ 51,682,400</u>	<u>\$ 3,662,623</u>

Annual debt service requirements to maturity on general obligation bonds at year end are summarized as follows.

Year ending June 30:	Principal	Interest	Premium
2011	\$ 3,629,522	\$ 2,392,697	\$ 33,101
2012	3,921,231	2,228,120	33,100
2013	4,066,340	2,113,167	33,101
2014	4,360,000	1,833,019	33,100
2015	4,575,000	1,628,031	33,101
2016-20	16,485,000	5,707,288	165,502
2021-25	14,215,000	1,427,883	99,302
Total	<u>\$ 51,252,093</u>	<u>\$ 17,330,205</u>	<u>\$ 430,307</u>

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 56,858,383	\$	\$ 5,175,983	\$ 51,682,400	\$ 3,662,623
Obligation under capital leases		443,135	97,833	345,302	79,876
Compensated absences payable	821,161	444,630	461,063	804,728	58,486
Special termination benefits	105,398		39,120	66,278	
Governmental activity long-term liabilities	<u>\$ 57,784,942</u>	<u>\$ 887,765</u>	<u>\$ 5,773,999</u>	<u>\$ 52,898,708</u>	<u>\$ 3,800,985</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

Due to	Due from Bond Building Fund
General Fund	\$ 157,107
Total	<u>\$ 157,107</u>

At year end, one fund had a negative cash balance in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with another fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		Total
	Debt Service Fund	Non-Major Governmental Funds	
Bond Building Fund	\$ 33,065	\$	\$ 33,065
Non-Major Governmental Funds		292,997	292,997
Total	<u>\$ 33,065</u>	<u>\$ 292,997</u>	<u>\$ 326,062</u>

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Concl'd)

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) to move Federal grant funds restricted for indirect costs to the Indirect Costs Fund, a non-major governmental fund.

NOTE 10 – CONTINGENT LIABILITIES

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 11 – RISK MANAGEMENT

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.

The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined the Arizona School Risk Retention Trust, Inc. (ASRRT). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 – RISK MANAGEMENT (Concl'd)

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District continues to carry commercial insurance for all other risks of loss, including accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 – RETIREMENT PLAN

Plan Description – The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing multiple employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System (ASRS). The ASRS (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.40 percent (9.00 percent for retirement and 0.4 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 9.40 percent (8.34 percent for retirement, 0.66 percent for health insurance premium, and 0.4 percent for long-term disability) of the members' annual covered payroll.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12 – RETIREMENT PLAN (Concl'd)

The District's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Year ending June 30:			
2010	\$1,270,234	\$ 100,522	\$ 60,923
2009	1,361,936	163,637	85,228
2008	1,393,336	181,739	86,543

NOTE 13 – SPECIAL TERMINATION BENEFITS

In addition to the cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System (ASRS), the District provides a voluntary termination benefit program (program) to employees who have completed 10 years of full-time employment and satisfactory service with the District, who have reached the retirement date in accordance with the Arizona State Retirement System, who retire in accord with such system guidelines; and who has notified the District by March 15 of the prior year. The Governing Board, on an annual basis, shall determine if new application will be added to the plan. The decision is based on the projected budgetary impact and payment if any, is made from the general and non-major special revenue funds. The last group accepted to the plan retired as of June 30, 2003.

The terms of the termination benefits do not establish an obligation to pay specific amounts on fixed or determinable dates. Therefore, the cost of the termination benefits is calculated based on the undiscounted total of estimated future payments at current cost levels. Since the payment for these benefits does not require available resources, the estimated liability is recorded as a government wide entry only.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
(Required Supplementary Information)**

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$ 27,000	\$ 27,000	\$ 724,688	\$ 697,688
Property taxes	12,819,164	12,819,164	11,437,960	(1,381,204)
State aid and grants	7,477,485	7,477,485	6,750,704	(726,781)
Federal aid, grants and reimbursements			1,030,300	1,030,300
Total revenues	<u>20,323,649</u>	<u>20,323,649</u>	<u>19,943,652</u>	<u>(379,997)</u>
Expenditures:				
Regular education				
Instruction	7,071,663	6,754,952	6,702,185	52,767
Support services - students and staff	943,138	1,056,385	1,046,973	9,412
Support services - administration	1,888,487	1,969,077	1,864,251	104,826
Operation and maintenance of plant services	3,088,678	3,458,440	3,155,513	302,927
Operation of non-instructional services	75,000	75,000	70,054	4,946
Total regular education	<u>13,066,966</u>	<u>13,313,854</u>	<u>12,838,976</u>	<u>474,878</u>
Special education				
Instruction	2,209,686	2,321,644	2,353,334	(31,690)
Support services - students and staff	1,406,696	1,293,678	1,251,904	41,774
Support services - administration		1,000	877	123
Operation and maintenance of plant services	500	560		560
Total special education	<u>3,616,882</u>	<u>3,616,882</u>	<u>3,606,115</u>	<u>10,767</u>
Pupil transportation				
Student transportation services	1,084,404	1,061,506	981,622	79,884
Total pupil transportation	<u>1,084,404</u>	<u>1,061,506</u>	<u>981,622</u>	<u>79,884</u>
Special K-3 program override				
Instruction	503,221	542,061	540,629	1,432
Support services - students and staff	157,253	134,068	135,501	(1,433)
Support services - administration	94,467	93,647	93,648	(1)
Total special K-3 program override	<u>754,941</u>	<u>769,776</u>	<u>769,778</u>	<u>(2)</u>
Total expenditures	<u>18,523,193</u>	<u>18,762,018</u>	<u>18,196,491</u>	<u>565,527</u>
Change in fund balances	<u>1,800,456</u>	<u>1,561,631</u>	<u>1,747,161</u>	<u>185,530</u>
Fund balances (deficits), July 1, 2009			(3,630)	(3,630)
Increase in reserve for prepaid items			222,551	222,551
Fund balances, June 30, 2010	<u>\$ 1,800,456</u>	<u>\$ 1,561,631</u>	<u>\$ 1,966,082</u>	<u>\$ 404,451</u>

See accompanying notes to this schedule.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the District is prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America.

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SUPPLEMENTARY INFORMATION

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**OTHER MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE
YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Other local	\$ 25,000	\$ 36,603	\$ 11,603
Property taxes	5,972,198	5,763,071	(209,127)
Total revenues	<u>5,997,198</u>	<u>5,799,674</u>	<u>(197,524)</u>
Expenditures:			
Debt service -			
Interest and fiscal charges	2,438,484	2,446,064	(7,580)
Principal retirement	3,662,622	3,662,622	
Total expenditures	<u>6,101,106</u>	<u>6,108,686</u>	<u>(7,580)</u>
Excess (deficiency) of revenues over expenditures	<u>(103,908)</u>	<u>(309,012)</u>	<u>(205,104)</u>
Other financing sources (uses):			
Transfer in		33,065	33,065
Total other financing sources (uses)		<u>33,065</u>	<u>33,065</u>
Change in fund balances	<u>(103,908)</u>	<u>(275,947)</u>	<u>(172,039)</u>
Fund balances, July 1, 2009		731,569	731,569
Fund balances (deficits), June 30, 2010	<u>\$ (103,908)</u>	<u>\$ 455,622</u>	<u>\$ 559,530</u>

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND BUILDING
YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Other local	\$	\$	\$ 33,073	\$ 33,073
Total revenues			33,073	33,073
Expenditures:				
Capital outlay	13,618,335	10,506,895	8,682,795	1,824,100
Total expenditures	13,618,335	10,506,895	8,682,795	1,824,100
Excess (deficiency) of revenues over expenditures	(13,618,335)	(10,506,895)	(8,649,722)	1,857,173
Other financing sources (uses):				
Transfer out			(33,065)	(33,065)
Total other financing sources (uses)			(33,065)	(33,065)
Change in fund balances	(13,618,335)	(10,506,895)	(8,682,787)	1,824,108
Fund balances, July 1, 2009			9,471,610	9,471,610
Fund balances (deficits), June 30, 2010	\$ (13,618,335)	\$ (10,506,895)	\$ 788,823	\$ 11,295,718

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NON-MAJOR GOVERNMENTAL FUNDS

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 5,000	\$	\$ (5,000)
State aid and grants	899,067	765,779	(133,288)
Federal aid, grants and reimbursements			
Total revenues	904,067	765,779	(138,288)
Expenditures:			
Current -			
Instruction	1,622,783	539,178	1,083,605
Support services - students and staff	46,330	100,047	(53,717)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,669,113	639,225	1,029,888
Excess (deficiency) of revenues over expenditures	(765,046)	126,554	891,600
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(765,046)	126,554	891,600
Fund balances, July 1, 2009		164,182	164,182
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (765,046)	\$ 290,736	\$ 1,055,782

Instructional Improvement		
Budget	Actual	Variance - Positive (Negative)
\$ 2,500	\$ 983	\$ (1,517)
100,000	115,426	15,426
<u>102,500</u>	<u>116,409</u>	<u>13,909</u>
250,000		250,000
<u>250,000</u>		<u>250,000</u>
(147,500)	116,409	263,909
(147,500)	116,409	263,909
	44,920	44,920
<u>\$ (147,500)</u>	<u>\$ 161,329</u>	<u>\$ 308,829</u>

County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)
\$ 250	\$	\$ (250)
50,000		(50,000)
<u>50,250</u>		<u>(50,250)</u>
250,000		250,000
<u>250,000</u>		<u>250,000</u>
(199,750)		199,750
(199,750)		199,750
<u>\$ (199,750)</u>	<u>\$</u>	<u>\$ 199,750</u>

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Compensatory Instruction		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants	90,000	22,030	(67,970)
Federal aid, grants and reimbursements			
Total revenues	90,000	22,030	(67,970)
Expenditures:			
Current -			
Instruction	60,000	14,249	45,751
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	30,000	7,781	22,219
Operation of non-instructional services			
Capital outlay			
Total expenditures	90,000	22,030	67,970
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$	\$	\$

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Title IV Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	650,000	567,141	(82,859)
Total revenues	<u>650,000</u>	<u>567,141</u>	<u>(82,859)</u>
Expenditures:			
Current -			
Instruction	283,840	247,657	36,183
Support services - students and staff	206,178	179,895	26,283
Support services - administration	69,098	60,290	8,808
Operation and maintenance of plant services	34	30	4
Student transportation services	31,913	27,845	4,068
Operation of non-instructional services			
Capital outlay	16,508	14,404	2,104
Total expenditures	<u>607,571</u>	<u>530,121</u>	<u>77,450</u>
Excess (deficiency) of revenues over expenditures	<u>42,429</u>	<u>37,020</u>	<u>(5,409)</u>
Other financing sources (uses):			
Transfer in			
Transfer out	(42,429)	(37,020)	5,409
Total other financing sources (uses)	<u>(42,429)</u>	<u>(37,020)</u>	<u>5,409</u>
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$</u>

Promote Informed Parent Choice		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
30,000	13,606	(16,394)
30,000	13,606	(16,394)
19,816	8,987	10,829
9,723	4,410	5,313
29,539	13,397	16,142
461	209	(252)
(461)	(209)	252
(461)	(209)	252
\$	\$	\$

Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
250,000	203,150	(46,850)
250,000	203,150	(46,850)
126,375	102,692	23,683
118,175	96,029	22,146
244,550	198,721	45,829
5,450	4,429	(1,021)
(5,450)	(4,429)	1,021
(5,450)	(4,429)	1,021
\$	\$	\$

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	65,000	44,109	(20,891)
Total revenues	<u>65,000</u>	<u>44,109</u>	<u>(20,891)</u>
Expenditures:			
Current -			
Instruction	54,503	36,986	17,517
Support services - students and staff	3,725	2,528	1,197
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	408	277	131
Operation of non-instructional services			
Capital outlay	1,777	1,205	572
Total expenditures	<u>60,413</u>	<u>40,996</u>	<u>19,417</u>
Excess (deficiency) of revenues over expenditures	<u>4,587</u>	<u>3,113</u>	<u>(1,474)</u>
Other financing sources (uses):			
Transfer in			
Transfer out	(4,587)	(3,113)	1,474
Total other financing sources (uses)	<u>(4,587)</u>	<u>(3,113)</u>	<u>1,474</u>
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	<u>\$</u>	<u>\$</u>	<u>\$</u>

Special Education Grants		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
1,750,000	924,053	(825,947)
1,750,000	924,053	(825,947)
1,099,034	580,323	518,711
508,567	268,539	240,028
350	185	165
1,477	780	697
1,136	600	536
26,429	13,955	12,474
1,636,993	864,382	772,611
113,007	59,671	(53,336)
(113,007)	(59,671)	53,336
(113,007)	(59,671)	53,336
\$	\$	\$

Johnson O'Malley		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
20,000	4,750	(15,250)
20,000	4,750	(15,250)
1,709	406	1,303
18,291	4,344	13,947
20,000	4,750	15,250
\$	\$	\$

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Homeless Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	35,000	30,896	(4,104)
Total revenues	35,000	30,896	(4,104)
Expenditures:			
Current -			
Instruction			
Support services - students and staff	33,073	29,195	3,878
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	33,073	29,195	3,878
Excess (deficiency) of revenues over expenditures	1,927	1,701	(226)
Other financing sources (uses):			
Transfer in			
Transfer out	(1,927)	(1,701)	226
Total other financing sources (uses)	(1,927)	(1,701)	226
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$	\$	\$

Medicaid Reimbursement			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
250,000	122,255	(127,745)	500,000	277,629	(222,371)
250,000	122,255	(127,745)	500,000	277,629	(222,371)
53,214	20,671	32,543	15,370	2,695	12,675
33,693	13,088	20,605	201,836	35,390	166,446
151,349	58,792	92,557	221,689	38,871	182,818
			46,299	8,118	38,181
11,744	4,562	7,182	13,346	2,340	11,006
250,000	97,113	152,887	498,540	87,414	411,126
	25,142	25,142	1,460	190,215	188,755
			(1,460)	(259)	1,201
			(1,460)	(259)	1,201
	25,142	25,142		189,956	189,956
	143,282	143,282		697	697
\$	\$ 168,424	\$ 168,424	\$	\$ 190,653	\$ 190,653

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Early Childhood Block Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants	175,000	112,879	(62,121)
Federal aid, grants and reimbursements			
Total revenues	175,000	112,879	(62,121)
Expenditures:			
Current -			
Instruction			
Support services - students and staff	163,343	105,360	57,983
Support services - administration	2,693	1,737	956
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	8,964	5,782	3,182
Total expenditures	175,000	112,879	62,121
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$	\$	\$

Gifted		
Budget	Actual	Variance - Positive (Negative)
\$ 7,500	\$ 6,698	\$ (802)
<u>7,500</u>	<u>6,698</u>	<u>(802)</u>
7,500	6,698	802
<u>7,500</u>	<u>6,698</u>	<u>802</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>

Other State Projects		
Budget	Actual	Variance - Positive (Negative)
\$ 175,000	\$ 163,798	\$ (11,202)
<u>175,000</u>	<u>163,798</u>	<u>(11,202)</u>
175,000	163,798	11,202
<u>175,000</u>	<u>163,798</u>	<u>11,202</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	School Plant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 95,000	\$ 106,316	\$ 11,316
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	95,000	106,316	11,316
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	600,000		600,000
Capital outlay			
Total expenditures	600,000		600,000
Excess (deficiency) of revenues over expenditures	(505,000)	106,316	611,316
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(505,000)	106,316	611,316
Fund balances, July 1, 2009		571,120	571,120
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (505,000)	\$ 677,436	\$ 1,182,436

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 155,401	\$ 106,075	\$ (49,326)	\$ 60,000	\$ 62,244	\$ 2,244
2,609,599	1,781,286	(828,313)			
2,765,000	1,887,361	(877,639)	60,000	62,244	2,244
			177,902	59,638	118,264
2,484,941	1,536,526	948,415	531	178	353
103,334	63,895	39,439	21,567	7,230	14,337
2,588,275	1,600,421	987,854	200,000	67,046	132,954
176,725	286,940	110,215	(140,000)	(4,802)	135,198
(161,725)	(100,000)	61,725			
(161,725)	(100,000)	61,725			
15,000	186,940	171,940	(140,000)	(4,802)	135,198
	902,833	902,833		126,230	126,230
	(47,625)	(47,625)			
\$ 15,000	\$ 1,042,148	\$ 1,027,148	\$ (140,000)	\$ 121,428	\$ 261,428

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 5,500	\$ 4,207	\$ (1,293)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	5,500	4,207	(1,293)
Expenditures:			
Current -			
Instruction		442	(442)
Support services - students and staff	3,364	1,866	1,498
Support services - administration	14,201		14,201
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	12,435	1,634	10,801
Total expenditures	30,000	3,942	26,058
Excess (deficiency) of revenues over expenditures	(24,500)	265	24,765
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(24,500)	265	24,765
Fund balances, July 1, 2009		30,842	30,842
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (24,500)	\$ 31,107	\$ 55,607

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,750	\$ 5,490	\$ (260)	\$ 113,500	\$ 77,248	\$ (36,252)
<u>5,750</u>	<u>5,490</u>	<u>(260)</u>	<u>113,500</u>	<u>77,248</u>	<u>(36,252)</u>
11,188	1,928	9,260	86,023	16,322	69,701
5,269	908	4,361	54,722	10,383	44,339
6,227	1,073	5,154			
			109,255	20,730	88,525
<u>2,316</u>	<u>399</u>	<u>1,917</u>	<u>250,000</u>	<u>47,435</u>	<u>202,565</u>
<u>25,000</u>	<u>4,308</u>	<u>20,692</u>			
<u>(19,250)</u>	<u>1,182</u>	<u>20,432</u>	<u>(136,500)</u>	<u>29,813</u>	<u>166,313</u>
<u>(19,250)</u>	<u>1,182</u>	<u>20,432</u>	<u>(136,500)</u>	<u>29,813</u>	<u>166,313</u>
	19,253	19,253		167,757	167,757
<u>\$ (19,250)</u>	<u>\$ 20,435</u>	<u>\$ 39,685</u>	<u>\$ (136,500)</u>	<u>\$ 197,570</u>	<u>\$ 334,070</u>

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Gifts and Donations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 103,500	\$ 90,223	\$ (13,277)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	103,500	90,223	(13,277)
Expenditures:			
Current -			
Instruction	63,403	32,979	30,424
Support services - students and staff	16,220	8,437	7,783
Support services - administration	7,336	3,816	3,520
Operation and maintenance of plant services	2,686	1,397	1,289
Student transportation services			
Operation of non-instructional services			
Capital outlay	35,355	18,390	16,965
Total expenditures	125,000	65,019	59,981
Excess (deficiency) of revenues over expenditures	(21,500)	25,204	46,704
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(21,500)	25,204	46,704
Fund balances, July 1, 2009		100,341	100,341
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (21,500)	\$ 125,545	\$ 147,045

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 2,750	\$ 1,226	\$ (1,524)	\$ 125,500	\$ 107,210	\$ (18,290)
<u>2,750</u>	<u>1,226</u>	<u>(1,524)</u>	<u>125,500</u>	<u>107,210</u>	<u>(18,290)</u>
10,000	336	9,664	6,591	4,697	1,894
			1,078	768	310
			119,235	84,967	34,268
<u>10,000</u>	<u>336</u>	<u>9,664</u>	<u>23,096</u>	<u>16,458</u>	<u>6,638</u>
			<u>150,000</u>	<u>106,890</u>	<u>43,110</u>
<u>(7,250)</u>	<u>890</u>	<u>8,140</u>	<u>(24,500)</u>	<u>320</u>	<u>24,820</u>
<u>(7,250)</u>	<u>890</u>	<u>8,140</u>	<u>(24,500)</u>	<u>320</u>	<u>24,820</u>
	7,932	7,932		15,986	15,986
<u>\$ (7,250)</u>	<u>\$ 8,822</u>	<u>\$ 16,072</u>	<u>\$ (24,500)</u>	<u>\$ 16,306</u>	<u>\$ 40,806</u>

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 2,750	\$ 405	\$ (2,345)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	2,750	405	(2,345)
Expenditures:			
Current -			
Instruction	10,000		10,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	10,000		10,000
Excess (deficiency) of revenues over expenditures	(7,250)	405	7,655
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(7,250)	405	7,655
Fund balances, July 1, 2009		7,786	7,786
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (7,250)	\$ 8,191	\$ 15,441

Litigation Recovery			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 205,000	\$ 12,896	\$ (192,104)	\$ 250	\$ 1,869	\$ 1,619
<u>205,000</u>	<u>12,896</u>	<u>(192,104)</u>	<u>250</u>	<u>1,869</u>	<u>1,619</u>
89,639	40,563	49,076	10,705	8,486	2,219
			13,039	10,336	2,703
			109,254	86,606	22,648
			168	133	35
<u>335,361</u>	<u>151,755</u>	<u>183,606</u>	<u>16,834</u>	<u>13,345</u>	<u>3,489</u>
<u>425,000</u>	<u>192,318</u>	<u>232,682</u>	<u>150,000</u>	<u>118,906</u>	<u>31,094</u>
<u>(220,000)</u>	<u>(179,422)</u>	<u>40,578</u>	<u>(149,750)</u>	<u>(117,037)</u>	<u>32,713</u>
			150,000	292,997	142,997
			<u>150,000</u>	<u>292,997</u>	<u>142,997</u>
<u>(220,000)</u>	<u>(179,422)</u>	<u>40,578</u>	<u>250</u>	<u>175,960</u>	<u>175,710</u>
	363,800	363,800		185,764	185,764
<u>\$ (220,000)</u>	<u>\$ 184,378</u>	<u>\$ 404,378</u>	<u>\$ 250</u>	<u>\$ 361,724</u>	<u>\$ 361,474</u>

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Unemployment Insurance		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 5,000	\$ 1,329	\$ (3,671)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	5,000	1,329	(3,671)
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	95,000	69,804	25,196
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	95,000	69,804	25,196
Excess (deficiency) of revenues over expenditures	(90,000)	(68,475)	21,525
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(90,000)	(68,475)	21,525
Fund balances, July 1, 2009		137,632	137,632
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (90,000)	\$ 69,157	\$ 159,157

Insurance Refund			Grants and Gifts to Teachers		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 100	\$	\$ (100)	\$ 1,000	\$ 485	\$ (515)
<u>100</u>		<u>(100)</u>	<u>1,000</u>	<u>485</u>	<u>(515)</u>
15,000		15,000	3,617	485	3,132
			6,383	856	5,527
<u>15,000</u>		<u>15,000</u>	<u>10,000</u>	<u>1,341</u>	<u>8,659</u>
<u>(14,900)</u>		<u>14,900</u>	<u>(9,000)</u>	<u>(856)</u>	<u>8,144</u>
<u>(14,900)</u>		<u>14,900</u>	<u>(9,000)</u>	<u>(856)</u>	<u>8,144</u>
				856	856
<u>\$ (14,900)</u>	<u>\$</u>	<u>\$ 14,900</u>	<u>\$ (9,000)</u>	<u>\$</u>	<u>\$ 9,000</u>

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	School Bus Advertisement		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 1,000	\$ 5,433	\$ 4,433
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,000	5,433	4,433
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	24,458	21,888	2,570
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	542	485	57
Total expenditures	25,000	22,373	2,627
Excess (deficiency) of revenues over expenditures	(24,000)	(16,940)	7,060
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(24,000)	(16,940)	7,060
Fund balances, July 1, 2009		18,748	18,748
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (24,000)	\$ 1,808	\$ 25,808

Totals		
Budget	Actual	Variance - Positive (Negative)
\$ 889,751	\$ 583,639	\$ (306,112)
1,496,567	1,186,610	(309,957)
<u>10,084,599</u>	<u>6,918,366</u>	<u>(3,166,233)</u>
<u>12,470,917</u>	<u>8,688,615</u>	<u>(3,782,302)</u>
5,862,880	2,996,255	2,866,625
3,238,702	2,219,435	1,019,267
901,380	455,963	445,417
529,028	319,934	209,094
172,840	57,329	115,511
3,085,472	1,536,704	1,548,768
725,645	388,134	337,511
<u>14,515,947</u>	<u>7,973,754</u>	<u>6,542,193</u>
<u>(2,045,030)</u>	<u>714,861</u>	<u>2,759,891</u>
150,000	292,997	142,997
(445,666)	(292,997)	152,669
<u>(295,666)</u>		<u>295,666</u>
<u>(2,340,696)</u>	<u>714,861</u>	<u>3,055,557</u>
	3,009,961	3,009,961
	(47,625)	(47,625)
<u>\$ (2,340,696)</u>	<u>\$ 3,677,197</u>	<u>\$ 6,017,893</u>

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 7,000	\$ 14,816	\$ 7,816
Property taxes		1,735	1,735
State aid and grants	351,708	75,660	(276,048)
Total revenues	358,708	92,211	(266,497)
Expenditures:			
Capital outlay	600,865	20,474	580,391
Debt service -			
Principal retirement	16,533	16,533	
Total expenditures	617,398	37,007	580,391
Change in fund balances	(258,690)	55,204	313,894
Fund balances, July 1, 2009		556,391	556,391
Fund balances (deficits), June 30, 2010	\$ (258,690)	\$ 611,595	\$ 870,285

Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)
\$ 6,000	\$ 3,496	\$ (2,504)
820,000	774,890	(45,110)
<u>826,000</u>	<u>778,386</u>	<u>(47,614)</u>
820,000	717,396	102,604
<u>820,000</u>	<u>717,396</u>	<u>102,604</u>
6,000	60,990	54,990
<u>6,000</u>	<u>60,990</u>	<u>54,990</u>

Soft Capital Allocation		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 4,500	\$ 37,469	\$ 32,969
347,515	308,044	(39,471)
<u>350,073</u>	<u>289,570</u>	<u>(60,503)</u>
<u>702,088</u>	<u>635,083</u>	<u>(67,005)</u>
502,713	145,880	356,833
81,300	81,300	
<u>584,013</u>	<u>227,180</u>	<u>356,833</u>
118,075	407,903	289,828
	525,621	525,621
<u>118,075</u>	<u>933,524</u>	<u>815,449</u>

(Continued)

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	Building Renewal		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 100	\$ 313	\$ 213
Property taxes			
State aid and grants			
Total revenues	100	313	213
Expenditures:			
Capital outlay	6,000	5,652	348
Debt service -			
Principal retirement			
Total expenditures	6,000	5,652	348
Change in fund balances	(5,900)	(5,339)	561
Fund balances, July 1, 2009		5,339	5,339
Fund balances (deficits), June 30, 2010	\$ (5,900)	\$	\$ 5,900

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 17,600	\$ 56,094	\$ 38,494
1,167,515	1,084,669	(82,846)
701,781	365,230	(336,551)
<u>1,886,896</u>	<u>1,505,993</u>	<u>(380,903)</u>
1,929,578	889,402	1,040,176
97,833	97,833	
<u>2,027,411</u>	<u>987,235</u>	<u>1,040,176</u>
<u>(140,515)</u>	<u>518,758</u>	<u>659,273</u>
	1,087,351	1,087,351
<u>\$ (140,515)</u>	<u>\$ 1,606,109</u>	<u>\$ 1,746,624</u>

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STATISTICAL SECTION

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
PROPERTY TAX LEVIES AND COLLECTIONS
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 20,029,746	\$ 18,134,796	90.54 %	\$	\$ 18,134,796	90.54 %
2009	18,164,643	16,371,218	90.13	1,721,684	18,092,902	99.61
2008	17,034,314	16,319,779	95.81	711,269	17,031,048	99.98
2007	16,156,057	15,603,633	96.58	552,424	16,156,057	100.00
2006	17,021,046	16,634,560	97.73	386,486	17,021,046	100.00
2005	14,664,280	14,114,891	96.25	514,052	14,628,943	99.76
2004	14,615,624	14,048,695	96.12	506,639	14,555,334	99.59
2003	9,828,326	9,437,237	96.02	358,842	9,796,079	99.67
2002	8,461,689	8,095,098	95.67	366,591	8,461,689	100.00
2001	8,119,661	7,531,783	92.76	587,878	8,119,661	100.00

Source: The source of this information is the Maricopa County Treasurer's records.

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
ESTIMATED NET FULL CASH VALUE HISTORIES
LAST EIGHT FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Estimated Net Full Cash Value</u>
2009-10	\$ 5,831,600,542
2008-09	5,547,539,015
2007-08	3,776,522,535
2006-07	3,778,475,193
2005-06	3,025,884,898
2004-05	2,735,011,757
2003-04	2,624,533,408
2002-03	2,463,624,578

Source: Estimated net full cash values were obtained from the State and County Abstracts of the Assessment Roll, Arizona Department of Revenue.

Note: Estimated net full cash value is the total market value of the property less net exempt property within the District.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SECONDARY ASSESSED VALUATION BY PROPERTY CLASSIFICATION
LAST EIGHT FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Mines, Utility and Commercial</u>	<u>Agricultural and Vacant</u>	<u>Residential (Owner Occupied)</u>	<u>Rental Residential</u>	<u>Historic and Foreign Trade</u>	<u>Residential/C ommercial/H istoric</u>	<u>Total</u>
2009-10	\$ 403,888,265	\$ 11,965,942	\$ 134,289,343	\$ 65,720,736	\$ 2,801,206	\$	\$ 618,665,492
2008-09	493,160,146	15,530,320	171,221,172	78,668,210	3,259,512		761,839,360
2007-08	390,373,840	13,058,356	137,897,556	65,029,676	2,021,017		608,380,445
2006-07	371,702,579	15,116,088	85,875,414	53,553,273	1,161,757		527,409,111
2005-06	377,837,168	11,136,431	83,365,314	52,505,260	1,123,408		525,967,581
2004-05	374,241,383	7,978,728	69,942,617	44,106,343	944,078		497,213,149
2003-04	350,260,861	7,431,727	69,246,242	43,970,159	921,431		471,830,420
2002-03	361,521,729	8,262,034	54,793,302	37,563,398	674,418	21,718	462,836,599

Source: The source of this information is the Maricopa County Assessor's records.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT RATIOS
JUNE 30, 2010
(UNAUDITED)

	<u>Per capita bonded debt population estimated at (45,000)</u>	<u>As % of District's Secondary Assessed Valuation</u>	<u>As % of District's Estimated Full Cash Value</u>
Net Direct General Obligation Bonded Debt (\$46,939,856)	\$ 1,043	8.12 %	0.86 %
Net Direct and Overlapping General Obligation Bonded Debt (\$111,763,613)	2,484	18.48	1.96

Source: Population estimate was obtained from the District.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
COMPUTATION OF LEGAL DEBT MARGIN INFORMATION
JUNE 30, 2010
(UNAUDITED)

District General Obligation and Refunding Bonds:

Net secondary assessed valuation \$ 618,665,492

Debt limit - 15% of net secondary assessed valuation 92,799,824

Amount of debt applicable to debt limit:

General obligation and refunding bonds outstanding \$ 51,682,400

Less current bond payment accrued in debt service fund (3,629,523)

Less supplemental interest certificates (227,093)

Less bond premium (430,307)

Less fund balance in debt service fund available for payment
of principal (455,622)

Total amount of debt applicable to debt limit 46,939,855

Legal debt margin \$ 45,859,969

Class B Bonds:

Debt limit - 5% of net secondary assessed valuation \$ 30,933,275

Amount of debt applicable to debt limit:

B bond general obligation bonds outstanding \$ 34,555,000

Less cash balance in Debt Service Fund (5,297,860)

Total amount of debt applicable to debt limit 29,257,140

Legal debt margin \$ 1,676,135

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2010**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Maricopa County Community College District	\$ 653,040,000	1.45 %	\$ 9,469,080
City of Phoenix	1,697,478,959	1.45	24,613,445
Phoenix Union High School District No. 210	266,380,000	9.76	<u>25,998,688</u>
Subtotal, Overlapping Debt			<u>60,081,213</u>
Direct:			
Osborn Elementary School District No. 8			<u>51,682,400</u>
Total Direct and Overlapping Debt			<u>\$ 111,763,613</u>

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2010
(UNAUDITED)**

<u>Taxpayer</u>	<u>2010</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Phoenix Plaza PT LLC	\$ 27,963,680	4.52% %
LBA Realty Fund	16,703,968	2.70%
Ebay Inc.	16,332,769	2.64%
Qwest Corporation	14,229,306	2.30%
Coventry Phoenix Spectrum	14,167,440	2.29%
Gaedeke Holdings Ltd	12,868,242	2.08%
Ari Central LP/Denari Central LLC	11,074,112	1.79%
CWN-I-A LLC	10,579,180	1.71%
US Office Holdings LP	10,269,847	1.66%
2700 Group LLC	8,351,984	1.35%
Total	<u>\$ 142,540,529</u>	<u>23.04%</u> %

Source: The source of this information is the Maricopa County Assessor's records.

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
AVERAGE DAILY MEMBERSHIP (ADM)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Average Daily Membership
2010	3,084
2009	3,186
2008	3,328
2007	3,570
2006	3,470
2005	3,528
2004	3,478
2003	3,844
2002	3,796
2001	3,807

Source: The source of this information is the District's financial records.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	County	Community College District	Flood Control District	Central Arizona Water	City of Phoenix	Phoenix Union High School District No. 210	Primary	Secondary	Total
	2010	0.99	0.88	0.14	0.10	1.82	2.95	1.89	1.08
2009	1.03	0.94	0.14	0.10	1.82	3.06	1.63	1.11	2.74
2008	1.30	0.98	0.15	0.10	1.82	3.42	1.76	1.32	3.08
2007	1.43	1.06	0.20	0.12	1.82	3.79	2.13	1.12	3.25
2006	1.46	1.03	0.21	0.12	1.82	3.87	2.23	1.19	3.42
2005	1.47	1.04	0.21	0.12	1.82	3.94	1.86	1.21	3.07
2004	1.55	1.08	0.21	0.12	1.82	4.11	1.90	1.31	3.21
2003	3.29	1.11	0.21	0.13	1.82	4.38	2.34	1.29	3.63
2002	3.29	1.11	0.23	0.13	1.82	4.42	2.20	1.39	3.59
2001	3.35	1.12	0.25	0.13	1.82	4.34	2.28	1.33	3.61

Source: The source of this information is the Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

SINGLE AUDIT SECTION

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**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**

Governing Board
Osborn Elementary School District No. 8

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Osborn Elementary School District No. 8 as of and for the year ended June 30, 2010, which collectively comprise Osborn Elementary School District No. 8's basic financial statements and have issued our report thereon dated March 10, 2011. 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 Osborn Elementary School District No. 8's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Osborn Elementary School District No. 8's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Osborn Elementary School District No. 8's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Osborn Elementary School District No. 8'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*.

We noted certain matters that we reported to management of Osborn Elementary School District No. 8 in a separate document entitled Uniform System of Financial Records (USFR) Compliance Questionnaire dated March 10, 2011.

This report is intended solely for the information and use of management, the Governing Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

March 10, 2011



**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditors' Report

Governing Board
Osborn Elementary School District No. 8

Compliance

We have audited Osborn Elementary School District No. 8's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Osborn Elementary School District No. 8's major federal programs for the year ended June 30, 2010. Osborn Elementary School District No. 8's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Osborn Elementary School District No. 8's management. Our responsibility is to express an opinion on Osborn Elementary School District No. 8'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. 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 Osborn Elementary School District No. 8'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 of Osborn Elementary School District No. 8's compliance with those requirements.

In our opinion, Osborn Elementary School District No. 8 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Osborn Elementary School District No. 8 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Osborn Elementary School District No. 8's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Osborn Elementary School District No. 8's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Osborn Elementary School District No. 8 as of and for the year ended June 30, 2010, and have issued our report thereon dated March 10, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Osborn Elementary School District No. 8's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Governing Board, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

March 10, 2011

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures and Transfers	Total Expenditures and Transfers
<u>U.S. Department of Education</u>				
Direct Program:				
Indian Education	84.060	N/A	\$	44,109
Passed through Arizona Department of Education:				
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	HR 1		656,621
Title I Grants Cluster:				
Title I Grants	84.010	S010A090003	\$ 1,877,130	
Title I Grants, Recovery Act	84.389	S389A090003	691,925	
Title I Grants Cluster Total				2,569,055
Title I Program for Neglected and Delinquent Children	84.013	S013A090003		49,513
Special Education Cluster:				
Special Education Grants	84.027	H027A090007	748,310	
Special Education Preschool Grants	84.173	H173A090003	126,415	
Special Education - Grants to States, Recovery Act	84.391	H391A090007	20,098	
Special Education - Preschool Grants, Recovery Act	84.392	H392A090003	29,230	
Special Education Cluster Total				924,053
Safe and Drug-Free Schools and Communities	84.186	Q186A090003		16,071
Education for Homeless Children and Youth, Recovery Act	84.387	S387A090003		30,896
Twenty-First Century Community Learning Centers	84.287	S287C080003		551,070
Innovative Education Program Strategies	84.298	S358B090003		13,606
Education Technology State Grants Cluster:				
Education Technology State Grants	84.318	S318X090003	15,133	
Education Technology State Grants, Recovery Act	84.386	S386A090003	3,999	
Education Technology State Grants Cluster Total				19,132
English Language Acquisition Grants	84.365	T365A090003		203,150
Improving Teacher Quality	84.367	S367A090049		311,791
Passed through Arizona Governor's Office:				
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	GOER-FY2010-506-E		373,679
Total U.S. Department of Education				<u>5,762,746</u>
<u>U.S. Department of Agriculture</u>				
Passed through Arizona Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
National School Lunch Program	10.555	7AZ300AZ3	80,685	
Summer Food Service Program for Children	10.559	8AZ300AZ3	2,088	
Non-Cash Assistance Subtotal			<u>82,773</u>	
Cash Assistance:				
School Breakfast Program	10.553	7AZ300AZ3	383,358	
National School Lunch Program	10.555	7AZ300AZ3	1,281,975	
Summer Food Service Program for Children	10.559	8AZ300AZ3	33,180	
Cash Assistance Subtotal			<u>1,698,513</u>	
Child Nutrition Cluster Total				<u>1,781,286</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Arizona Department of Education:				
Refugee and Entrant Assistance	93.576	90ZE0073/04		5,827
Passed through Public Consulting Group, Inc.:				
Medical Assistance Program	93.778	N/A		26,399
Total U.S. Department of Health and Human Services				<u>32,226</u>
<u>U.S. Department of Interior</u>				
Passed through Arizona Department of Education:				
Indian Education Assistance to Schools	15.130	SMK0E060699		4,750
Total Expenditures of Federal Awards				<u>\$ 7,581,008</u>

OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Osborn Elementary School District No. 8 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2010 *Catalog of Federal Domestic Assistance*.

NOTE 3 – FEDERAL ASSISTANCE NOT INCLUDED

Expenditures related to assistance not considered Federal awards in accordance with OMB Circular A-133 have not been presented in this schedule as follows.

Medicaid Fee for Service reimbursements	\$	105,404
E-Rate reimbursements		271,802

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' 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 a material weakness(es)? 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 a material weakness(es)? yes X none reported

Type of auditors' 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 OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010, 84.389	Title I Grants Cluster
84.027, 84.173, 84.391, 84.392	Special Education Cluster
84.287	Twenty-First Century Community Learning Centers
84.394	State Fiscal Stabilization Fund-Education State Grants, Recovery Act

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

Auditee qualified as low-risk auditee? yes X no

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

**SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

None reported.

**SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL
AWARDS**

None reported.

**OSBORN ELEMENTARY SCHOOL DISTRICT NO. 8
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010**

Status of Federal Award Findings and Questioned Costs

CFDA No. 84.101
Program Name: Title I Grant
Finding No. 09-1

Status: Fully corrected.

CFDA No. 84.027, 84.173
Program Name: Special Education Cluster
Finding No. 09-2

Status: Fully corrected.

CFDA No. 84.027, 84.173
Program Name: Special Education Cluster
Finding No. 09-3

Status: Fully corrected.