

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

DOUGLAS, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Issued by:
Business and Finance Department

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

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INTRODUCTORY SECTION

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Douglas Unified School District #27

Administrative Offices • 1132 12th Street

Douglas, Arizona 85607

(520) 364-2447 • Fax: (520) 224-2470

**Sheila A. Rogers
Superintendent**

**Denise Evans
Business Manager**

**Gloria "Bonnie" Lopez
Assistant Superintendent**

December 22, 2010

Citizens and Governing Board
Douglas Unified School District No. 27
1132 12th St.
Douglas, AZ 85607

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Douglas Unified School District No. 27 (District) for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable

Douglas Unified School District #27 does not discriminate against any individual on the basis of race, color, religion, sex, age, disability or national origin in its educational and employment practices or programs.

El Distrito Escolar #27 de Douglas no discriminara a ninguna persona por motivos de raza, color, religi3n, sexo, edad, discapacidad u origen nacional en sus centros de ensefianza y las practicas de empleo o programas.

basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

The District is one of 24 public school districts located in Cochise County, Arizona. It provides a program of public education from preschool through grade twelve with an estimated current enrollment of 4,009 students.

The District's 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, bookstore and athletic functions.

Douglas lies in a southeastern corner of Arizona on the border with Agua Prieta, Sonora, Mexico, at an elevation of nearly 3,990 feet. Its citizens enjoy a quiet, rural lifestyle and one of the best climates in the nation.

The population of Douglas is approximately 18,000 people, and the population of Agua Prieta is over 150,000. The two cities, separated by a chain link fence, share an interdependent economy and culture.

The Douglas area is composed of a population in which approximately 88% of the people are Hispanic. The Douglas Unified School District serves 4,009 students, 29% of whom are considered English Language Learners (ELL). The District has developed a strong English As A Second Language (ESL) program to serve these students. The District also has a Free and Reduced Lunch student population of 86%, which allows for eligibility for Federal grant funding.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. Douglas, on the Mexican border, is 118 miles southeast of Tucson, and is reached via Interstate 10 to U.S. 80. Across the border from Douglas is Agua Prieta, Sonora, Mexico. Douglas, at an elevation of 3,990 feet, was founded in 1901 as a site for a copper smelter and was incorporated in 1905. However, the smelter curtailed operations in 1987. Originally, it was an annual round-up spot for ranchers. Agriculture and ranching are still important segments of the area's economy.

Because of its location on the U.S.-Mexico border, international commerce is an important part of the local economy. Douglas has three manufacturing plants; and Agua Prieta has 23, many of the latter operating under the twin-plant concept. The lure of shopping and sight-seeing in "Old Mexico" and the nearness to several outdoor recreation areas have made tourism and retirement significant to Douglas' economy.

Major private employers include Wal-Mart Stores, Inc., Southeast Arizona Medical Center, Bashas', and Safeway. Major public employers include Cochise County, Arizona Department of Corrections, Douglas Unified School District No. 27, U.S. Border Patrol, Cochise College, City of Douglas, U.S. Customs, and Homeland Security: Field Operations.

Long-term Financial Planning. By planning for long range goals of maintaining facilities, the District is able to optimize the use of building renewal money to upgrade and maintain existing buildings in an ongoing plan. Systematic improvements allow the District to improve sites to minimize utility usage and provide a safe and upgraded environment for student learning.

By benefiting from an 86% E-rate funded technology, the District is upgrading technology to students and staff. Communication systems throughout the District are being upgraded to allow for prompt and efficient communications between classrooms, offices and the public.

AWARDS AND ACKNOWLEDGMENTS

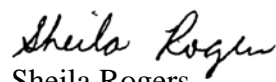
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the fifth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

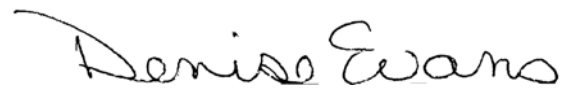
These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2009-10 certificates.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,


Sheila Rogers
Superintendent


Denise Evans
Business Manager

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Douglas Unified School
District No. 27, Arizona

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

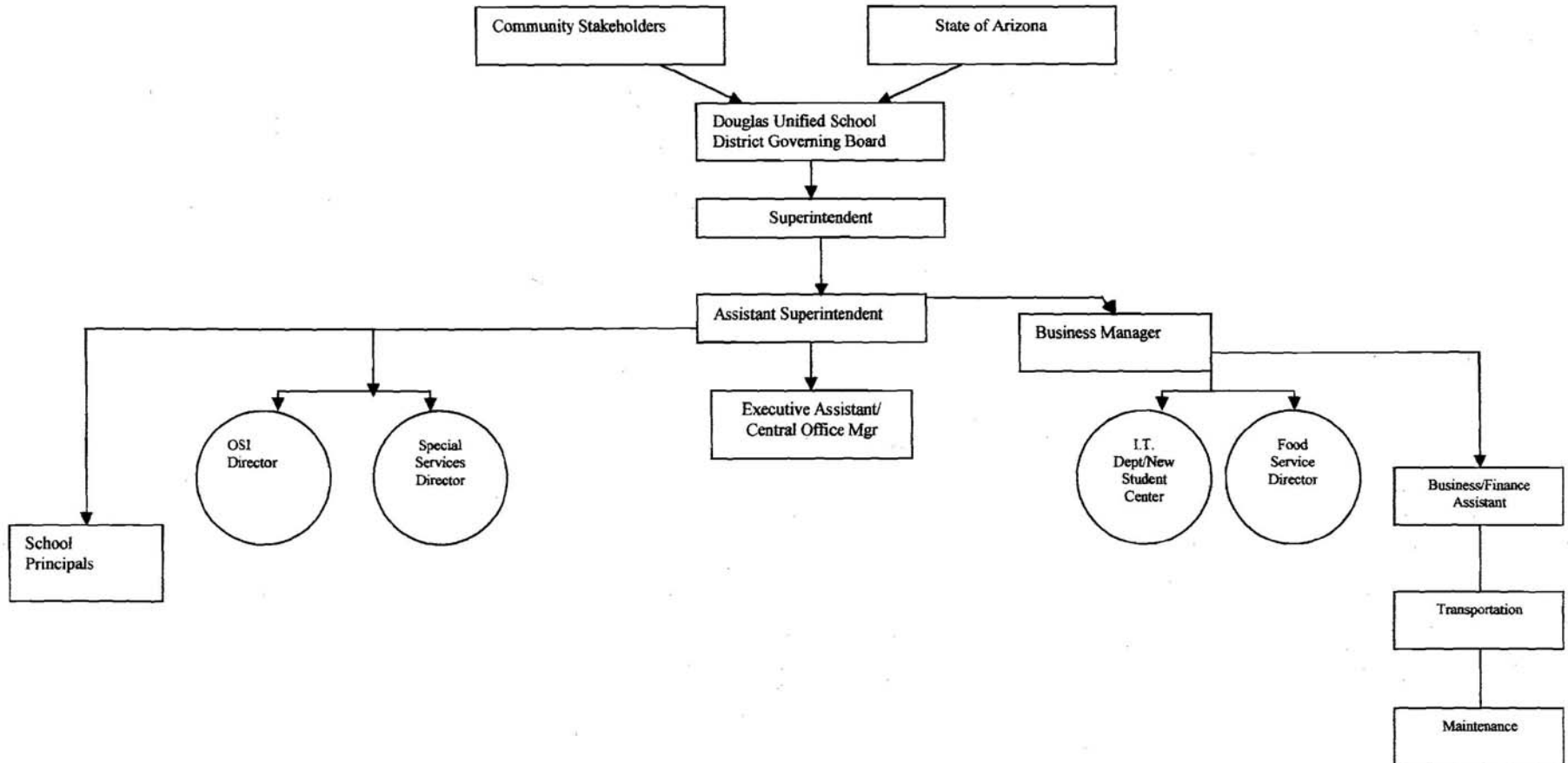
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Douglas Unified School District No. 27
Organizational Chart 2009-10



DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Chuck Hoyack
President

Edward Rivera
Member

Patricia Lopez
Member

Susan Kramer
Member

Mario Ramos
Member

ADMINISTRATIVE STAFF

Sheila Rogers, Superintendent

Denise Evans, Business Manager

Gloria “Bonnie” Lopez, Assistant Superintendent/Human Resources Director

FINANCIAL SECTION

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

10120 N. Oracle Road
Tucson, Arizona 85704
Tel (520) 742-2611
Fax (520) 742-2718

INDEPENDENT AUDITORS' REPORT

Governing Board
Douglas Unified School District No. 27

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas Unified School District No. 27 (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 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 Douglas Unified School District No. 27, 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 December 22, 2010, on our consideration of the Douglas Unified School District No. 27'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 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 introductory section, combining and individual fund financial statements and 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 statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying 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 introductory and statistical sections have 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 them.

Heinfeld, Meech & Co., P.C.

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

December 22, 2010

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

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

As management of the Douglas Unified School District No. 27 (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. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net assets of governmental activities increased \$5.4 million which represents a 14 percent increase from the prior fiscal year primarily due to additional grant funding received.
- General revenues accounted for \$22.5 million in revenue, or 59 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15.9 million or 41 percent of total current fiscal year revenues.
- The District had approximately \$33.1 million in expenses related to governmental activities, an increase of 3 percent from the prior fiscal year.
- Among major funds, the General Fund had \$20.0 million in current fiscal year revenues, which primarily consisted of state aid, and \$19.0 million in expenditures. The General Fund's fund balance increased from \$164,267 at the prior fiscal year end to \$1.2 million at the end of the current fiscal year primarily due to one-time funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009.
- The Title I Grants Fund had \$5.3 million in revenue, which consisted of federal grants, and \$5.2 million in expenditures.
- The Other Federal Projects Fund had \$4.1 million in current fiscal year revenues, which primarily consisted of E-rate funding, and \$4.3 million in expenditures. The Other Federal Projects Fund's fund balance decreased from \$165,747 at the prior fiscal year end, to \$33,427 at the end of the current fiscal year.
- The Debt Service Fund had \$635,201 in current fiscal year revenues, which primarily consisted of property taxes, and \$764,050 in expenditures. The Debt Service Fund's fund balance decreased from \$256,958 at the prior fiscal year end, to \$144,222 at the end of the current fiscal year.
- The Bond Building fund had \$16,817 in current fiscal year revenue, which primarily consisted of interest, and \$1.3 million in expenditures. The Bond Building Fund's fund balance increased to \$6.3 million at the end of the current fiscal year primarily due to the issuance of school improvement bonds.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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 decision. 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, Title I Grants, Other Federal Projects, Debt Service, and Bond Building Funds, 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 statements and schedules.

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, 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 and major Special Revenue Funds as required supplementary information.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

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 \$43.0 million as the current fiscal year end.

By far the largest portion of the District's net assets (81 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), 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 (5 percent) are restricted by statute for the specified purposes of debt service repayment and capital outlay investment.

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 and other assets	\$ 20,302,816	\$ 10,675,348
Capital assets, net	36,972,776	32,587,230
Total assets, net	<u>57,275,592</u>	<u>43,262,578</u>
Current and other liabilities	5,532,702	3,612,344
Long-term liabilities	8,766,094	2,056,058
Total liabilities	<u>14,298,796</u>	<u>5,668,402</u>
Net assets:		
Invested in capital assets, net of related debt	34,850,360	30,817,230
Restricted	2,189,507	1,285,491
Unrestricted	5,936,929	5,491,455
Total net assets	<u>\$ 42,976,796</u>	<u>\$ 37,594,176</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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 results 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 have had an impact on the Statement of Net Assets.

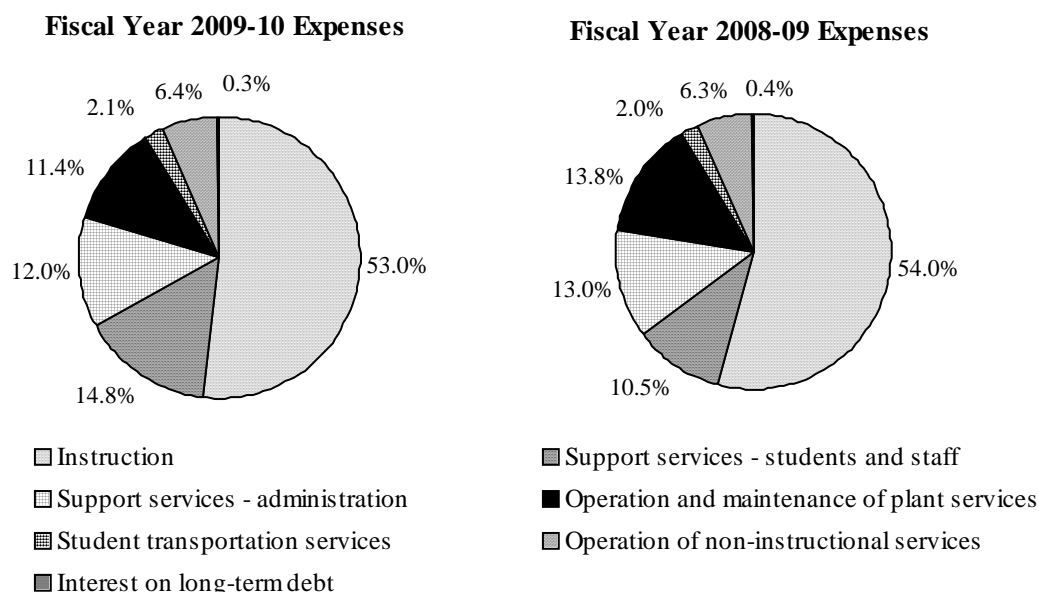
- The addition of \$6.0 million in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The issuance of \$7.6 million in school improvement bonds.

Changes in net assets. The District's total revenues for the current fiscal year were \$38.4 million. The total cost of all programs and services was \$33.1 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 <u>June 30, 2010</u>	Fiscal Year Ended <u>June 30, 2009</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,820,668	\$ 1,502,719
Operating grants and contributions	9,497,217	6,822,564
Capital grants and contributions	4,623,246	1,006,217
General revenues:		
Property taxes	3,728,362	3,222,840
Investment income	63,807	110,593
Unrestricted county aid	722,029	669
Unrestricted state aid	15,907,279	19,491,030
Unrestricted federal aid	2,082,686	
Total revenues	<u>38,445,294</u>	<u>32,156,632</u>
Expenses:		
Instruction	17,193,268	17,343,288
Support services – students and staff	4,909,283	3,377,009
Support services – administration	4,278,874	4,161,607
Operation and maintenance of plant services	3,781,781	4,413,063
Student transportation services	696,240	644,805
Operation of non-instructional services	2,111,085	2,019,035
Interest on long-term debt	92,143	123,043
Total expenses	<u>33,062,674</u>	<u>32,081,850</u>
Change in net assets	<u>\$ 5,382,620</u>	<u>\$ 74,782</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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.

- The increase of \$2.7 million in operating grants and contributions was due to an increase in grant funding for the Title I Grants Fund.
- The increase of \$3.6 million in capital grants and contributions was due to an increase in E-rate funding for the Other Federal Projects Fund.
- The decrease of \$3.6 million in unrestricted state aid was due to a reduction in the District's state equalization payments.
- The increase of \$2.1 million in unrestricted federal aid was due to one-time funding by the American Recovery and Reinvestment Act (ARRA) of 2009.
- The decrease of \$1.5 million in support services – students and staff was due to turnover at the support services level and vacant positions unfilled.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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>	
	Total	Net	Total	Net
	<u>Expenses</u>	<u>(Expense)/ Revenue</u>	<u>Expenses</u>	<u>(Expense)/ Revenue</u>
Instruction	\$ 17,193,268	\$ (7,810,186)	\$ 17,343,288	\$(12,141,116)
Support services – students and staff	4,909,283	(1,448,195)	3,377,009	(1,741,446)
Support services – administration	4,278,874	(3,771,139)	4,161,607	(3,890,979)
Operation and maintenance of plant services	3,781,781	(3,364,657)	4,413,063	(4,220,639)
Student transportation services	696,240	(696,178)	644,805	(644,805)
Operation of non-instructional services	2,111,085	60,955	2,019,035	11,678
Interest on long-term debt	92,143	(92,143)	123,043	(123,043)
Total	<u>\$ 33,062,674</u>	<u>\$(17,121,543)</u>	<u>\$ 32,081,850</u>	<u>\$(22,750,350)</u>

- The cost of all governmental activities this year was \$33.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$15.9 million.
- Net cost of governmental activities of \$17.1 million was financed by general revenues, which are made up of primarily property taxes of \$3.7 million and state aid of \$15.9 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 \$12.5 million, an increase of \$8.5 million primarily due to issuance of school improvement bonds.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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 10 percent of the total fund balance. Approximately \$805,466, or 72 percent of the General Fund's fund balance constitutes unreserved fund balance. The remaining fund balance of \$333,882 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 \$1.0 million to \$1.2 million as of fiscal year end was a result of one-time funding by the American Recovery and Reinvestment Act (ARRA) of 2009. General Fund revenues increased \$2.1 million also as a result of the one-time funding by the American Recovery and Reinvestment Act (ARRA) of 2009 and expenditures decreased \$301,272.

The Title I Grants Fund revenues and expenditures increased \$1.7 million as a result of increased grant funding. The Other Federal Projects Fund's fund balance decreased \$132,320. Other Federal Projects revenues increased \$4.0 million and expenditures increased \$4.2 million both as a result of increased E-rate funding. The Debt Service Fund's fund balance decreased \$112,736. Debt Service revenues decreased \$569,915 as a result of lower tax rates. Debt Service expenditures decreased \$320,900 as a result of lower principal and interest payments. The Bond Building Fund's fund balance increased \$6.3 million as a result of the issuance of school improvement bonds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget primarily for revision of expenditures in the operation and maintenance of plant services. The difference between the original budget and the final amended budget was a \$1.8 million increase, or 10 percent due to budget cuts at the state level and one-time funding by the American Recovery and Reinvestment Act (ARRA) of 2009.

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. 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. The significant favorable variance of \$224,097 in support services – students and staff was a result of turnover at the support service level and vacant positions.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$52.9 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 \$5.9 million from the prior fiscal year, primarily due to school improvement. Total depreciation expense for the current fiscal year was \$1.6 million.

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	\$ 1,149,939	\$ 59,000
Capital assets – depreciable, net	35,822,837	32,528,230
Total	<u>\$ 36,972,776</u>	<u>\$ 32,587,230</u>

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

Debt Administration. At year end, the District had \$8.4 million in long-term debt outstanding, \$740,000 due within one year. This represents a net increase of \$6.6 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 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10% of the secondary assessed valuation or \$1,500 per student). The current debt limitation for the District is \$29.7 million, which is more than the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Notes 6 and 7.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010

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 \$250,000).
- Grant funding.
- Budget cuts.

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 10 percent to \$17.7 million in fiscal year 2010-11. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2009-10 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, Douglas Unified School District No. 27, 1132 12th Street, Douglas, Arizona 85607.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 11,708,791
Property taxes receivable	588,082
Accounts receivable	8,360
Due from governmental entities	7,276,528
Other assets	59,835
Prepaid items	333,882
Total current assets	<u>19,975,478</u>
Noncurrent assets:	
Deferred charges	327,338
Land	59,000
Land improvements	1,608,273
Buildings and improvements	44,724,276
Vehicles, furniture and equipment	5,441,355
Construction in progress	1,090,939
Accumulated depreciation	<u>(15,951,067)</u>
Total noncurrent assets	<u>37,300,114</u>
Total assets	<u><u>57,275,592</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Overdraft of cash on deposit	2,915,634
Accounts payable	611,229
Construction contracts payable	360,174
Accrued payroll and employee benefits	1,582,966
Compensated absences payable	62,316
Accrued interest payable	12,025
Unearned revenues	50,674
Bonds payable	788,000
Total current liabilities	<u>6,383,018</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>7,915,778</u>
Total non-current liabilities	<u>7,915,778</u>
Total liabilities	<u><u>14,298,796</u></u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	34,850,360
Restricted for:	
Debt service	248,030
Capital outlay	1,941,477
Unrestricted	<u>5,936,929</u>
Total net assets	<u><u>\$ 42,976,796</u></u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	\$ 17,193,268	\$ 992,987	\$ 3,766,849	\$ 4,623,246	\$ (7,810,186)
Support services - students and staff	4,909,283	157,702	3,303,386		(1,448,195)
Support services - administration	4,278,874	208,932	298,803		(3,771,139)
Operation and maintenance of plant services	3,781,781	62,705	354,419		(3,364,657)
Student transportation services	696,240		62		(696,178)
Operation of non-instructional services	2,111,085	398,342	1,773,698		60,955
Interest on long-term debt	92,143				(92,143)
Total governmental activities	<u>\$ 33,062,674</u>	<u>\$ 1,820,668</u>	<u>\$ 9,497,217</u>	<u>\$ 4,623,246</u>	<u>(17,121,543)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,918,514
Property taxes, levied for debt service					593,885
Property taxes, levied for capital outlay					1,215,963
Investment income					63,807
Unrestricted county aid					722,029
Unrestricted state aid					15,907,279
Unrestricted federal aid					<u>2,082,686</u>
Total general revenues					<u>22,504,163</u>
Changes in net assets					5,382,620
Net assets, beginning of year					<u>37,594,176</u>
Net assets, end of year					<u>\$ 42,976,796</u>

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

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FUND FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	Title I Grants	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$ 7,500	\$	\$ 352,674
Property taxes receivable	313,822		
Accounts receivable			
Due from governmental entities	4,919,780	703,906	360,820
Due from other funds			
Other assets			
Prepaid items	333,882		
Total assets	<u>\$ 5,574,984</u>	<u>\$ 703,906</u>	<u>\$ 713,494</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$ 2,915,634	\$	\$
Accounts payable	143,395	55,449	304,678
Construction contracts payable			
Due to other funds		382,563	
Accrued payroll and employee benefits	1,065,425	265,894	24,234
Deferred revenues	266,182		351,155
Bonds payable			
Bond interest payable			
Total liabilities	<u>4,390,636</u>	<u>703,906</u>	<u>680,067</u>
Fund balances:			
Reserved for prepaid items	333,882		
Unreserved:			
Undesignated	850,466		33,427
Unreserved reported in:			
Special revenue funds			
Capital projects funds			
Total fund balances	<u>1,184,348</u>	<u></u>	<u>33,427</u>
Total liabilities and fund balances	<u>\$ 5,574,984</u>	<u>\$ 703,906</u>	<u>\$ 713,494</u>

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

Debt Service	Bond Building	Non-Major Governmental Funds	Total Governmental Funds
\$ 873,075	\$ 6,634,258	\$ 3,841,284	\$ 11,708,791
126,980		147,280	588,082
		8,360	8,360
		1,292,022	7,276,528
		536,986	536,986
		59,835	59,835
			333,882
<u>\$ 1,000,055</u>	<u>\$ 6,634,258</u>	<u>\$ 5,885,767</u>	<u>\$ 20,512,464</u>

\$	\$	\$	\$ 2,915,634
	8,500	99,207	611,229
	360,174		360,174
		154,423	536,986
		227,413	1,582,966
103,808		567,596	1,288,741
740,000			740,000
12,025			12,025
<u>855,833</u>	<u>368,674</u>	<u>1,048,639</u>	<u>8,047,755</u>

			333,882
144,222	6,265,584		7,293,699
		3,000,774	3,000,774
		1,836,354	1,836,354
<u>144,222</u>	<u>6,265,584</u>	<u>4,837,128</u>	<u>12,464,709</u>
<u>\$ 1,000,055</u>	<u>\$ 6,634,258</u>	<u>\$ 5,885,767</u>	<u>\$ 20,512,464</u>

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total governmental fund balances	\$	12,464,709
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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	\$ 52,923,843		
Less accumulated depreciation	<u>(15,951,067)</u>		36,972,776

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

Property taxes	452,471		
Intergovernmental	<u>785,596</u>		1,238,067

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.	327,338
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(378,094)		
Bonds payable	<u>(7,648,000)</u>		<u>(8,026,094)</u>

Net assets of governmental activities	\$	<u>42,976,796</u>
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The notes to the financial statements are an integral part of this statement.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General	Title I Grants	Other Federal Projects
Revenues:			
Other local	\$ 711,174	\$	\$ 574
Property taxes	1,907,494		
State aid and grants	15,315,030		
Federal aid, grants and reimbursements	2,082,686	5,265,616	4,149,350
Total revenues	<u>20,016,384</u>	<u>5,265,616</u>	<u>4,149,924</u>
Expenditures:			
Current -			
Instruction	10,492,294	2,836,156	66,818
Support services - students and staff	1,385,353	2,025,153	170,604
Support services - administration	3,176,245	172,258	15,862
Operation and maintenance of plant services	3,305,463	783	
Student transportation services	604,913		
Operation of non-instructional services	43,036		
Capital outlay		212,582	4,028,336
Debt service -			
Interest and fiscal charges			
Principal retirement			
Bond issuance costs			
Total expenditures	<u>19,007,304</u>	<u>5,246,932</u>	<u>4,281,620</u>
Excess (deficiency) of revenues over expenditures	<u>1,009,080</u>	<u>18,684</u>	<u>(131,696)</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(18,684)	(624)
Issuance of school improvement bonds			
Discount on sale of bonds			
Total other financing sources (uses)		<u>(18,684)</u>	<u>(624)</u>
Changes in fund balances	<u>1,009,080</u>		<u>(132,320)</u>
Fund balances, beginning of year	164,267		165,747
(Decrease) in reserve for inventory			
Increase in reserve for prepaid items	11,001		
Fund balances, end of year	<u>\$ 1,184,348</u>	<u>\$</u>	<u>\$ 33,427</u>

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

Debt Service	Bond Building	Non-Major Governmental Funds	Total Governmental Funds
\$ 5,493	\$ 16,817	\$ 1,958,018	\$ 2,692,076
629,528		1,134,658	3,671,680
		2,232,183	17,547,213
		3,754,944	15,252,596
<u>635,021</u>	<u>16,817</u>	<u>9,079,803</u>	<u>39,163,565</u>
		2,335,868	15,731,136
		1,277,652	4,858,762
		392,157	3,756,522
		6,778	3,313,024
		146	605,059
		1,867,666	1,910,702
	1,123,697	1,727,696	7,092,311
24,050			24,050
740,000			740,000
	189,834		189,834
<u>764,050</u>	<u>1,313,531</u>	<u>7,607,963</u>	<u>38,221,400</u>
<u>(129,029)</u>	<u>(1,296,714)</u>	<u>1,471,840</u>	<u>942,165</u>
16,293		187,101	203,394
	(16,293)	(167,793)	(203,394)
	7,648,000		7,648,000
	(69,409)		(69,409)
<u>16,293</u>	<u>7,562,298</u>	<u>19,308</u>	<u>7,578,591</u>
<u>(112,736)</u>	<u>6,265,584</u>	<u>1,491,148</u>	<u>8,520,756</u>
256,958		3,353,506	3,940,478
		(7,526)	(7,526)
			11,001
<u>\$ 144,222</u>	<u>\$ 6,265,584</u>	<u>\$ 4,837,128</u>	<u>\$ 12,464,709</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	\$	8,524,231
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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	\$ 5,983,990	
Less current year depreciation	<u>(1,581,252)</u>	4,402,738

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Assets.	(7,648,000)
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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	56,682	
Intergovernmental	<u>(774,953)</u>	(718,271)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	740,000
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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.

Deferred charges on issuance of debt	259,243	
Loss on disposal of capital assets	(17,192)	
Amortization of deferred bond items	(68,093)	
Compensated absences	<u>(92,036)</u>	<u>81,922</u>

Change in net assets in governmental activities	\$	<u>5,382,620</u>
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The notes to the financial statements are an integral part of this statement.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 623,662
Total assets	<u>\$ 623,662</u>
<u>LIABILITIES</u>	
Deposits held for others	550,903
Due to student groups	<u>72,759</u>
Total liabilities	<u>\$ 623,662</u>

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

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Douglas Unified School District No. 27 (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, food services, bookstore and athletic functions.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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, 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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

Property taxes, unrestricted State and County aid, 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.

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.

Title I Grants Fund – The Title I Grants Fund accounts for financial assistance to local educational agencies for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Other Federal Projects Fund – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

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.

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund, which 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 on 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 reported at fair value.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

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."

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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 – 20 years
Buildings and improvements	20 – 50 years
Vehicles, furniture and equipment	5 – 15 years

J. Compensated Absences

Compensated absences consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and therefore, are not accrued. However, for employees with ten years of service and 80 points toward retirement, sick leave benefits do vest and, therefore, are accrued. The current and long-term liabilities, including related benefits, for accumulated 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 or retirements. Generally, resources from the General Fund are used to pay for compensated absences.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

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.

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 funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.

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 \$798,087 and the bank balance was \$840,533. Of the bank balance \$250,000 was covered by Federal depository insurance and \$590,533 was guaranteed under the transaction account guarantee component of the Temporary Liquidity Guarantee Program.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – CASH AND INVESTMENTS (Concl'd)

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	0.94 years	\$11,534,366
Total		<u>\$11,534,366</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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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 funds in the aggregate, were as follows.

	General Fund	Title I Grants Fund	Other Federal Projects Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from Federal government	\$	\$ 703,906	\$ 360,820	\$ 321,203
Due from State government	4,919,780			555,817
Due from other districts				415,002
Net due from governmental entities	<u>\$4,919,780</u>	<u>\$ 703,906</u>	<u>\$ 360,820</u>	<u>\$ 1,292,022</u>

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.

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 243,540	\$
Delinquent property taxes receivable (Debt Service Fund)	103,808	
Delinquent property taxes receivable (Non-Major Governmental Funds)	105,123	
Grant drawdowns prior to meeting all eligibility requirements (Other Federal Projects Fund)		3,203
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		47,471
Measurable but unavailable revenues (General Fund)	22,642	
Measurable but unavailable revenues (Other Federal Projects Fund)	347,952	
Measurable but unavailable revenues (Non-Major Governmental Funds)	<u>415,002</u>	
Total deferred revenue for governmental funds	<u>\$ 1,238,067</u>	<u>\$ 50,674</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 59,000	\$	\$	\$ 59,000
Construction in progress		1,090,939		1,090,939
Total capital assets, not being depreciated	59,000	1,090,939		1,149,939
Capital assets, being depreciated:				
Land improvements	1,535,427	72,846		1,608,273
Buildings and improvements	40,179,579	4,580,047	35,350	44,724,276
Vehicles, furniture and equipment	5,284,432	240,158	83,235	5,441,355
Total capital assets being depreciated	46,999,438	4,893,051	118,585	51,773,904
Less accumulated depreciation for:				
Land improvements	(514,505)	(83,037)		(597,542)
Buildings and improvements	(11,669,658)	(1,074,192)	(34,393)	(12,709,457)
Vehicles, furniture and equipment	(2,287,045)	(424,023)	(67,000)	(2,644,068)
Total accumulated depreciation	(14,471,208)	(1,581,252)	(101,393)	(15,951,067)
Total capital assets, being depreciated, net	32,528,230	3,311,799	17,192	35,822,837
Governmental activities capital assets, net	<u>\$ 32,587,230</u>	<u>\$ 4,402,738</u>	<u>\$ 17,192</u>	<u>\$ 36,972,776</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 889,546
Support Services – students and staff	15,290
Support Services – administration	26,020
Operation and maintenance of plant services	419,558
Student transportation services	86,310
Operation of non-instructional services	144,528
Total depreciation expense – governmental activities	<u>\$1,581,252</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of the multipurpose and locker rooms at Clawson Elementary School. At year end the District had spent \$1.1 million on the projects and had estimated remaining contractual commitments of \$6.6 million. These projects are being funded with bond proceeds.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – 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.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Outstanding Principal June 30, 2010</u>	<u>Due Within One Year</u>
Governmental activities:					
Refunding Bonds, 2003	\$6,280,000	3.25%	7/1/10	\$ 740,000	\$ 740,000
School Improvement Bonds, Projects of 2009, Series 2010	7,648,000	2.5-4.75%	1/1/11-7/1/29	7,648,000	48,000
Total				<u>\$ 8,388,000</u>	<u>\$ 788,000</u>

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

		<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
Year ending June 30:	2011	\$ 788,000	\$ 213,099
	2012	200,000	297,513
	2013	305,000	293,325
	2014	310,000	285,638
	2015	320,000	276,963
	2016-20	1,750,000	1,221,922
	2021-25	2,105,000	849,572
	2026-30	2,610,000	321,100
Total		<u>\$ 8,388,000</u>	<u>\$ 3,759,132</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 1,770,000	\$7,648,000	\$1,030,000	\$8,388,000	\$ 788,000
Compensated absences payable	<u>286,058</u>	<u>308,104</u>	<u>216,068</u>	<u>378,094</u>	<u>62,316</u>
Governmental activity long-term liabilities	<u>\$ 2,056,058</u>	<u>\$7,956,104</u>	<u>\$1,246,068</u>	<u>\$8,766,094</u>	<u>\$ 850,316</u>

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

<u>Due to</u>	<u>Due from Non-Major Governmental Funds</u>
Title I Grants Fund	\$ 382,563
Non-Major Governmental Funds	<u>154,423</u>
Total	<u>\$ 536,986</u>

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. However, negative cash of \$2.9 million remained after interfund borrowing, resulting in an overdraft with the County Treasurer in the General Fund. All interfund balances are expected to be paid within one year.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

Transfers out	Transfers in		
	Debt Service Fund	Non-Major Governmental Funds	Total
Title I Grants Fund	\$	\$ 18,684	\$ 18,684
Other Federal Projects Fund		624	624
Bond Building Fund	16,293		16,293
Non-Major Governmental Funds		167,793	167,793
Total	<u>\$ 16,293</u>	<u>\$ 187,101</u>	<u>\$ 203,394</u>

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, (2) to move Federal grant funds restricted for indirect costs to the Indirect Costs Fund, a non-major governmental fund.

NOTE 9 – 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 10 – 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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 – RISK MANAGEMENT (Concl'd)

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.

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.

NOTE 11 – 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 0.40 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 0.40 percent for long-term disability) of the members' annual covered payroll.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 – 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.

		Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:				
	2010	\$1,404,175	\$ 111,122	\$ 67,347
	2009	1,254,289	150,703	78,491
	2008	1,234,649	161,041	76,686

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	\$	\$	\$ 711,174
Property taxes			1,907,494
State aid and grants			15,315,030
Federal aid, grants and reimbursements			2,082,686
Total revenues			20,016,384
Expenditures:			
Regular education			
Instruction	8,206,480	8,415,181	8,500,109
Support services - students and staff	1,057,121	1,134,453	1,036,074
Support services - administration	4,101,064	3,391,012	3,160,104
Operation and maintenance of plant services	1,274,542	3,513,357	3,305,282
Operation of non-instructional services	42,500	43,131	43,036
Total regular education	14,681,707	16,497,134	16,044,605
Special education			
Instruction	2,517,293	2,194,348	1,992,185
Support services - students and staff	311,000	474,997	349,279
Support services - administration	83,285	25,577	16,141
Operation and maintenance of plant services	500	250	181
Total special education	2,912,078	2,695,172	2,357,786
Pupil transportation			
Student transportation services	391,825	591,225	604,913
Total pupil transportation	391,825	591,225	604,913
Total expenditures	17,985,610	19,783,531	19,007,304
Change in fund balances	(17,985,610)	(19,783,531)	1,009,080
Fund balances, July 1, 2009			164,267
Increase in reserve for prepaid items			11,001
Fund balances (deficits), June 30, 2010	\$ (17,985,610)	\$ (19,783,531)	\$ 1,184,348

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TITLE I GRANTS
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Federal aid, grants and reimbursements	\$	\$	\$ 5,265,616
Total revenues			5,265,616
Expenditures:			
Current -			
Instruction		3,355,152	2,836,156
Support services - students and staff		2,395,742	2,025,153
Support services - administration		203,780	172,258
Operation and maintenance of plant services		926	783
Capital outlay		251,483	212,582
Total expenditures		6,207,083	5,246,932
Excess (deficiency) of revenues over expenditures		(6,207,083)	18,684
Other financing sources (uses):			
Transfer out		(18,684)	(18,684)
Total other financing sources (uses)		(18,684)	(18,684)
Change in fund balances		(6,225,767)	6,225,767
Fund balances, July 1, 2009			
Fund balances (deficits), June 30, 2010	\$	\$ (6,225,767)	\$ 6,225,767

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Other local	\$	\$	\$ 574
Federal aid, grants and reimbursements			4,149,350
Total revenues			4,149,924
Expenditures:			
Current -			
Instruction		24,101	66,818
Support services - students and staff		67,396	170,604
Support services - administration		5,721	15,862
Capital outlay		1,452,991	4,028,336
Total expenditures		1,550,209	4,281,620
Excess (deficiency) of revenues over expenditures		(1,550,209)	(131,696)
Other financing sources (uses):			
Transfer out		(624)	(624)
Total other financing sources (uses)		(624)	(624)
Change in fund balances		(1,550,833)	(132,320)
Fund balances, July 1, 2009			165,747
Fund balances (deficits), June 30, 2010	\$	\$ (1,550,833)	\$ 33,427
			\$ 1,584,260

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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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**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	\$	\$	\$ 5,493
Property taxes			629,528
Total revenues			635,021
Expenditures:			
Debt service -			
Interest and fiscal charges		620,542	24,050
Principal retirement		740,000	740,000
Total expenditures		1,360,542	764,050
Excess (deficiency) of revenues over expenditures		(1,360,542)	(129,029)
Other financing sources (uses):			
Transfer in			16,293
Total other financing sources (uses)			16,293
Change in fund balances		(1,360,542)	(112,736)
Fund balances, July 1, 2009			256,958
Fund balances (deficits), June 30, 2010	\$	\$ (1,360,542)	\$ 144,222
			\$ 1,504,764

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND BUILDING
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
Other local	\$	\$	\$ 16,817
Total revenues			16,817
Expenditures:			
Capital outlay		7,430,757	1,123,697
Debt service -			
Bond issuance costs			189,834
Total expenditures		7,430,757	1,313,531
Excess (deficiency) of revenues over expenditures		(7,430,757)	(1,296,714)
Other financing sources (uses):			
Transfer out			(16,293)
Issuance of school improvement bonds			7,648,000
Discount on sale of bonds			(69,409)
Total other financing sources (uses)			7,562,298
Change in fund balances		(7,430,757)	6,265,584
Fund balances, July 1, 2009			
Fund balances (deficits), June 30, 2010	\$	\$ (7,430,757)	\$ 6,265,584
			\$ 13,696,341

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NON-MAJOR GOVERNMENTAL FUNDS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2010

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 2,291,368	\$ 1,549,916	\$ 3,841,284
Property taxes receivable		147,280	147,280
Accounts receivable	8,360		8,360
Due from governmental entities	1,042,008	250,014	1,292,022
Due from other funds	536,986		536,986
Other assets	59,835		59,835
Total assets	<u>\$ 3,938,557</u>	<u>\$ 1,947,210</u>	<u>\$ 5,885,767</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 93,474	\$ 5,733	\$ 99,207
Due to other funds	154,423		154,423
Accrued payroll and employee benefits	227,413		227,413
Deferred revenues	462,473	105,123	567,596
Total liabilities	<u>937,783</u>	<u>110,856</u>	<u>1,048,639</u>
Fund balances:			
Unreserved:			
Undesignated	3,000,774	1,836,354	4,837,128
Total fund balances	<u>3,000,774</u>	<u>1,836,354</u>	<u>4,837,128</u>
Total liabilities and fund balances	<u>\$ 3,938,557</u>	<u>\$ 1,947,210</u>	<u>\$ 5,885,767</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2010

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
Revenues:			
Other local	\$ 1,904,235	\$ 53,783	\$ 1,958,018
Property taxes		1,134,658	1,134,658
State aid and grants	1,449,602	782,581	2,232,183
Federal aid, grants and reimbursements	3,754,944		3,754,944
Total revenues	<u>7,108,781</u>	<u>1,971,022</u>	<u>9,079,803</u>
Expenditures:			
Current -			
Instruction	2,335,868		2,335,868
Support services - students and staff	1,277,652		1,277,652
Support services - administration	392,157		392,157
Operation and maintenance of plant services	6,778		6,778
Student transportation services	146		146
Operation of non-instructional services	1,867,666		1,867,666
Capital outlay	796,640	931,056	1,727,696
Total expenditures	<u>6,676,907</u>	<u>931,056</u>	<u>7,607,963</u>
Excess (deficiency) of revenues over expenditures	<u>431,874</u>	<u>1,039,966</u>	<u>1,471,840</u>
Other financing sources (uses):			
Transfer in	187,101		187,101
Transfer out	(167,793)		(167,793)
Total other financing sources (uses)	<u>19,308</u>		<u>19,308</u>
Change in fund balances	<u>451,182</u>	<u>1,039,966</u>	<u>1,491,148</u>
Fund balances, beginning of year	2,557,118	796,388	3,353,506
(Decrease) in reserve for inventory	(7,526)		(7,526)
Fund balances, end of year	<u><u>\$ 3,000,774</u></u>	<u><u>\$ 1,836,354</u></u>	<u><u>\$ 4,837,128</u></u>

NON-MAJOR SPECIAL REVENUE FUNDS

The following non-major Special Revenue Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

Instructional Improvement - to account for the activity of monies received from gaming revenue.

County, City, and Town Grants - to account for monies received from county, city and town grants.

Structured English Immersion - to account for monies received to provide for the incremental cost of instruction to English language learners.

Compensatory Instruction - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

Special Education Grants - to account for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

Homeless Education - to account for financial assistance received for the needs of homeless children.

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

Early Childhood Block Grant - to account for financial assistance received for preschool education.

Chemical Abuse Prevention Programs - to account for financial assistance received for chemical abuse awareness programs.

At-Risk Pupil Dropout Prevention Project - to account for financial assistance from the State to provide dropout prevention programs for at-risk students.

Gifted - to account for financial assistance received from the State for programs for gifted students.

School Plant - to account for proceeds from the sale or lease of school property.

Food Service - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Career and Technical Education and Vocational Education Projects - to account for revenues and expenditures relating to the production and subsequent sale of items produced in an instructional program by vocational and technical education pupils.

Insurance Proceeds - to account for the monies received from insurance claims.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies transferred from Federal projects for administrative costs.

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

School Bus Advertisement - to account for monies received from the sale of advertising space on school buses.

Joint Technological Education - to account for monies received from Joint Technological Education Districts for vocational education programs.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Classroom Site	Instructional Improvement	County, City, and Town Grants	Structured English Immersion
<u>ASSETS</u>				
Cash and investments	\$ 183,856	\$ 470,593	\$ 5,999	\$ 11,882
Accounts receivable				
Due from governmental entities	263,025	42,778		
Due from other funds				
Other assets				
Total assets	<u>\$ 446,881</u>	<u>\$ 513,371</u>	<u>\$ 5,999</u>	<u>\$ 11,882</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$ 11,882
Due to other funds				
Accrued payroll and employee benefits	57,217	24,709		
Deferred revenues				
Total liabilities	<u>57,217</u>	<u>24,709</u>		<u>11,882</u>
Fund balances:				
Unreserved:				
Undesignated	389,664	488,662	5,999	
Total fund balances	<u>389,664</u>	<u>488,662</u>	<u>5,999</u>	
Total liabilities and fund balances	<u>\$ 446,881</u>	<u>\$ 513,371</u>	<u>\$ 5,999</u>	<u>\$ 11,882</u>

<u>Compensatory Instruction</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>Homeless Education</u>
\$ 40,057	\$	\$	\$	\$ 10,221	\$ 5
	110,120	984	152,151	14,214	
<u>\$ 40,057</u>	<u>\$ 110,120</u>	<u>\$ 984</u>	<u>\$ 152,151</u>	<u>\$ 24,435</u>	<u>\$ 5</u>
\$	\$ 6,119	\$	\$ 44,608	\$ 24,435	\$
	74,934	984	70,145		
22,464	29,067		37,398		
17,593					5
<u>40,057</u>	<u>110,120</u>	<u>984</u>	<u>152,151</u>	<u>24,435</u>	<u>5</u>
<u>\$ 40,057</u>	<u>\$ 110,120</u>	<u>\$ 984</u>	<u>\$ 152,151</u>	<u>\$ 24,435</u>	<u>\$ 5</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Continued)

	Medicaid Reimbursement	State Vocational Education	Early Childhood Block Grant	Chemical Abuse Prevention Programs
<u>ASSETS</u>				
Cash and investments	\$ 246,338	\$ 14,763	\$ 14,252	\$ 2,332
Accounts receivable				
Due from governmental entities	5,836			
Due from other funds				
Other assets				
Total assets	<u>\$ 252,174</u>	<u>\$ 14,763</u>	<u>\$ 14,252</u>	<u>\$ 2,332</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Due to other funds				
Accrued payroll and employee benefits	6,238		6,439	
Deferred revenues		14,763	7,813	2,332
Total liabilities	<u>6,238</u>	<u>14,763</u>	<u>14,252</u>	<u>2,332</u>
Fund balances:				
Unreserved:				
Undesignated	245,936			
Total fund balances	<u>245,936</u>			
Total liabilities and fund balances	<u>\$ 252,174</u>	<u>\$ 14,763</u>	<u>\$ 14,252</u>	<u>\$ 2,332</u>

<u>Gifted</u>	<u>School Plant</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Auxiliary Operations</u>
\$ 4,965	\$ 111,755	\$ 467,324	\$ 20,734	\$ 102,638	\$ 100,031
		37,898			
		59,835			
<u>\$ 4,965</u>	<u>\$ 111,755</u>	<u>\$ 565,057</u>	<u>\$ 20,734</u>	<u>\$ 102,638</u>	<u>\$ 100,031</u>
\$	\$	\$ 4,513	\$	\$	\$
		16,662		2,803	
<u>4,965</u>					
<u>4,965</u>		<u>21,175</u>		<u>2,803</u>	
	111,755	543,882	20,734	99,835	100,031
	<u>111,755</u>	<u>543,882</u>	<u>20,734</u>	<u>99,835</u>	<u>100,031</u>
<u>\$ 4,965</u>	<u>\$ 111,755</u>	<u>\$ 565,057</u>	<u>\$ 20,734</u>	<u>\$ 102,638</u>	<u>\$ 100,031</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010
(Concluded)

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Career and Technical Education and Vocational Education Projects	Insurance Proceeds
<u>ASSETS</u>				
Cash and investments	\$ 66,894	\$ 66,411	\$	\$ 69,390
Accounts receivable			8,360	
Due from governmental entities				
Due from other funds				
Other assets				
Total assets	<u>\$ 66,894</u>	<u>\$ 66,411</u>	<u>\$ 8,360</u>	<u>\$ 69,390</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Due to other funds			8,360	
Accrued payroll and employee benefits				
Deferred revenues				
Total liabilities			<u>8,360</u>	
Fund balances:				
Unreserved:				
Undesignated	66,894	66,411		69,390
Total fund balances	<u>66,894</u>	<u>66,411</u>		<u>69,390</u>
Total liabilities and fund balances	<u>\$ 66,894</u>	<u>\$ 66,411</u>	<u>\$ 8,360</u>	<u>\$ 69,390</u>

Textbooks	Litigation Recovery	Grants and Gifts to Teachers	School Bus Advertisement	Joint Technological Education	Totals
\$ 63,359	\$ 201,564	\$ 2,316	\$ 13,689	\$	\$ 2,291,368
					8,360
				415,002	1,042,008
	99,522			437,464	536,986
					59,835
<u>\$ 63,359</u>	<u>\$ 301,086</u>	<u>\$ 2,316</u>	<u>\$ 13,689</u>	<u>\$ 852,466</u>	<u>\$ 3,938,557</u>
\$	\$	\$	\$	\$ 1,917	\$ 93,474
					154,423
				24,416	227,413
				415,002	462,473
				441,335	937,783
63,359	301,086	2,316	13,689	411,131	3,000,774
63,359	301,086	2,316	13,689	411,131	3,000,774
<u>\$ 63,359</u>	<u>\$ 301,086</u>	<u>\$ 2,316</u>	<u>\$ 13,689</u>	<u>\$ 852,466</u>	<u>\$ 3,938,557</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 5,829	\$ 8,341	\$ 23
State aid and grants	1,061,693	153,242	
Federal aid, grants and reimbursements			
Total revenues	<u>1,067,522</u>	<u>161,583</u>	<u>23</u>
Expenditures:			
Current -			
Instruction	894,210	185,149	623
Support services - students and staff	39,937	33,086	
Support services - administration			
Operation and maintenance of plant services		908	
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>934,147</u>	<u>219,143</u>	<u>623</u>
Excess (deficiency) of revenues over expenditures	<u>133,375</u>	<u>(57,560)</u>	<u>(600)</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	<u>133,375</u>	<u>(57,560)</u>	<u>(600)</u>
Fund balances, beginning of year	256,289	546,222	6,599
(Decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 389,664</u>	<u>\$ 488,662</u>	<u>\$ 5,999</u>

Compensatory Instruction	Professional Development and Technology Grants	Title IV Grants	Special Education Grants	Vocational Education	Homeless Education
\$	\$	\$	\$	\$	\$
68,942					
	778,460	33,476	926,813	165,930	6,817
68,942	778,460	33,476	926,813	165,930	6,817
68,942	140,978	19,886	422,084	22,068	1,362
	612,124	5,204	336,108	94,437	5,455
	1,415	8,386	200	1,742	
				222	
	19,402		168,050	46,428	
68,942	773,919	33,476	926,442	164,897	6,817
	4,541		371	1,033	
	(4,541)		(371)	(1,033)	
	(4,541)		(371)	(1,033)	
\$	\$	\$	\$	\$	\$

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Medicaid Reimbursement	State Vocational Education	Early Childhood Block Grant
Revenues:			
Other local	\$ 695	\$	\$
State aid and grants		67,900	38,917
Federal aid, grants and reimbursements	69,750		
Total revenues	<u>70,445</u>	<u>67,900</u>	<u>38,917</u>
Expenditures:			
Current -			
Instruction	7,082	9,844	38,917
Support services - students and staff	2,543	4,867	
Support services - administration			
Operation and maintenance of plant services		5,648	
Student transportation services			
Operation of non-instructional services			
Capital outlay		47,541	
Total expenditures	<u>9,625</u>	<u>67,900</u>	<u>38,917</u>
Excess (deficiency) of revenues over expenditures	<u>60,820</u>		
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	<u>60,820</u>		
Fund balances, beginning of year	185,116		
(Decrease) in reserve for inventory			
Fund balances, end of year	<u><u>\$ 245,936</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

At-Risk Pupil Dropout Prevention Project	Gifted	School Plant	Food Service	Civic Center	Community School
\$	\$	\$	\$	\$	\$
52,147	6,761	63,613	186,484	1,938	69,702
			1,773,698		
52,147	6,761	63,613	1,960,182	1,938	69,702
29,011	6,578				4,609
14,361					
8,775					
			1,672,289		
	183	145,758	92,060		
52,147	6,761	145,758	1,764,349		4,609
		(82,145)	195,833	1,938	65,093
			(161,848)		
			(161,848)		
		(82,145)	33,985	1,938	65,093
		193,900	517,423	18,796	34,742
			(7,526)		
\$	\$	\$	\$	\$	\$
		111,755	543,882	20,734	99,835

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 213,453	\$ 19,828	\$ 44,379
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>213,453</u>	<u>19,828</u>	<u>44,379</u>
Expenditures:			
Current -			
Instruction		13,050	10,534
Support services - students and staff			1,546
Support services - administration			16,191
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	195,377		
Capital outlay			1,500
Total expenditures	<u>195,377</u>	<u>13,050</u>	<u>29,771</u>
Excess (deficiency) of revenues over expenditures	<u>18,076</u>	<u>6,778</u>	<u>14,608</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>
Change in fund balances	<u>18,076</u>	<u>6,778</u>	<u>14,608</u>
Fund balances, beginning of year	81,955	60,116	51,803
(Decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 100,031</u>	<u>\$ 66,894</u>	<u>\$ 66,411</u>

Career and Technical Education and Vocational Education Projects	Insurance Proceeds	Textbooks	Litigation Recovery	Indirect Costs	Grants and Gifts to Teachers
\$ 63,071	\$ 459	\$ 737	\$ 21,661	\$	\$ 9
63,071	459	737	21,661		9
61,416 915				187,101	
835					
63,166				187,101	
(95)	459	737	21,661	(187,101)	9
				187,101	
				187,101	
(95)	459	737	21,661		9
95	68,931	62,622	279,425		2,307
\$	\$ 69,390	\$ 63,359	\$ 301,086	\$	\$ 2,316

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	School Bus Advertisement	Joint Technological Education	Totals
Revenues:			
Other local	\$ 51	\$ 1,203,962	\$ 1,904,235
State aid and grants			1,449,602
Federal aid, grants and reimbursements			3,754,944
Total revenues	<u>51</u>	<u>1,203,962</u>	<u>7,108,781</u>
Expenditures:			
Current -			
Instruction		399,525	2,335,868
Support services - students and staff		127,069	1,277,652
Support services - administration		168,347	392,157
Operation and maintenance of plant services			6,778
Student transportation services		146	146
Operation of non-instructional services			1,867,666
Capital outlay		274,883	796,640
Total expenditures		<u>969,970</u>	<u>6,676,907</u>
Excess (deficiency) of revenues over expenditures	<u>51</u>	<u>233,992</u>	<u>431,874</u>
Other financing sources (uses):			
Transfer in			187,101
Transfer out			(167,793)
Total other financing sources (uses)			<u>19,308</u>
Change in fund balances	<u>51</u>	<u>233,992</u>	<u>451,182</u>
Fund balances, beginning of year	13,638	177,139	2,557,118
(Decrease) in reserve for inventory			(7,526)
Fund balances, end of year	<u>\$ 13,689</u>	<u>\$ 411,131</u>	<u>\$ 3,000,774</u>

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	\$	\$ 5,829	\$ 5,829
State aid and grants		1,061,693	1,061,693
Federal aid, grants and reimbursements			
Total revenues		<u>1,067,522</u>	<u>1,067,522</u>
Expenditures:			
Current -			
Instruction	2,172,140	894,210	1,277,930
Support services - students and staff	42,976	39,937	3,039
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,215,116</u>	<u>934,147</u>	<u>1,280,969</u>
Excess (deficiency) of revenues over expenditures	<u>(2,215,116)</u>	<u>133,375</u>	<u>2,348,491</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	<u>(2,215,116)</u>	<u>133,375</u>	<u>2,348,491</u>
Fund balances, July 1, 2009		256,289	256,289
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	<u>\$ (2,215,116)</u>	<u>\$ 389,664</u>	<u>\$ 2,604,780</u>

Instructional Improvement		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,341	\$ 8,341
	153,242	153,242
	161,583	161,583
283,881	185,149	98,732
50,729	33,086	17,643
1,392	908	484
336,002	219,143	116,859
(336,002)	(57,560)	278,442
(336,002)	(57,560)	278,442
	546,222	546,222
\$ (336,002)	\$ 488,662	\$ 824,664

County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 23	\$ 23
	23	23
889	623	266
889	623	266
(889)	(600)	289
(889)	(600)	289
	6,599	6,599
\$ (889)	\$ 5,999	\$ 6,888

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	154,915		154,915
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	154,915		154,915
Excess (deficiency) of revenues over expenditures	(154,915)		154,915
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(154,915)		154,915
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (154,915)	\$	\$ 154,915

Compensatory Instruction		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
	68,942	68,942
	68,942	68,942

144,153	68,942	75,211
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144,153	68,942	75,211
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(144,153)		144,153
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(144,153)		144,153
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\$ (144,153)	\$	\$ 144,153
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Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
	778,460	778,460
	778,460	778,460

176,421	140,978	35,443
766,017	612,124	153,893
1,771	1,415	356

24,280	19,402	4,878
968,489	773,919	194,570

(968,489)	4,541	973,030
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(4,541)	(4,541)	
(4,541)	(4,541)	

(973,030)		973,030
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\$ (973,030)	\$	\$ 973,030
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(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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		33,476	33,476
Total revenues		33,476	33,476
Expenditures:			
Current -			
Instruction	21,312	19,886	1,426
Support services - students and staff	5,577	5,204	373
Support services - administration	8,988	8,386	602
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	35,877	33,476	2,401
Excess (deficiency) of revenues over expenditures	(35,877)		35,877
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(35,877)		35,877
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (35,877)	\$	\$ 35,877

Special Education Grants		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
	926,813	926,813
	926,813	926,813
767,627	422,084	345,543
611,266	336,108	275,158
364	200	164
305,625	168,050	137,575
1,684,882	926,442	758,440
(1,684,882)	371	1,685,253
(371)	(371)	
(371)	(371)	
(1,685,253)		1,685,253
\$ (1,685,253)	\$	\$ 1,685,253

Vocational Education		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
	165,930	165,930
	165,930	165,930
24,529	22,068	2,461
104,968	94,437	10,531
1,936	1,742	194
247	222	25
51,606	46,428	5,178
183,286	164,897	18,389
(183,286)	1,033	184,319
(1,033)	(1,033)	
(1,033)	(1,033)	
(184,319)		184,319
\$ (184,319)	\$	\$ 184,319

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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		6,817	6,817
Total revenues		6,817	6,817
Expenditures:			
Current -			
Instruction	1,563	1,362	201
Support services - students and staff	6,258	5,455	803
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	7,821	6,817	1,004
Excess (deficiency) of revenues over expenditures	(7,821)		7,821
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(7,821)		7,821
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (7,821)	\$	\$ 7,821

Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 695	\$ 695
	69,750	69,750
	70,445	70,445

154,516	7,082	147,434
55,484	2,543	52,941

210,000	9,625	200,375
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(210,000)	60,820	270,820
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(210,000)	60,820	270,820
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	185,116	185,116
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\$ (210,000)	\$ 245,936	\$ 455,936
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State Vocational Education		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 67,900	\$ 67,900
	67,900	67,900

5,426	9,844	(4,418)
2,683	4,867	(2,184)

3,113	5,648	(2,535)
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26,202	47,541	(21,339)
37,424	67,900	(30,476)

(37,424)		37,424
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(37,424)		37,424
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\$ (37,424)	\$	\$ 37,424
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(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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		38,917	38,917
Federal aid, grants and reimbursements			
Total revenues		38,917	38,917
Expenditures:			
Current -			
Instruction	43,539	38,917	4,622
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	43,539	38,917	4,622
Excess (deficiency) of revenues over expenditures	(43,539)		43,539
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(43,539)		43,539
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (43,539)	\$	\$ 43,539

Chemical Abuse Prevention Programs		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
2,323		2,323
2,323		2,323
(2,323)		2,323
(2,323)		2,323
\$ (2,323)	\$	\$ 2,323

At-Risk Pupil Dropout Prevention Project		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
	52,147	52,147
	52,147	52,147
56,618	29,011	27,607
28,027	14,361	13,666
17,125	8,775	8,350
101,770	52,147	49,623
(101,770)		101,770
(101,770)		101,770
\$ (101,770)	\$	\$ 101,770

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Gifted		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		6,761	6,761
Federal aid, grants and reimbursements			
Total revenues		6,761	6,761
Expenditures:			
Current -			
Instruction	11,394	6,578	4,816
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	317	183	134
Total expenditures	11,711	6,761	4,950
Excess (deficiency) of revenues over expenditures	(11,711)		11,711
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(11,711)		11,711
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (11,711)	\$	\$ 11,711

School Plant			Food Service		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 63,613	\$ 63,613	\$	\$ 186,484	\$ 186,484
				1,773,698	1,773,698
	63,613	63,613		1,960,182	1,960,182
220,000	145,758	74,242	1,551,337	1,672,289	(120,952)
220,000	145,758	74,242	88,954	92,060	(3,106)
			1,640,291	1,764,349	(124,058)
(220,000)	(82,145)	137,855	(1,640,291)	195,833	1,836,124
			(161,848)	(161,848)	
			(161,848)	(161,848)	
(220,000)	(82,145)	137,855	(1,802,139)	33,985	1,836,124
	193,900	193,900		517,423	517,423
				(7,526)	(7,526)
\$ (220,000)	\$ 111,755	\$ 331,755	\$ (1,802,139)	\$ 543,882	\$ 2,346,021

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,938	\$ 1,938
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1,938	1,938
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	35,000		35,000
Capital outlay			
Total expenditures	35,000		35,000
Excess (deficiency) of revenues over expenditures	(35,000)	1,938	36,938
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(35,000)	1,938	36,938
Fund balances, July 1, 2009		18,796	18,796
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (35,000)	\$ 20,734	\$ 55,734

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 69,702	\$ 69,702	\$	\$ 213,453	\$ 213,453
	69,702	69,702		213,453	213,453
84,000	4,609	79,391			
			275,000	195,377	79,623
84,000	4,609	79,391	275,000	195,377	79,623
(84,000)	65,093	149,093	(275,000)	18,076	293,076
(84,000)	65,093	149,093	(275,000)	18,076	293,076
	34,742	34,742		81,955	81,955
\$ (84,000)	\$ 99,835	\$ 183,835	\$ (275,000)	\$ 100,031	\$ 375,031

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 19,828	\$ 19,828
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		19,828	19,828
Expenditures:			
Current -			
Instruction	150,000	13,050	136,950
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	150,000	13,050	136,950
Excess (deficiency) of revenues over expenditures	(150,000)	6,778	156,778
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(150,000)	6,778	156,778
Fund balances, July 1, 2009		60,116	60,116
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (150,000)	\$ 66,894	\$ 216,894

Gifts and Donations			Career and Technical Education and Vocational Education Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 44,379	\$ 44,379	\$	\$ 63,071	\$ 63,071
	44,379	44,379		63,071	63,071
36,862	10,534	26,328	72,820	61,416	11,404
5,410	1,546	3,864	1,085	915	170
56,658	16,191	40,467			
5,249	1,500	3,749	990	835	155
104,179	29,771	74,408	74,895	63,166	11,729
(104,179)	14,608	118,787	(74,895)	(95)	74,800
(104,179)	14,608	118,787	(74,895)	(95)	74,800
	51,803	51,803		95	95
\$ (104,179)	\$ 66,411	\$ 170,590	\$ (74,895)	\$	\$ 74,895

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Insurance Proceeds		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 459	\$ 459
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		459	459
Expenditures:			
Current -			
Instruction	75,000		75,000
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	75,000		75,000
Excess (deficiency) of revenues over expenditures	(75,000)	459	75,459
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(75,000)	459	75,459
Fund balances, July 1, 2009		68,931	68,931
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (75,000)	\$ 69,390	\$ 144,390

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 737	\$ 737	\$	\$ 21,661	\$ 21,661
	737	737		21,661	21,661
65,000		65,000	85,000		85,000
65,000		65,000	85,000		85,000
(65,000)	737	65,737	(85,000)	21,661	106,661
(65,000)	737	65,737	(85,000)	21,661	106,661
	62,622	62,622		279,425	279,425
\$ (65,000)	\$ 63,359	\$ 128,359	\$ (85,000)	\$ 301,086	\$ 386,086

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Continued)

	Indirect Costs		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	187,101	187,101	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	187,101	187,101	
Excess (deficiency) of revenues over expenditures	(187,101)	(187,101)	
Other financing sources (uses):			
Transfer in	187,101	187,101	
Transfer out			
Total other financing sources (uses)	187,101	187,101	
Change in fund balances			
Fund balances, July 1, 2009			
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$	\$	\$

Grants and Gifts to Teachers		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 9	\$ 9
	9	9
3,500		3,500
3,500		3,500
(3,500)	9	3,509
(3,500)	9	3,509
	2,307	2,307
\$ (3,500)	\$ 2,316	\$ 5,816

School Bus Advertisement		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 51	\$ 51
	51	51
13,657		13,657
13,657		13,657
(13,657)	51	13,708
(13,657)	51	13,708
	13,638	13,638
\$ (13,657)	\$ 13,689	\$ 27,346

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2010
(Concluded)

	Joint Technological Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,203,962	\$ 1,203,962
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1,203,962	1,203,962
Expenditures:			
Current -			
Instruction	430,638	399,525	31,113
Support services - students and staff	136,965	127,069	9,896
Support services - administration	181,457	168,347	13,110
Operation and maintenance of plant services			
Student transportation services	157	146	11
Operation of non-instructional services			
Capital outlay	296,290	274,883	21,407
Total expenditures	1,045,507	969,970	75,537
Excess (deficiency) of revenues over expenditures	(1,045,507)	233,992	1,279,499
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Change in fund balances	(1,045,507)	233,992	1,279,499
Fund balances, July 1, 2009		177,139	177,139
(Decrease) in reserve for inventory			
Fund balances (deficits), June 30, 2010	\$ (1,045,507)	\$ 411,131	\$ 1,456,638

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,904,235	\$ 1,904,235
	1,449,602	1,449,602
	3,754,944	3,754,944
	7,108,781	7,108,781
5,037,723	2,335,868	2,701,855
1,817,445	1,277,652	539,793
455,400	392,157	63,243
4,752	6,778	(2,026)
157	146	11
1,861,337	1,867,666	(6,329)
1,019,513	796,640	222,873
10,196,327	6,676,907	3,519,420
(10,196,327)	431,874	10,628,201
187,101	187,101	
(167,793)	(167,793)	
19,308	19,308	
(10,177,019)	451,182	10,628,201
	2,557,118	2,557,118
	(7,526)	(7,526)
\$ (10,177,019)	\$ 3,000,774	\$ 13,177,793

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NON-MAJOR CAPITAL PROJECTS FUNDS

The following non-major Capital Projects Funds are maintained by the District. Arizona Revised Statutes (A.R.S.) and the Uniform System of Financial Records (USFR) require the establishment of these funds for the specified financial activities.

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

Soft Capital Allocation - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

Building Renewal - to account for monies received from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems or buildings that will maintain or extend their useful life.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Unrestricted Capital Outlay	Adjacent Ways	Soft Capital Allocation	Building Renewal
<u>ASSETS</u>				
Cash and investments	\$ 415,671	\$ 235,258	\$ 770,489	\$ 128,498
Property taxes receivable	126,774	3,704	16,802	
Due from governmental entities	1,836		248,178	
Total assets	\$ 544,281	\$ 238,962	\$ 1,035,469	\$ 128,498
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 3,646	\$	\$ 2,087	\$
Deferred revenues	86,958	2,535	15,630	
Total liabilities	90,604	2,535	17,717	
Fund balances:				
Unreserved:				
Undesignated	453,677	236,427	1,017,752	128,498
Total fund balances	453,677	236,427	1,017,752	128,498
Total liabilities and fund balances	\$ 544,281	\$ 238,962	\$ 1,035,469	\$ 128,498

Totals	
\$	1,549,916
	147,280
	<u>250,014</u>
\$	<u><u>1,947,210</u></u>

\$	5,733
	<u>105,123</u>
	<u>110,856</u>

	<u>1,836,354</u>
	<u>1,836,354</u>

\$	<u><u>1,947,210</u></u>
----	-------------------------

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2010

	Unrestricted Capital Outlay	Adjacent Ways	Soft Capital Allocation
Revenues:			
Other local	\$ 2,420	\$ 4,345	\$ 45,262
Property taxes	1,074,245	31,525	28,888
State aid and grants	5,575		777,006
Total revenues	<u>1,082,240</u>	<u>35,870</u>	<u>851,156</u>
Expenditures:			
Capital outlay	<u>628,653</u>	<u>52,788</u>	<u>202,013</u>
Total expenditures	<u>628,653</u>	<u>52,788</u>	<u>202,013</u>
 Change in fund balances	 <u>453,587</u>	 <u>(16,918)</u>	 <u>649,143</u>
 Fund balances, beginning of year	 90	 253,345	 368,609
 Fund balances, end of year	 <u><u>\$ 453,677</u></u>	 <u><u>\$ 236,427</u></u>	 <u><u>\$ 1,017,752</u></u>

Building Renewal	Totals
\$ 1,756	\$ 53,783
	1,134,658
	782,581
<u>1,756</u>	<u>1,971,022</u>
47,602	931,056
<u>47,602</u>	<u>931,056</u>
(45,846)	1,039,966
174,344	796,388
<u>\$ 128,498</u>	<u>\$ 1,836,354</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,420	\$ 2,420
Property taxes		1,074,245	1,074,245
State aid and grants		5,575	5,575
Total revenues		1,082,240	1,082,240
Expenditures:			
Capital outlay	1,272,885	628,653	644,232
Total expenditures	1,272,885	628,653	644,232
Change in fund balances	(1,272,885)	453,587	1,726,472
Fund balances, July 1, 2009		90	90
Fund balances (deficits), June 30, 2010	<u>\$ (1,272,885)</u>	<u>\$ 453,677</u>	<u>\$ 1,726,562</u>

Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 4,345	\$ 4,345
	31,525	31,525
	35,870	35,870
150,000	52,788	97,212
150,000	52,788	97,212
(150,000)	(16,918)	133,082
	253,345	253,345
\$ (150,000)	\$ 236,427	\$ 386,427

Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 45,262	\$ 45,262
	28,888	28,888
	777,006	777,006
	851,156	851,156
834,753	202,013	632,740
834,753	202,013	632,740
(834,753)	649,143	1,483,896
	368,609	368,609
\$ (834,753)	\$ 1,017,752	\$ 1,852,505

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	\$	\$ 1,756	\$ 1,756
Property taxes			
State aid and grants			
Total revenues		1,756	1,756
Expenditures:			
Capital outlay	156,830	47,602	109,228
Total expenditures	156,830	47,602	109,228
Change in fund balances	(156,830)	(45,846)	110,984
Fund balances, July 1, 2009		174,344	174,344
Fund balances (deficits), June 30, 2010	<u>\$ (156,830)</u>	<u>\$ 128,498</u>	<u>\$ 285,328</u>

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 53,783	\$ 53,783
	1,134,658	1,134,658
	782,581	782,581
	1,971,022	1,971,022
2,414,468	931,056	1,483,412
2,414,468	931,056	1,483,412
(2,414,468)	1,039,966	3,454,434
	796,388	796,388
\$ (2,414,468)	\$ 1,836,354	\$ 4,250,822

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AGENCY FUNDS

Student Activities - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

Employee Withholding - to account for voluntary deductions temporarily held by the District as an agent.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2010

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 72,759	\$ 550,903	\$ 623,662
Total assets	<u>\$ 72,759</u>	<u>\$ 550,903</u>	<u>\$ 623,662</u>
<u>LIABILITIES</u>			
Deposits held for others		550,903	550,903
Due to student groups	72,759		72,759
Total liabilities	<u>\$ 72,759</u>	<u>\$ 550,903</u>	<u>\$ 623,662</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>84,214</u>	\$ <u>143,518</u>	\$ <u>154,973</u>	\$ <u>72,759</u>
Total assets	\$ <u><u>84,214</u></u>	\$ <u><u>143,518</u></u>	\$ <u><u>154,973</u></u>	\$ <u><u>72,759</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>84,214</u>	\$ <u>143,518</u>	\$ <u>154,973</u>	\$ <u>72,759</u>
Total liabilities	\$ <u><u>84,214</u></u>	\$ <u><u>143,518</u></u>	\$ <u><u>154,973</u></u>	\$ <u><u>72,759</u></u>
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>507,039</u>	\$ <u>3,407,317</u>	\$ <u>3,363,453</u>	\$ <u>550,903</u>
Total assets	\$ <u><u>507,039</u></u>	\$ <u><u>3,407,317</u></u>	\$ <u><u>3,363,453</u></u>	\$ <u><u>550,903</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>507,039</u>	\$ <u>3,407,317</u>	\$ <u>3,363,453</u>	\$ <u>550,903</u>
Total liabilities	\$ <u><u>507,039</u></u>	\$ <u><u>3,407,317</u></u>	\$ <u><u>3,363,453</u></u>	\$ <u><u>550,903</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>591,253</u>	\$ <u>3,550,835</u>	\$ <u>3,518,426</u>	\$ <u>623,662</u>
Total assets	\$ <u><u>591,253</u></u>	\$ <u><u>3,550,835</u></u>	\$ <u><u>3,518,426</u></u>	\$ <u><u>623,662</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>507,039</u>	\$ <u>3,407,317</u>	\$ <u>3,363,453</u>	\$ <u>550,903</u>
Due to student groups	<u>84,214</u>	<u>143,518</u>	<u>154,973</u>	<u>72,759</u>
Total liabilities	\$ <u><u>591,253</u></u>	\$ <u><u>3,550,835</u></u>	\$ <u><u>3,518,426</u></u>	\$ <u><u>623,662</u></u>

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STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the District's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place and to help make comparisons with other school districts.

Operating Information

These schedules contain information about the District's operations and various resources to help the reader draw conclusions as to how the District's financial information relates to the services provided by the District.

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NET ASSETS BY COMPONENT
LAST 8 FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 34,850,360	\$ 30,817,230	\$ 30,074,988	\$ 30,056,109	\$ 29,270,589
Restricted	2,189,507	1,285,491	2,945,518	4,228,481	2,657,505
Unrestricted	5,936,929	5,491,455	4,498,888	2,474,019	5,761,993
Total net assets	<u>\$ 42,976,796</u>	<u>\$ 37,594,176</u>	<u>\$ 37,519,394</u>	<u>\$ 36,758,609</u>	<u>\$ 37,690,087</u>

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:			
Invested in capital assets, net of related debt	\$ 28,089,399	\$ 26,087,717	\$ 11,022,878
Restricted	2,383,785	2,554,986	3,015,565
Unrestricted	4,733,339	3,913,896	2,935,313
Total net assets	<u>\$ 35,206,523</u>	<u>\$ 32,556,599</u>	<u>\$ 16,973,756</u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003 therefore only eight years are shown.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST 8 FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Instruction	\$ 17,193,268	\$ 17,343,288	\$ 17,834,162	\$ 19,063,940	\$ 16,820,718
Support services - students and staff	4,909,283	3,377,009	2,879,445	2,728,216	2,670,700
Support services - administration	4,278,874	4,161,607	3,664,508	3,343,558	3,281,778
Operation and maintenance of plant services	3,781,781	4,413,063	4,311,968	4,099,917	3,620,249
Student transportation services	696,240	644,805	617,619	547,154	482,146
Operation of non-instructional services	2,111,085	2,019,035	1,908,757	1,759,754	1,478,780
Interest on long-term debt	92,143	123,043	153,544	180,909	205,395
Total expenses	<u>33,062,674</u>	<u>32,081,850</u>	<u>31,370,003</u>	<u>31,723,448</u>	<u>28,559,766</u>
Program Revenues					
Charges for services:					
Instruction	992,987	1,068,210	1,038,252	888,597	837,764
Operation of non-instructional services	398,342	49,981	281,964	272,112	410,206
Other activities	429,339	384,528	45,114	17,831	13,643
Operating grants and contributions	9,497,217	6,822,564	6,014,897	5,464,554	5,733,337
Capital grants and contributions	4,623,246	1,006,217	430,206	260,781	764,779
Total program revenues	<u>15,941,131</u>	<u>9,331,500</u>	<u>7,810,433</u>	<u>6,903,875</u>	<u>7,759,729</u>
Net (Expense)/Revenue	<u>\$ (17,121,543)</u>	<u>\$ (22,750,350)</u>	<u>\$ (23,559,570)</u>	<u>\$ (24,819,573)</u>	<u>\$ (20,800,037)</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST 8 FISCAL YEARS
(Accrual basis of accounting)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses			
Instruction	\$ 15,810,974	\$ 16,833,993	\$ 15,743,915
Support services - students and staff	2,129,529	2,045,518	1,886,556
Support services - administration	3,446,740	3,208,522	2,817,350
Operation and maintenance of plant services	3,448,839	2,769,928	2,674,302
Student transportation services	470,117	454,475	338,942
Operation of non-instructional services	1,249,514	1,448,525	1,442,825
Interest on long-term debt	238,292	268,127	215,545
Total expenses	<u>26,794,005</u>	<u>27,029,088</u>	<u>25,119,435</u>
Program Revenues			
Charges for services:			
Instruction	570,685	200,106	302,576
Operation of non-instructional services	297,373	188,658	255,060
Other activities	233,583	51,540	
Operating grants and contributions	5,052,553	4,347,401	4,643,374
Capital grants and contributions	1,240,431	2,407,164	291,742
Total program revenues	<u>7,394,625</u>	<u>7,194,869</u>	<u>5,492,752</u>
Net (Expense)/Revenue	<u><u>\$ (19,399,380)</u></u>	<u><u>\$ (19,834,219)</u></u>	<u><u>\$ (19,626,683)</u></u>

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003 therefore only eight years are shown.

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST 8 FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (17,121,543)	\$ (22,750,350)	\$ (23,559,570)	\$ (24,819,573)	\$ (20,800,037)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,918,514	2,011,783	1,747,944	705,729	1,154,847
Property taxes, levied for debt service	593,885	1,211,057	1,112,759	868,837	640,847
Property taxes, levied for capital outlay	1,215,963		59,363	1,715,755	1,244,032
Investment income (loss)	63,807	110,593	352,938	257,928	190,707
Unrestricted county aid	722,029	669	4,037	16,886	577,687
Unrestricted state aid	15,907,279	19,491,030	21,043,314	20,322,960	19,179,853
Unrestricted federal aid	2,082,686				
Total general revenues	<u>22,504,163</u>	<u>22,825,132</u>	<u>24,320,355</u>	<u>23,888,095</u>	<u>22,987,973</u>
Changes in Net Assets	<u>\$ 5,382,620</u>	<u>\$ 74,782</u>	<u>\$ 760,785</u>	<u>\$ (931,478)</u>	<u>\$ 2,187,936</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST 8 FISCAL YEARS
(Accrual basis of accounting)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense)/Revenue	\$ (19,399,380)	\$ (19,834,219)	\$ (19,626,683)
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	2,145,942	2,107,271	1,403,568
Property taxes, levied for debt service	817,745	984,040	1,105,628
Property taxes, levied for capital outlay	169,873	15,300	594,711
Investment income (loss)	67,605	77,241	(56,393)
Unrestricted county aid	566,811	544,935	540,850
Unrestricted state aid	18,281,328	31,657,457	20,769,353
Total general revenues	<u>22,049,304</u>	<u>35,386,244</u>	<u>24,357,717</u>
Changes in Net Assets	<u>\$ 2,649,924</u>	<u>\$ 15,552,025</u>	<u>\$ 4,731,034</u>

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

- Notes:** 1) The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003 therefore only eight years are shown.
- 2) In fiscal year 2003, investment income includes an investment loss due to a loss suffered in the participation of the Local Government Investment Pool.

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FUND BALANCES - GOVERNMENTAL FUNDS
LAST 9 FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$ 333,882	\$ 322,881	\$ 480,181	\$ 125,846	\$ 162,973
Unreserved	850,466	(158,614)	314,448	195,064	1,367,162
Total General Fund	<u>\$ 1,184,348</u>	<u>\$ 164,267</u>	<u>\$ 794,629</u>	<u>\$ 320,910</u>	<u>\$ 1,530,135</u>
All Other Governmental Funds:					
Reserved		\$ 7,526	\$ 10,524	\$ 12,528	\$ 17,267
Unreserved, reported in:					
Special revenue funds	3,034,201	2,715,339	2,297,125	1,279,780	2,782,126
Capital projects funds	8,101,938	796,388	2,664,402	3,945,363	2,195,063
Debt service fund	144,222	256,958	136,972	100,645	251,813
Total all other governmental funds	<u>\$ 11,280,361</u>	<u>\$ 3,776,211</u>	<u>\$ 5,109,023</u>	<u>\$ 5,338,316</u>	<u>\$ 5,246,269</u>
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
General Fund:					
Reserved	\$ 155,402	\$ 211,999	\$ 437,081	\$ 216,760	
Unreserved	1,664,108	1,784,700	607,468	1,313,172	
Total General Fund	<u>\$ 1,819,510</u>	<u>\$ 1,996,699</u>	<u>\$ 1,044,549</u>	<u>\$ 1,529,932</u>	
All Other Governmental Funds:					
Reserved	\$ 20,777	\$	\$	\$	
Unreserved, reported in:					
Special revenue funds	2,112,524	944,016	1,079,258	451,906	
Capital projects funds	1,533,514	1,671,195	2,117,900	1,503,688	
Debt service fund	665,157	705,625	649,984	1,557,000	
Total all other governmental funds	<u>\$ 4,331,972</u>	<u>\$ 3,320,836</u>	<u>\$ 3,847,142</u>	<u>\$ 3,512,594</u>	

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS REVENUES
LAST 9 FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal sources:					
Federal grants	\$ 11,396,212	\$ 5,002,016	\$ 4,620,887	\$ 4,080,218	\$ 4,572,004
National School Lunch Program	1,773,698	1,646,185	1,510,340	1,344,709	1,281,516
ARRA State Fiscal Stabilization	2,082,686				
Total federal sources	15,252,596	6,648,201	6,131,227	5,424,927	5,853,520
State sources:					
State equalization assistance	16,097,611	16,553,192	18,442,289	17,735,350	15,984,916
State grants	234,667	2,078,367	383,990	245,059	207,961
School Facilities Board			352,670	713,339	1,082,701
Other revenues	1,214,935	32,980	2,248,355	1,874,271	2,118,795
Total state sources	17,547,213	18,664,539	21,427,304	20,568,019	19,394,373
Local sources:					
Property taxes	3,671,680	3,157,114	2,877,938	3,402,374	3,141,544
County aid	722,029	669	4,037	16,886	577,687
Food service sales	184,889	202,739	188,051	202,802	195,114
Investment income (loss)	63,809	110,593	352,938	257,928	190,707
Other revenues	1,721,349	1,582,957	1,376,895	975,738	1,066,499
Total local sources	6,363,756	5,054,072	4,799,859	4,855,728	5,171,551
Total revenues	\$ 39,163,565	\$ 30,366,812	\$ 32,358,390	\$ 30,848,674	\$ 30,419,444
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
Federal sources:					
Federal grants	\$ 4,876,135	\$ 5,452,897	\$ 3,539,302	\$ 3,745,758	
National School Lunch Program	1,162,495	1,069,506	1,187,855	1,119,826	
Total federal sources	6,038,630	6,522,403	4,727,157	4,865,584	
State sources:					
State equalization assistance	15,186,853	15,386,141	15,395,848	14,831,145	
State grants	254,354	232,163	207,959	206,227	
School Facilities Board	1,605,273	15,200,662	4,203,463	1,469,568	
Other revenues	1,566,917	1,065,578	1,170,743	1,293,294	
Total state sources	18,613,397	31,884,544	20,978,013	17,800,234	
Local sources:					
Property taxes	3,085,780	3,166,646	3,194,870	2,932,736	
County aid	566,811	544,935	540,850	529,157	
Food service sales	163,038	111,375	162,913	168,576	
Investment income (loss)	67,605	77,241	(56,137)	151,138	
Other revenues	938,603	328,928	394,721	383,573	
Total local sources	4,821,837	4,229,125	4,237,217	4,165,180	
Total revenues	\$ 29,473,864	\$ 42,636,072	\$ 29,942,387	\$ 26,830,998	

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

Note: In fiscal year 2003, investment income includes an investment loss due to a loss suffered in the participation of the Local Government Investment Pool.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST 9 FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenditures:					
Current -					
Instruction	\$ 15,731,136	\$ 15,102,110	\$ 15,898,466	\$ 16,297,105	\$ 14,755,818
Support services - students and staff	4,858,762	3,295,576	2,759,700	2,607,179	2,599,809
Support services - administration	3,756,522	3,758,653	3,687,157	3,251,906	3,174,986
Operation and maintenance of plant services	3,313,024	3,632,650	3,477,072	3,547,550	3,153,788
Student transportation services	605,059	542,207	485,546	449,169	326,570
Operation of non-instructional services	1,910,702	1,859,046	1,807,614	1,628,702	1,378,282
Capital outlay	7,092,311	2,878,248	3,201,447	2,988,582	3,343,787
Debt service -					
Claims and judgments		16,248			
Interest, premium and fiscal charges	24,050	54,950	85,451	112,816	137,302
Principal retirement	740,000	1,030,000	1,063,842	1,040,977	928,241
Payment to refunded bond escrow agent					
Bond issuance costs	189,834				
Total expenditures	<u><u>\$ 38,221,400</u></u>	<u><u>\$ 32,169,688</u></u>	<u><u>\$ 32,466,295</u></u>	<u><u>\$ 31,923,986</u></u>	<u><u>\$ 29,798,583</u></u>
Expenditures for capitalized assets	\$ 5,983,990	\$ 1,076,419	\$ 417,468	\$ 1,154,667	\$ 1,680,135
Debt service as a percentage of noncapital expenditures	3%	4%	4%	4%	4%

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST 9 FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenditures:				
Current -				
Instruction	\$ 13,889,562	\$ 13,756,825	\$ 13,560,078	\$ 13,835,921
Support services - students and staff	2,035,646	1,564,137	1,851,468	1,728,567
Support services - administration	3,003,802	2,386,376	2,992,452	2,522,377
Operation and maintenance of plant services	3,085,509	2,654,541	2,551,767	2,315,500
Student transportation services	261,740	295,364	254,653	297,626
Operation of non-instructional services	1,185,610	1,344,808	1,420,918	1,579,632
Capital outlay	4,051,404	18,988,392	5,955,016	3,681,875
Debt service -				
Claims and judgements				
Interest, premium and fiscal charges	170,199	200,034	215,545	427,850
Principal retirement	920,625	857,764	750,000	750,000
Payment to refunded bond escrow agent			1,000,000	
Bond issuance costs			126,498	
Total expenditures	<u><u>\$ 28,604,097</u></u>	<u><u>\$ 42,048,241</u></u>	<u><u>\$ 30,678,395</u></u>	<u><u>\$ 27,139,348</u></u>
 Expenditures for capitalized assets	 \$ 2,236,029	 \$ 15,110,391	 \$ 4,041,785	 \$ 2,763,889
 Debt service as a percentage of noncapital expenditures	 4%	 4%	 8%	 5%

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST 9 FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ 942,165	\$ (1,802,876)	\$ (107,905)	\$ (1,075,312)	\$ 620,861
Other financing sources (uses):					
School improvement bonds issued	7,648,000				
Refunding bonds issued					
Premium on sale of bonds					
Discount on sale of bonds	(69,409)				
Capital lease agreements					
Transfers in	203,394	1,471,552	702,599	229,962	
Transfers out	(203,394)	(1,471,552)	(702,599)	(229,962)	
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>7,578,591</u>	<u></u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ 8,520,756</u>	<u>\$ (1,802,876)</u>	<u>\$ (107,905)</u>	<u>\$ (1,075,312)</u>	<u>\$ 620,861</u>
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	
Excess (deficiency) of revenues over expenditures	\$ 869,767	\$ 587,831	\$ (736,008)	\$ (308,350)	
Other financing sources (uses):					
Refunding bonds issued			6,280,000		
Premium on sale of bonds			77,028		
Capital lease agreements		63,095	238,354		
Transfers in	148,177	66,704	41,434	132,193	
Transfers out	(148,177)	(66,704)	(41,434)	(132,193)	
Payment to refunded bond escrow agent			(6,230,530)		
Total other financing sources (uses)	<u></u>	<u>63,095</u>	<u>364,852</u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ 869,767</u>	<u>\$ 650,926</u>	<u>\$ (371,156)</u>	<u>\$ (308,350)</u>	

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value	
	Residential Property	Commercial Property							
2010	\$ 40,294,137	\$ 37,923,590	\$ 8,761,135	\$ 12,672,843	\$ 74,306,019	6.12	\$ 647,530,839	11.48	%
2009					74,722,856	5.16	635,863,021	11.75	
2008					69,113,326	4.68	572,506,151	12.07	
2007					66,492,699	6.37	537,953,409	12.36	
2006					57,595,672	6.16	474,089,819	12.15	
2005					52,243,317	6.81	407,543,842	12.82	
2004					50,673,005	6.88	393,789,594	12.87	
2003					47,983,683	7.20	374,033,554	12.83	
2002					45,943,071	7.53	354,595,143	12.96	
2001					45,297,021	7.79	349,289,110	12.97	

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: Total taxable assessed valuation is displayed by major component beginning with fiscal year ended June 30, 2010.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST 10 FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	City of Douglas	Primary	Secondary	Total
2010	2.64	0.15	0.26	1.60	0.09	1.00	5.30	0.82	6.12
2009	2.68	0.16	0.26	1.66	0.08	1.02	3.51	1.65	5.16
2008	2.87	0.16	0.26	1.74	0.09	0.99	3.10	1.58	4.68
2007	2.92	0.16	0.26	1.79	0.09	1.05	4.94	1.43	6.37
2006	2.94	0.16	0.26	1.79	0.09	1.09	5.33	0.83	6.16
2005	2.94	0.16	0.26	1.79	0.10	1.09	4.91	1.90	6.81
2004	2.94	0.16	0.26	1.79	0.10	1.09	4.93	1.95	6.88
2003	2.94	0.16	0.26	1.79	0.10	1.09	4.90	2.30	7.20
2002	2.94	0.16	0.26	1.74	0.10	1.09	4.97	2.56	7.53
2001	2.94	0.16	0.26	1.74	0.10	1.09	4.98	2.81	7.79

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO

Taxpayer	2010		2002	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Wal-Mart Stores, Inc.	\$ 3,834,191	5.16 %	\$ 914,267	1.99 %
Arizona Public Service	1,961,679	2.64	3,436,542	7.48
Southwest Gas Corporation	847,089	1.14	1,093,445	2.38
Safeway Stores Inc.	847,089	1.14	1,630,979	3.55
Qwest Communications	809,936	1.09	1,098,039	2.39
Phelps Dodge Corporation	624,171	0.84	712,118	1.55
MT Development LLC	616,740	0.83		
FAE Holdings 356216R LLC	557,295	0.75		
J.C. Penny Stores	542,434	0.73	799,409	1.74
Cox Communications Inc.			712,118	1.55
Douglas West Center, Ltd.			496,185	1.08
Total	<u>\$ 10,640,622</u>	<u>14.32 %</u>	<u>\$ 10,893,102</u>	<u>23.71 %</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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	\$ 3,640,145	\$ 3,258,319	89.51 %	\$	\$ 3,258,319	89.51 %
2009	3,115,816	2,795,410	89.72	250,364	3,045,774	97.75
2008	2,668,469	2,400,827	89.97	240,980	2,641,807	99.00
2007	3,326,693	3,119,942	93.79	178,355	3,305,841	99.37
2006	2,904,085	2,647,543	91.17	242,902	2,890,445	99.53
2005	2,929,609	2,643,174	90.22	270,701	2,913,875	99.46
2004	2,879,255	2,563,528	89.03	300,078	2,863,606	99.46
2003	2,916,899	2,599,299	89.11	305,049	2,904,348	99.57
2002	2,927,823	2,544,026	86.89	372,001	2,916,027	99.60
2001	3,016,679	2,682,652	88.93	325,068	3,007,720	99.70

Source: The source of this information is the Cochise 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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OUTSTANDING DEBT BY TYPE
LAST 9 FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt			
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income
2010	\$ 8,388,000	\$ 740,000	\$ 7,648,000	1.18 %	\$ 425	\$	\$ 7,648,000	1.18 %	\$ 425	N/A %
2009	1,770,000	1,030,000	740,000	0.12	41		740,000	0.12	41	1.79
2008	2,770,000	1,000,000	1,770,000	0.31	98		1,770,000	0.31	98	0.19
2007	3,750,000	980,000	2,770,000	0.51	163	63,842	2,833,842	0.53	167	0.50
2006	4,620,000	870,000	3,750,000	0.79	221	124,819	3,874,819	0.82	228	0.84
2005	5,485,000	865,000	4,620,000	1.13	272	183,060	4,803,060	1.18	283	1.25
2004	6,280,000	795,000	5,485,000	1.39	323	238,685	5,723,685	1.45	337	1.72
2003	7,030,000	750,000	6,280,000	1.68	349	238,354	6,518,354	1.74	362	2.15
2002	8,235,000	1,205,000	7,030,000	1.98	391		7,030,000	1.98	391	2.60

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
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>
Cochise County	\$ 9,440,000	8.66 %	\$ 817,504
City of Douglas	5,930,000	100.00	<u>5,930,000</u>
Subtotal, Overlapping Debt			<u>6,747,504</u>
Direct:			
Douglas Unified School District No. 27			<u>7,648,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 14,395,504</u></u>

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

Note 1: Outstanding debt as of June 30, 2010 is presented for the overlapping governments as this is the most recent available information.

Note 2: The percentage of overlapping debt was determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
LEGAL DEBT MARGIN INFORMATION
LAST 9 FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2010:

Secondary assessed valuation	\$ 74,306,019
Debt limit (10% of assessed value)	7,430,602
Debt applicable to limit	<u>7,430,000</u>
Legal debt margin	<u><u>\$ 602</u></u>

Legal Debt Margin Calculation for Fiscal Year 2010:

Secondary assessed valuation	\$ 74,306,019
Debt limit (30% of assessed value)	22,291,806
Debt applicable to limit	<u>218,000</u>
Legal debt margin	<u><u>\$ 22,073,806</u></u>

Fiscal Year Ended June 30

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt limit	\$ 29,722,408	\$ 22,416,857	\$ 20,733,998	\$ 19,947,810	\$ 17,278,702
Total net debt applicable to limit	<u>7,648,000</u>	<u>740,000</u>	<u>1,770,000</u>	<u>2,770,000</u>	<u>3,750,000</u>
Legal debt margin	<u><u>\$ 22,074,408</u></u>	<u><u>\$ 21,676,857</u></u>	<u><u>\$ 18,963,998</u></u>	<u><u>\$ 17,177,810</u></u>	<u><u>\$ 13,528,702</u></u>
Total net debt applicable to the limit as a percentage of debt limit	26%	3%	9%	14%	22%

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$ 15,672,995	\$ 15,201,902	\$ 14,395,105	\$ 13,782,921
Total net debt applicable to limit	<u>4,620,000</u>	<u>5,485,000</u>	<u>6,280,000</u>	<u>7,030,000</u>
Legal debt margin	<u><u>\$ 11,052,995</u></u>	<u><u>\$ 9,716,902</u></u>	<u><u>\$ 8,115,105</u></u>	<u><u>\$ 6,752,921</u></u>
Total net debt applicable to the limit as a percentage of debt limit	29%	36%	44%	51%

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

Note: The District's general obligation bonds are subject to two limits; the institutionalized debt limit (total debt limit) on all GO bonds and the statutory debt limit on class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST 10 CALENDAR YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2009	140,263	\$ N/A	\$ N/A	7.4 %	18,000
2008	139,434	4,271,255	33,259	5.6	18,000
2007	137,200	3,823,812	29,890	4.0	18,000
2006	135,150	3,570,455	28,166	4.4	17,000
2005	131,790	3,383,842	26,958	4.8	17,000
2004	129,600	3,097,128	25,097	4.9	17,000
2003	125,430	2,794,617	23,045	5.6	17,000
2002	123,945	2,658,448	22,186	5.9	18,000
2001	120,845	2,509,222	21,147	4.9	18,000
2000	118,300	2,329,284	19,734	4.5	18,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is State of Arizona,
Department of Economic Security.

Note: N/A indicates that the information is not available.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2010</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Cochise County	1,400	24.08 %		%
Arizona Department of Corrections	750	12.90	659	13.04
Douglas Unified School District	534	9.19	561	11.10
United States Border Patrol	650	11.18	510	10.09
Walmart Stores, Inc.	350	6.02	245	4.85
Cochise College	350	6.02	164	3.24
City of Douglas	250	4.30	234	4.63
Southeast Arizona Medical Center	180	3.10	160	3.17
United States Customs	130	2.24	68	1.35
Basha's Inc.	90	1.55	120	2.37
Safeway	75	1.29	160	3.17
Homeland Security: Field Operations	45	0.77		
Total	<u>4,804</u>	<u>82.64 %</u>	<u>2,881</u>	<u>57.01 %</u>
Total employment	<u>5,813</u>		<u>5,055</u>	

Source: The source of this information is the records of the Cochise College Center for Economic Research and each principal employer's humans resource records.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST 9 FISCAL YEARS

		Full-time Equivalent Employees as of June 30				
		<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory						
Consultants/supervisors of instruction				3		5
Principals		7	8	8	8	8
Assistant principals		4	4	2	3	3
Total supervisory		<u>11</u>	<u>12</u>	<u>13</u>	<u>11</u>	<u>16</u>
Instruction						
Teachers		198	203	189	206	174
Other professionals (instructional)		14	14	14	7	8
Aides		96	110	118	127	90
Total instruction		<u>308</u>	<u>327</u>	<u>321</u>	<u>340</u>	<u>272</u>
Student Services						
Librarians		2	2	2	2	2
Technicians		8	9	8	10	6
Total student services		<u>10</u>	<u>11</u>	<u>10</u>	<u>12</u>	<u>8</u>
Support and Administration						
Service workers		38	42	42	39	31
Unskilled laborers		80	84	87	80	83
Total support and administration		<u>118</u>	<u>126</u>	<u>129</u>	<u>119</u>	<u>114</u>
Total		<u><u>447</u></u>	<u><u>476</u></u>	<u><u>473</u></u>	<u><u>482</u></u>	<u><u>410</u></u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST 9 FISCAL YEARS

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Supervisory				
Consultants/supervisors of instruction	5	5	6	5
Principals	8	7	7	7
Assistant principals	3	3	3	5
Total supervisory	<u>16</u>	<u>15</u>	<u>16</u>	<u>17</u>
Instruction				
Teachers	174	176	186	228
Other professionals (instructional)	8	8	8	8
Aides	90	90	93	92
Total instruction	<u>272</u>	<u>274</u>	<u>287</u>	<u>328</u>
Student Services				
Librarians	2	2	2	N/A
Technicians	6	5	5	N/A
Total student services	<u>8</u>	<u>7</u>	<u>7</u>	<u>N/A</u>
Support and Administration				
Service workers	31	31	28	38
Unskilled laborers	83	83	68	111
Total support and administration	<u>114</u>	<u>114</u>	<u>96</u>	<u>149</u>
Total	<u><u>410</u></u>	<u><u>410</u></u>	<u><u>406</u></u>	<u><u>494</u></u>

Sources: The source of this information is the District's personnel records.

Note: N/A indicates that the information is not available.

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OPERATING STATISTICS
LAST 9 FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2010	4,009	\$ 30,175,205	\$ 7,527	4.69 %	\$ 33,062,674	\$ 8,247	0.80 %	198	20.2	85.6 %
2009	3,921	28,190,242	7,190	1.60	32,081,850	8,182	3.63	203	19.3	83.4
2008	3,973	28,115,555	7,077	1.74	31,370,003	7,896	(0.59)	189	21.0	79.4
2007	3,994	27,781,611	6,956	13.53	31,723,448	7,943	15.25	206	19.4	76.2
2006	4,144	25,389,253	6,127	5.13	28,559,766	6,892	3.55	174	23.8	76.0
2005	4,026	23,461,869	5,828	3.64	26,794,005	6,655	(3.65)	174	23.1	74.4
2004	3,913	22,002,051	5,623	2.19	27,029,088	6,908	13.10	176	22.2	73.6
2003	4,113	22,631,336	5,502	4.27	25,119,435	6,107	N/A	186	22.1	67.6
2002	4,222	22,279,623	5,277	N/A	N/A	N/A	N/A	228	18.5	69.0

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

Notes: 1) Operating expenditures are total expenditures less debt service and capital outlay.

2) N/A indicates that the information is not available.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
CAPITAL ASSETS INFORMATION
LAST 9 FISCAL YEARS

	Fiscal Year Ended June 30								
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Schools</u>									
Elementary									
Buildings	22	22	22	22	22	22	21	18	18
Square feet	180,233	180,233	180,233	180,233	180,233	180,233	130,734	89,994	89,994
Capacity	2,251	2,251	2,251	2,251	2,251	2,251	1,633	1,188	1,188
Enrollment	1,675	1,696	1,803	1,785	1,904	1,860	1,850	1,403	N/A
Middle									
Buildings	14	14	14	14	14	14	14	14	14
Square feet	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538
Capacity	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694
Enrollment	919	918	976	988	1,041	1,037	1,014	1,028	N/A
High									
Buildings	23	23	23	23	23	23	23	23	23
Square feet	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335
Capacity	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967
Enrollment	1,269	1,145	1,217	1,241	1,379	1,271	1,210	1,145	N/A
Other									
Buildings	4	4	4	4	4	4	3	3	3
Square feet	28,561	28,561	28,561	28,561	28,561	28,561	23,974	23,974	23,974
Capacity	352	352	352	357	357	357	293	293	293
Enrollment	146	162	172	191	211	236	242	123	N/A
<u>Administrative</u>									
Buildings	3	3	3	3	3	3	3	3	3
Square feet	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400
<u>Transportation</u>									
Garages	1	1	1	1	1	1	1	1	1
Buses	17	16	16	16	16	16	14	18	17
<u>Athletics</u>									
Football fields	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1
Baseball/softball	7	7	7	7	7	7	7	7	7
Swimming pools	1	1	1	1	1	1	1	1	1
Playgrounds	18	18	18	18	18	18	16	16	16

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

Note: N/A indicates that the information is not available.

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