



**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Financial Statements and Supplementary Information

June 30, 2010

(With Independent Auditors' Report Thereon)

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

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KPMG LLP
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Independent Auditors' Report

The Board of Education
Independent School District No. 625
Saint Paul, Minnesota:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 625, Saint Paul, Minnesota (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, as listed in the table of contents. These 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 District as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2010 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 17 and 52 through 53 are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement



and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit for the year ended June 30, 2010 was made for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements listed in Section I and the supplementary information listed in Section II of the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. The combining and individual fund statements listed in Section I of the accompanying table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole for the year ended June 30, 2010. The supplementary information listed in Section II of the accompanying table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

We have also previously audited, in accordance with generally accepted auditing standards, the basic financial statements as of and for the year ended June 30, 2009 (none of which are presented herein), and we expressed unqualified opinions on those financial statements. The combining and individual fund financial information included in the combining and individual fund statements as listed in Section I of the accompanying table of contents related to the District's 2009 basic financial statements was subjected to auditing procedures applied in the audit of those basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

KPMG LLP

Minneapolis, Minnesota
December 20, 2010

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Management's Discussion and Analysis

June 30, 2010

(Unaudited)

Introduction

Our discussion and analysis of Independent School District No. 625, Saint Paul, Minnesota (SPPS or the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2010. As the intent of this management discussion and analysis is to look at SPPS's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of SPPS's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

On the districtwide financial statements:

- Total net assets of SPPS decreased from \$130.9 million in fiscal year 2009 to \$110.1 million in fiscal year 2010, a decrease of \$20.8 million, or 15%. The majority of the reduction is due to the recognition of a portion of the actuarial accrued liability of \$16.4 million for postemployment healthcare benefits to certain eligible employees, further described in the notes to basic financial statements.
- Total revenue increased \$3.9 million from \$599.3 million in fiscal year 2009 to \$603.2 million in fiscal year 2010, or 0.7%. Total expenses increased \$0.7 million from \$623.3 million in fiscal year 2009 to \$624 million in fiscal year 2010. Additional information is provided in a later section of this Management's Discussion and Analysis.
- The District retired \$49.8 million of outstanding long-term debt, which included general obligation bond issues 2000A, 2000B, 2002C, and 2002D. Sources of the \$49.8 million included \$18.3 million from the 2005B refunding escrow account, \$8.3 million from 2009C current refunding bond issuances and \$22.5 million in property tax levy.
- The District issued \$34.2 million of long-term debt: \$25.9 million (2009B and 2009D QSCAB) of general obligation bonds under legislative authority for capital renovation and improvements and statutory authority for deferred maintenance, \$8.3 million (2009C) of general obligation bond current refunding of \$2.7 million (2002C) and \$6.3 million (2002D).

On the fund financial statements:

- The ending fund balance of all Governmental Funds of SPPS decreased from \$116.7 million in fiscal year 2009 to \$96.5 million in fiscal year 2010; a decrease of \$20.2 million, or 17.3%.
- The debt service fund balance decreased from \$23.1 million in fiscal year 2009 to \$.4 million in fiscal year 2010. This decrease of \$22.7 million was due to the use of funds held in an escrow account; \$18.3 million (2005B refunding escrow account) to retire long-term debt, \$0.9 million held in an escrow account (2005B refunding escrow account) for interest payments and an additional \$3.5 million of fund balance.

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- The General Fund balance decreased by \$1.5 million, going from \$62.6 million in fiscal year 2009 to \$61.1 million in fiscal year 2010. The General Fund unreserved designated for next year operations decreased by \$0.9 million. The General Fund's reserved fund balance decreased by \$24.6 million due to retiree health insurance and severance pay being reported as designations in fiscal year 2010.

Overview of the Financial Statements

This report consists of five parts – management's discussion and analysis (this section), independent auditors' report, the basic financial statements, required supplementary information, and combining individual fund statements and schedules. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are districtwide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the districtwide financial statements.

The Governmental Funds statements tell how basic services such as regular and special education were financed in the short term, as well as what remains for future spending.

Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Districtwide Financial Statements

The districtwide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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The two districtwide financial statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements				
	District-wide Financial Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district	The activities of the District that are not proprietary such as special education, building maintenance, food service, and community education.	Activities the District operates similar to private businesses, * Internal Service funds	Resources the District holds for the benefit of parties outside the district.
Required Financial Statements	*Statement of Net Assets *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Balance Sheet *Statement of Revenues, Expenses and Changes in Fund Net Assets *Statement of Cash Flows	*Statement of Fiduciary Net Assets *Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Generally assets expected to be consumed and liabilities paid during the year or soon thereafter no capital assets included or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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- To assess the overall health of the District, the reader needs to consider additional nonfinancial factors such as changes in the District's property tax base, enrollment changes, legislative changes, and the condition of school buildings and other facilities.

In the districtwide financial statements, the District's activities are shown in one category:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes, state aids, grants, and charges for services finance most of these activities.

Net Assets

(In millions)

	Governmental activities		
	2010	2009	Percentage change
Current assets	\$ 277.5	269.6	2.9%
Other noncurrent assets	31.9	27.4	16.4
Capital assets, net	397.6	397.9	(0.1)
Total assets	\$ 707.0	694.9	1.7%
Current liabilities	\$ 258.0	219.6	17.5%
Long-term liabilities	338.9	344.4	(1.6)
Total liabilities	\$ 596.9	564.0	5.8%
Net assets:			
Invested in capital assets, net of related debt	\$ 112.8	93.6	20.5%
Restricted for:			
Debt service fund	0.4	23.1	(98.3)
Capital projects fund	6.3	5.5	14.5
Community service	3.0	2.7	11.1
Retirement benefits	—	20.9	(100.0)
Other activities	6.4	6.6	(3.0)
Unrestricted	(18.8)	(21.5)	12.6
Total net assets	\$ 110.1	130.9	(15.9)%

- Total assets** – increased due to increases in current assets and noncurrent assets.
- Current assets** – increased \$7.9 million due to a increase in due from other governmental units of \$72.9 million, an increase in net taxes receivable of \$4.8 million and increases in inventories of \$0.2 million and prepaid expenses of \$0.8 million. These were offset by a \$69.2 million decrease in cash balances and a \$1.6 million decrease in other receivables.

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- **Noncurrent assets** – Restricted cash and investments increased by \$4.5 million and bond issuance costs increased by \$0.3 million. Capital assets increased nearly \$16.2 million, which when offset by the accumulated depreciation (current depreciation expense) of \$16.5 million represents the \$0.3 million decrease in capital assets net.
- **Current liabilities** – increased by \$38.4 million due to the short term borrowing in the form of an aid anticipation certificate of \$24.9 million, an increase of \$6.9 million in long-term obligations due within one year, an increase of \$4.7 million in accrued expense, an increase of \$3.7 million in deferred revenue – property tax and an a \$0.9 increase in accounts payable. These were offset by a decrease of \$2.4 million in other deferred revenue and \$0.3 million in due to other governmental units and amounts held for school activities.
- **Noncurrent liabilities** – include the \$16.5 million increase in net other postemployment benefit obligation offset by a \$22.0 million decrease in long-term obligations.

The statement of net assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity, that is, the relative ease to convert the asset to cash. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the District, consisting of general obligation bonds, capital outlay certificates payable, and early retirement benefits payable have been reported in this manner on the statement of net assets. The difference between the District's assets and liabilities is its net assets.

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June 30, 2010

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**Table A-2
Change in Net Assets**

(In millions)

	Governmental activities		
	2010	2009	Percentage change
Revenues:			
Program revenues:			
Charges for services	\$ 15.2	16.8	(9.5)%
Operating grants and contributions	197.3	146.8	34.4
Total program revenues	<u>212.5</u>	<u>163.6</u>	<u>29.9</u>
General revenues:			
Property taxes levied for general purposes	73.3	70.3	4.3
Property taxes levied for debt services	28.7	28.2	1.8
Property taxes levied for community service	3.6	3.3	9.1
Federal and state aid not restricted to specific purposes	284.1	331.9	(14.4)
Investment earnings	1.0	2.0	(50.0)
Total general revenues	<u>390.7</u>	<u>435.7</u>	<u>(10.3)</u>
Total revenues	<u>603.2</u>	<u>599.3</u>	<u>0.7</u>
Expenses:			
Instruction	\$ 400.0	389.3	2.7
Support services:			
Pupil support	70.2	70.9	(1.0)
District administration	20.7	22.0	(5.9)
Sites and buildings	46.8	50.2	(6.8)
Instructional support	34.3	37.8	(9.3)
District support	12.5	12.7	(1.6)
Community education services	23.5	24.8	(5.2)
Interest and fiscal costs on long-term debt	16.0	15.6	2.6
Total expenses	<u>624.0</u>	<u>623.3</u>	<u>0.1</u>
Change in net assets	<u>\$ (20.8)</u>	<u>(24.0)</u>	<u>(13.3)%</u>

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Management's Discussion and Analysis

June 30, 2010

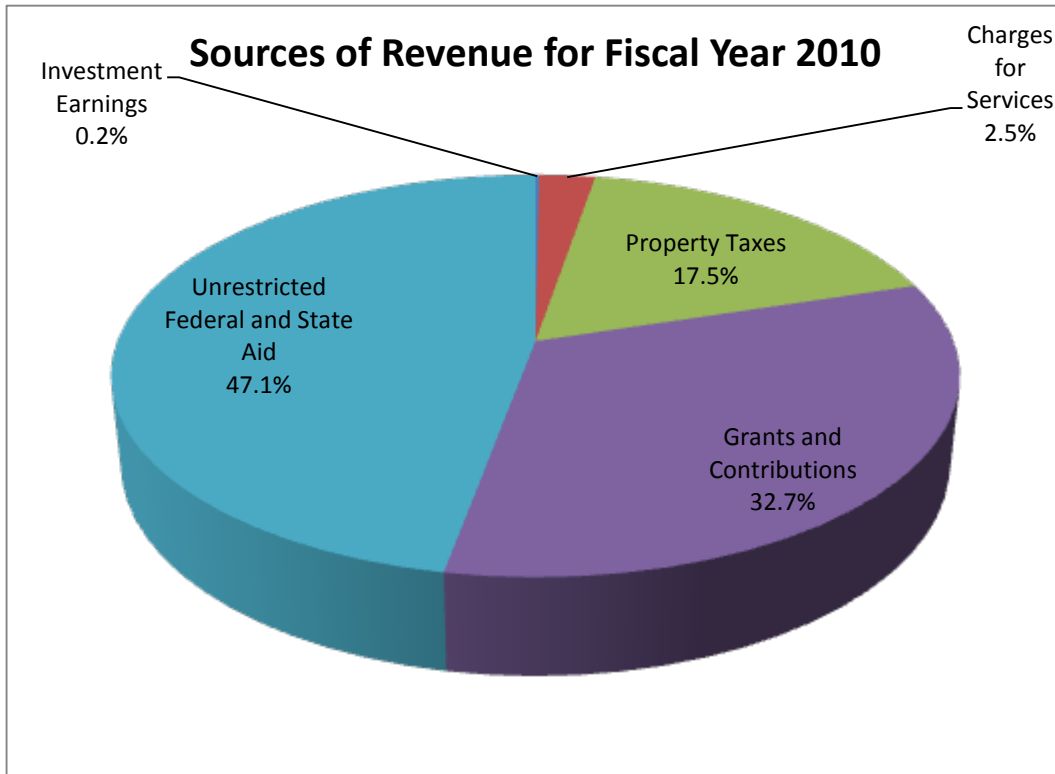
(Unaudited)

Revenues – SPPS' total revenues were \$603.2 million for the year ended June 30, 2010 compared to \$599.3 million for the year ended June 30, 2009.

Federal and state aid and property taxes accounted for 64.6% of total revenue for the year. The mix between local tax revenue and state aid is controlled by state law and is subject to change each year by legislative action.

Another 32.7% came from operating grants and contributions, and 2.7% from charges for services and investment earnings.

As a percentage of the total revenue, property tax revenue increased by 0.5% from 17% of revenue in fiscal year 2009 to 17.5% in fiscal year 2010, and federal and state aid decreased from 55.4% of revenue in fiscal year 2009 to 47.1% in fiscal year 2010.



Revenue increased slightly in 2010 by \$3.9 million or 0.7% as compared to 2009.

Grants and contributions and property taxes have increased or held steady.

Federal and state aid has been decreasing annually since 2006. This is due primarily to the decrease in enrollment.

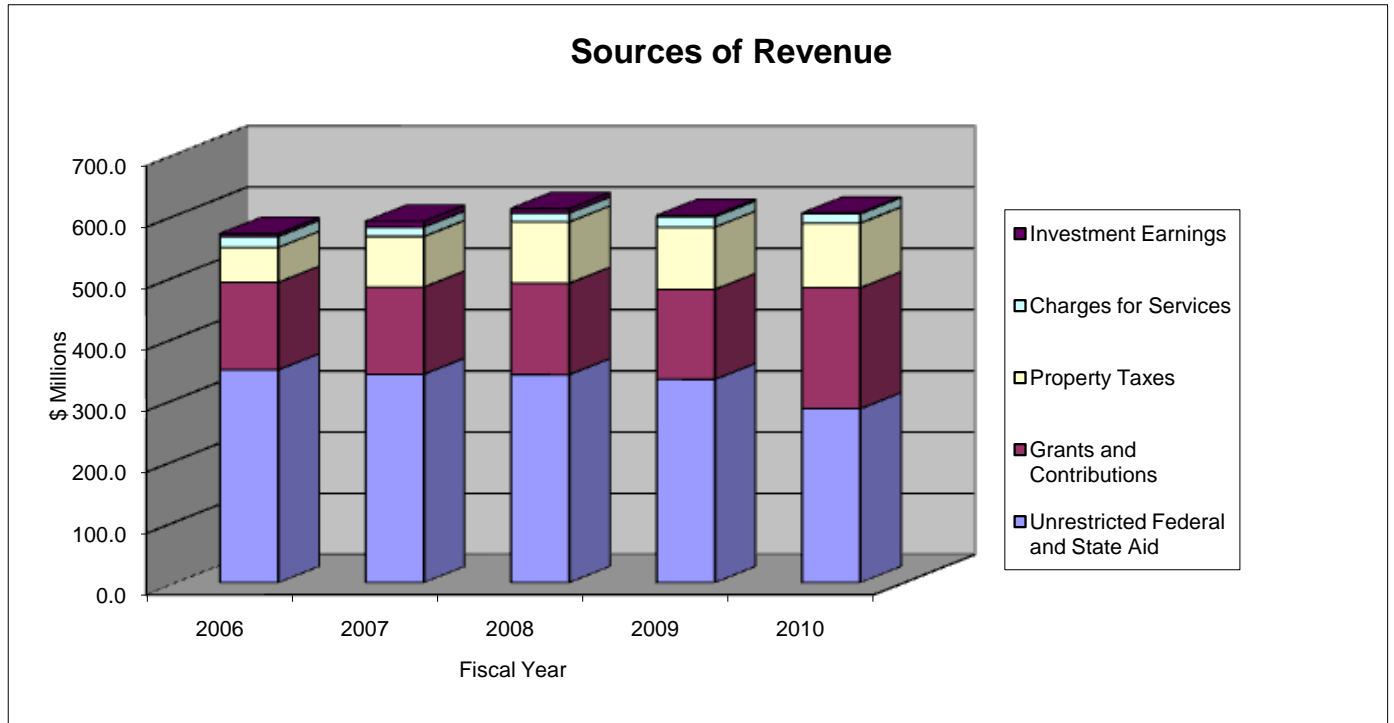
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Investment earnings decreased \$1 million due to the reduction in investment interest rates.



Expenses – The total cost of all programs and services was \$624 million.

The District's expenses for classroom instruction and caring for students are 80.8%, which consist of the following three program areas: instruction, instructional support, and pupil support.

Administration activities account for 3.3% of total costs.

Employees' salaries and related benefits account for the vast majority of costs; 77.4% when capital expenditures and debt service are included, 79.7% when excluded.

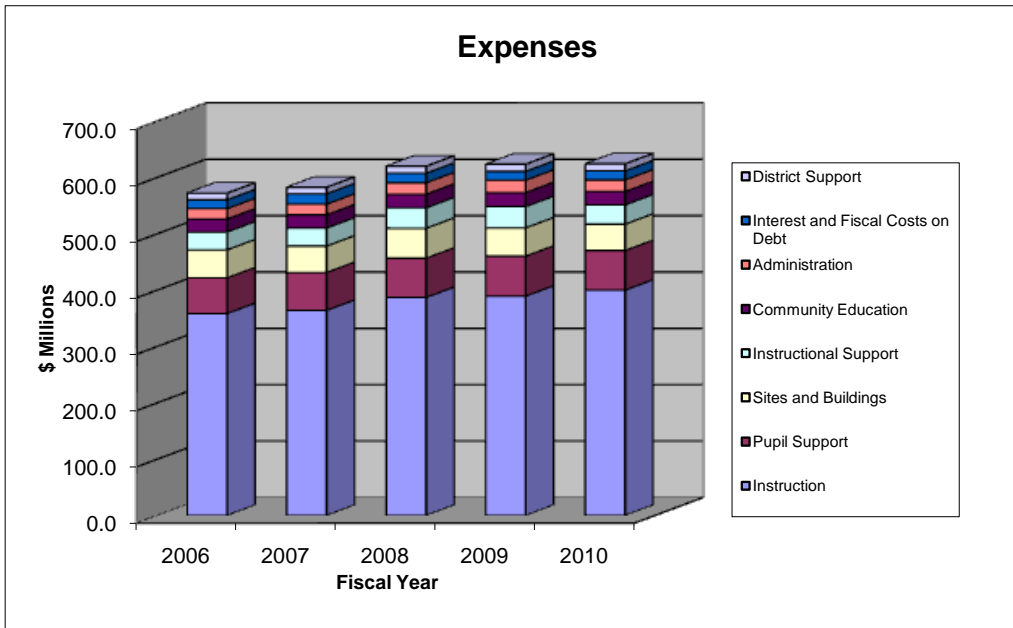
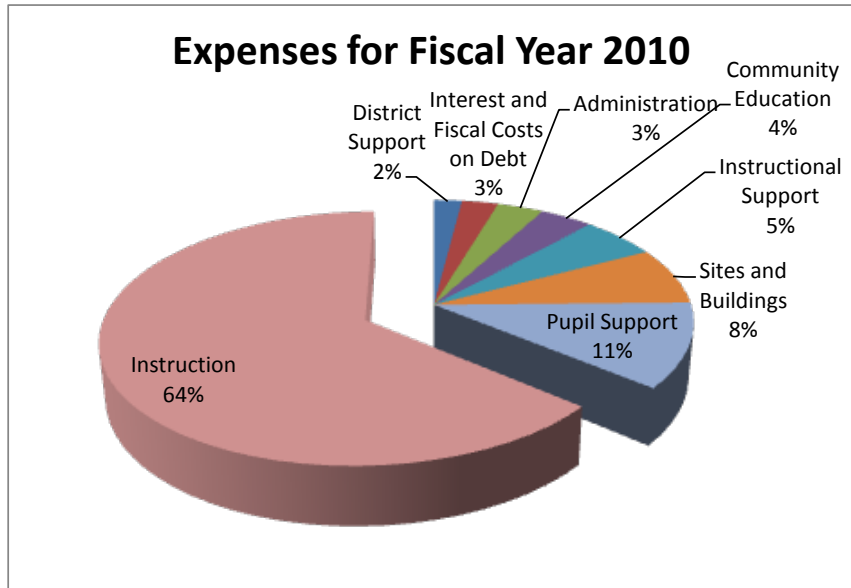
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Capital expenditures and debt service is 6.1%, purchased services is 11.5%, and supplies and materials are 5.0% of total expenses.



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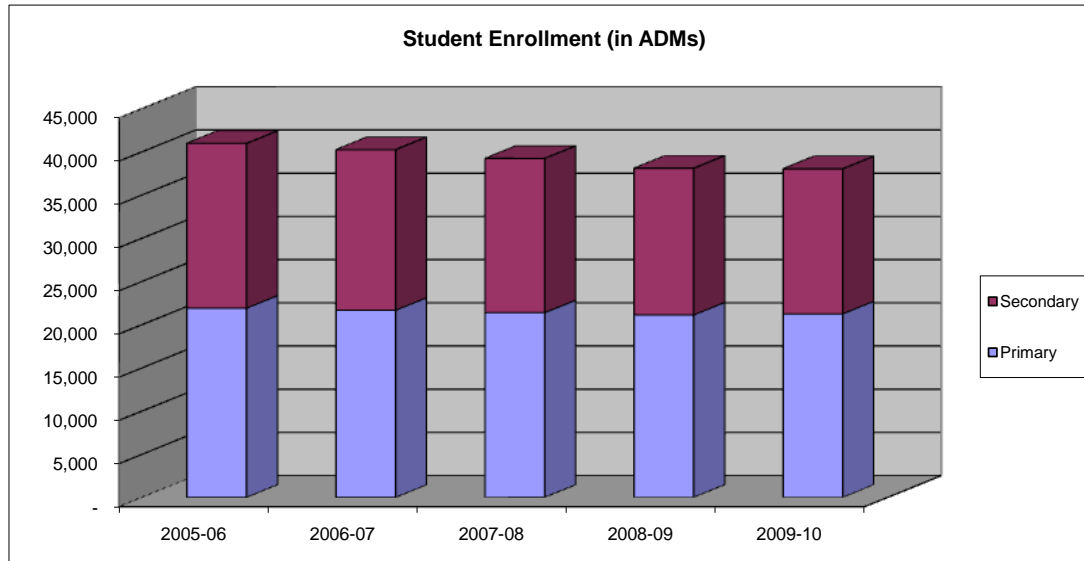
(Unaudited)

Enrollment – Enrollment is a critical factor in determining revenue. Over the last ten years, the District has experience a decrease in average daily membership after being over 45,000 in 1999. Enrollment declined an average of 1.6% per year in the decade. The following chart shows the number of students that has decreased over the past five years.

Student Enrollment (Average Daily Membership)

	<u>2005 – 06</u>	<u>2006 – 07</u>	<u>2007 – 08</u>	<u>2008 – 09</u>	<u>2009 – 10</u>
Primary	21,902	21,659	21,379	21,116	21,248
Secondary	19,068	18,582	17,844	16,979	16,777
Total students	<u>40,970</u>	<u>40,241</u>	<u>39,223</u>	<u>38,095</u>	<u>38,025</u>
Percent change	(0.04)%	(1.78)%	(2.53)%	(2.88)%	(0.002)%

Student Enrollment (Average Daily Membership)



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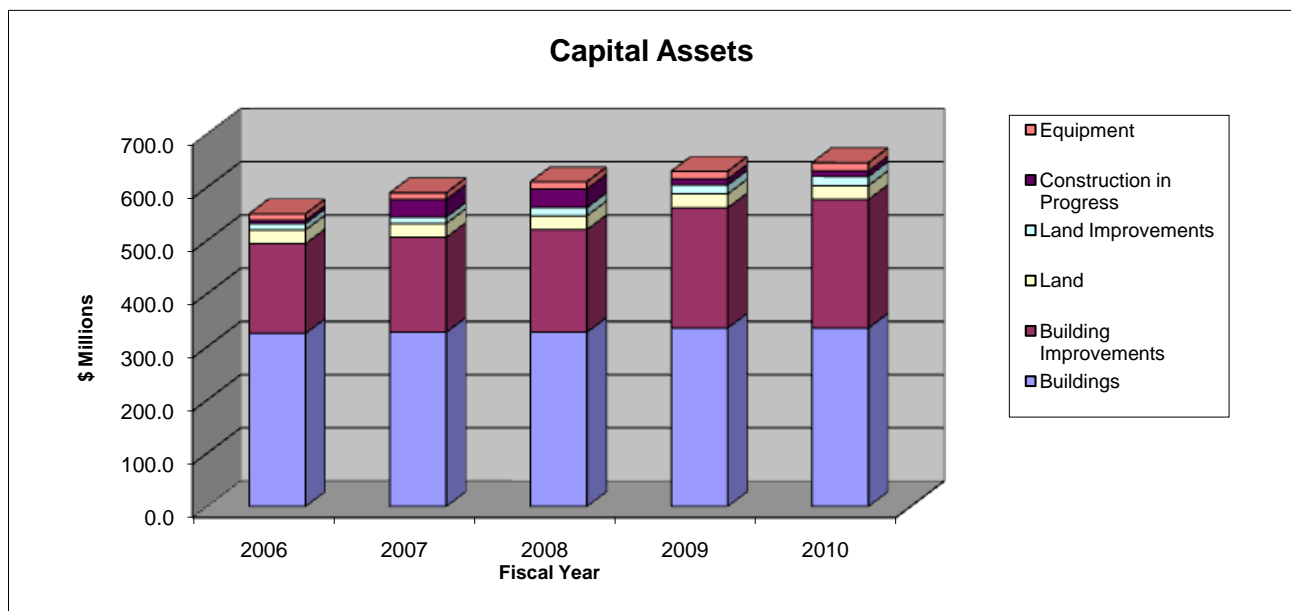
Capital Assets

At June 30, 2010, SPPS had \$397.6 million invested in a broad range of capital assets, including land, land improvements, buildings, building improvements, equipment, and construction in progress. This amount represents a net decrease (including additions and depreciation) of \$0.3 million or a decrease of 0.1 %.

Capital Assets

(Net of depreciation in millions)

	Governmental activities		
	2010	2009	Percentage change
Land	\$ 26.0	26.0	—%
Land improvements	17.4	16.7	—
Buildings	335.6	335.6	—
Building improvements	241.6	226.0	6.9
Equipment	15.5	14.3	8.4
Construction in progress	10.0	11.3	(11.5)
Total	646.1	629.9	2.6
Less accumulated depreciation	(248.5)	(232.0)	7.1
Total capital assets, net	\$ 397.6	397.9	(0.1)%



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The increase in capital assets land improvements in fiscal year 2010 includes the completion of parking lot improvements for Johnson Senior High School.

Major building improvements completed include: Hayden Heights main entry, Hazel Park media center, technology infrastructure upgrades at Ames, Open School, and Murray Junior High, piping replacement at North End, Battle Creek Elementary, and Harding, Parkway French Immersion window and roof replacement, Como Elementary lighting and stucco replacement, and boiler replacement at Wheelock Parkway and Rondo Building.

Capital assets are recorded at historical or estimated historical cost of purchase or construction. Capital assets are not restated to current market value.

Long-Term Debt

As of June 30, 2010, SPPS had \$316.7 million in general obligation bonds and other long-term debt outstanding, which represents a decrease of \$15.0 million, or 4.5%, from last year.

Outstanding Long-Term Debt

(In millions)

	Governmental activities		
	2010	2009	Percentage change
General obligation bonds	\$ 273.7	283.9	(3.6)%
Certificates of participation	37.6	42.9	(12.4)
Less unamortized discount/premium	6.0	5.5	9.1
Less deferred assets on refunding	(0.6)	(0.6)	—
	\$ 316.7	331.7	(4.5)%

During fiscal year 2010, the District retired four general obligation bond issues; \$11.3 million (2000A), \$8.3 million (2000B), \$2.7 million (2002C), and \$6.3 million (2002D). Proceeds to retire the debt came from the 2005B general obligation advance refunding issue (\$18.3 million) and the 2009C general obligation current refunding issue (\$8.3 million).

General obligation bonds in the amount of \$25.9 million (2009B and 2009DQSCB) were also issued in fiscal year 2010.

SPPS currently has legislative authority to annually issue \$15 million in capital bonds. SPPS has statutory authority to issue alternative bonds and \$11 million was issued for deferred maintenance.

Fund Financial Statements

SPPS's fund financial statements provide detailed information about the most significant funds – not SPPS as a whole. SPPS's Governmental Funds use the following accounting approach: Governmental Funds – All of SPPS's services are reported in Governmental Funds. Governmental Funds reporting focuses on showing how

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money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of SPPS's operations and the services it provides. Governmental Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance SPPS's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and Governmental Funds on the reconciliation of the Governmental Funds.

Governmental Revenues

The following table presents a summary of the general operating fund, food service fund, community service fund, debt service fund, and capital project fund revenues and other financing sources by type for the year ended June 30, 2010. It also depicts the amount and percentage increases and decreases in relation to prior year revenues and other financing sources.

Revenues and Other Financing Sources

(In millions)

<u>Local Sources</u>	<u>2010</u>	<u>2009</u>	<u>Percentage Change</u>
Property taxes	\$ 105.1	101.3	3.8 %
County and other	20.8	21.1	(1.4)
State aids	365.4	409.8	(10.8)
Federal aids	107.1	60.9	75.9
Investment earnings	0.1	2.0	(95.0)
Sales and conversion of assets	3.3	3.6	(8.3)
Subtotal	601.8	598.7	0.5
Other financing sources, net	7.7	16.9	(54.4)
Total	\$ 609.5	615.6	(1.0)%

Total revenues and other financing sources decreased by \$6.1 million, or 1.0 %, from the previous year. This is a result of a decrease in revenue and other financing sources. The decrease in revenue is due primarily to a decrease in State aids as a result of declining enrollment and increase in tax shift and payment delays by the State.

The financing of elementary and secondary education in Minnesota is through a combination of State-collected taxes (primarily income and sales) and locally collected property taxes. Revenue to school districts is received in three major categories.

1. State Education Finance Appropriations
 - a. General Education Aid – the largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program.

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- b. Categorical Aids – Categorical revenue formulas are generally used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid)
- 2. Property Tax Levies – the largest share of the levy is from voter-approved levies: the excess operating referendum and debt service levies, which is also enrollment driven.
- 3. State Paid Property Tax Credits – not a major source for SPPS.

Governmental Expenditures

The following table represents a summary of general operating fund, food service fund, community service fund, debt service fund, and capital project fund expenditures for the year ended June 30, 2010, and the percentage increase and decrease in relation to prior year amounts.

Expenditures

(In millions)

	<u>2010</u>	<u>2009</u>	<u>Percentage change</u>
District administration	\$ 20.5	21.9	(6.39)%
District support services	11.4	11.6	(1.72)
Regular instruction	258.3	254.0	1.69
Vocational instruction	5.0	4.5	11.11
Exceptional instruction	108.5	103.2	5.14
Community education	23.1	24.3	(4.94)
Instructional support services	33.4	36.6	(8.74)
Pupil support services	68.8	69.2	(0.58)
Sites, buildings, and equipment	62.3	69.3	(10.10)
Debt service	38.4	36.3	5.79
Total	<u>\$ 629.7</u>	<u>630.9</u>	<u>(0.19)%</u>

Total governmental expenditures for fiscal year 2010 remained at essentially the same level as fiscal year 2009.

Budgetary Highlights

The budgets are prepared by fund. Within the general fund, allocations are made to schools based mainly on the enrollment projections for the coming fall. Central services allocations are based on historical needs and projections.

- In June 2009, the Board adopted a balanced budget for fiscal year 2010 that reflected total resources of \$633.7 million.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Management's Discussion and Analysis

June 30, 2010

(Unaudited)

- During the year, the District revised its budget to reappropriate fund balances, to adjust for enrollment changes, to adjust for economic and legislative changes, and to accept additional grants. The final general operating fund budget has expenditures in excess of revenues by \$7.2 million due to the use of fund balance and the reappropriation of June 30, 2009 reserved and designated fund balances.
- Actual general operating fund revenues and expenditures were under budget due to various factors. The primary factor is related to unspent grants. These grants normally carry over to the next grant year.
- In June 2009, the board approved an expenditure budget for fiscal year 2010 for all funds of \$641.7 million. In October 2009, the board approved a budget amendment to expenditures of \$15.7 million for all funds due to the following factors; (1) the recognition of \$9.8 million of grants, (2) the reappropriation of \$3.8 million in fund balances to be used for contractual obligations, site-based carryover, and encumbrances, (3) an increase in revenue of \$2.1 million due to enrollment increase and Community Service revenue increase.
- Subsequent revisions to the budget by the board decreased expenditures by \$.3 million to a total all funds budget of \$657.1 million. These revisions were due to increases in fully financed grants in the General Fund and community service fund.
- As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures for all funds by major function were less than anticipated, 95.8% of budget.

Requests for Information

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of SPPS's finances and to show SPPS's accountability for the money it receives. Additional details can be requested by mail, at the following address:

Saint Paul Public Schools
Business Office
360 Colborne Street
Saint Paul, MN 55102

Or visit our website at: <http://businessoffice.spps.org>

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Net Assets

June 30, 2010

	Assets	Governmental activities
Current assets:		
Cash and short-term investments		\$ 55,272,822
Restricted cash with fiscal agent		5,252,666
Taxes receivable, net		71,176,147
Due from other governmental units		140,390,125
Other receivables		1,138,565
Inventories		1,736,224
Prepaid expenses		2,511,912
Total current assets		<u>277,478,461</u>
Noncurrent assets:		
Restricted cash and investments		30,922,275
Bond issuance costs		935,250
Capital assets		646,184,928
Less accumulated depreciation		<u>(248,546,719)</u>
Total noncurrent assets		<u>429,495,734</u>
Total assets		<u>\$ 706,974,195</u>
	Liabilities	
Current liabilities:		
Accounts payable		\$ 12,570,162
Accrued expense		62,540,241
Aid anticipation certificate		24,874,385
Compensated absences		15,572,034
Due to other governmental units		495,064
Amounts held for school activities		3,173,642
Deferred revenue – property tax		105,691,256
Deferred revenue – other		3,684,539
Long-term obligations due within one year		29,402,558
Total current liabilities		<u>258,003,881</u>
Noncurrent liabilities:		
Net other postemployment benefit obligation		51,619,118
Long-term obligations		287,243,997
Total noncurrent liabilities		<u>338,863,115</u>
Total liabilities		<u>\$ 596,866,996</u>
	Net Assets	
Invested in capital assets, net of related debt		\$ 112,849,185
Restricted for:		
Debt service		398,411
Capital projects		6,292,001
Community services		2,981,820
Other purposes		6,376,529
Unrestricted		<u>(18,790,747)</u>
Total net assets		<u>\$ 110,107,199</u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Activities
Year ended June 30, 2010

Functions/programs	Expenses	Program revenues		Net (expenses) revenue and changes in net assets
		Charges for services	Operating grants and contributions	Total governmental activities
Governmental activities:				
Elementary and secondary instruction	\$ 283,064,130	1,181,578	76,137,587	(205,744,965)
Special education instruction	111,930,563	4,643,683	55,096,748	(52,190,132)
Vocational education instruction	5,003,803	—	898,912	(4,104,891)
Community education services	23,544,745	5,551,809	13,688,416	(4,304,520)
Sites and buildings	46,793,482	248,417	1,743,121	(44,801,944)
Instructional support services	34,314,741	6,087	4,048,168	(30,260,486)
Pupil support services	70,178,858	3,238,092	42,006,944	(24,933,822)
District support services	12,527,889	3,226	14,422	(12,510,241)
Administration	20,706,729	311,233	719	(20,394,777)
Interest and fiscal costs on long-term debt	15,974,047	—	3,732,577	(12,241,470)
Total governmental activities	<u>\$ 624,038,987</u>	<u>15,184,125</u>	<u>197,367,614</u>	<u>(411,487,248)</u>
General revenues:				
Taxes:				
Property taxes levied for general purposes				73,268,098
Property taxes levied for debt services				28,665,402
Property taxes levied for community services				3,601,311
Federal and state aid not restricted to specific purposes				284,076,710
Investment earnings				1,071,438
Subtotal, general revenues				<u>390,682,959</u>
Changes in net assets				(20,804,289)
Net assets, beginning of year				<u>130,911,488</u>
Net assets, end of year				<u>\$ 110,107,199</u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Balance Sheet

Governmental Funds

June 30, 2010

	General	Community service	Food service	Debt service	Capital projects	Total Governmental Funds
Assets						
Cash and short-term investments (note 2)	\$ 29,630,115	3,377,752	4,555,591	4,639,895	—	42,203,353
Restricted cash with fiscal agent	—	—	—	5,252,666	—	5,252,666
Restricted cash and investments (note 3)	—	—	—	—	30,922,275	30,922,275
Receivables:						
Property taxes	46,578,262	2,319,906	—	22,277,979	—	71,176,147
Due from other governmental units (note 4)	132,233,754	4,289,297	1,094,999	2,772,075	—	140,390,125
Other	1,126,336	10,039	—	2,190	—	1,138,565
Due from other funds	1,067,448	—	—	554,407	1,250,195	2,872,050
Inventories, principally at cost	529,974	—	1,206,250	—	—	1,736,224
Prepaid expenses	1,095,555	—	39,357	1,377,000	—	2,511,912
Total assets	\$ 212,261,444	9,996,994	6,896,197	36,876,212	32,172,470	298,203,317
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 8,743,555	833,538	416,345	—	2,576,724	12,570,162
Accrued expenses	40,890,180	1,818,165	1,596,529	—	233,535	44,538,409
Aid anticipated certificate payable	24,874,385	—	—	—	—	24,874,385
Due to other governmental units	495,064	—	—	—	—	495,064
Amounts held for school activities	3,173,642	—	—	—	—	3,173,642
Due to other funds	615,893	—	—	118,271	2,137,886	2,872,050
Deferred revenue:						
Property taxes	69,350,507	3,733,716	—	36,359,530	—	109,443,753
Other	3,054,784	629,755	—	—	—	3,684,539
Total liabilities	151,198,010	7,015,174	2,012,874	36,477,801	4,948,145	201,652,004

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Balance Sheet

Governmental Funds

June 30, 2010

	<u>General</u>	<u>Community service</u>	<u>Food service</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total Governmental Funds</u>
Equity:						
Fund balances (note 7):						
Reserved for:						
Encumbrances	2,269,852	—	—	—	—	2,269,852
Adult Basic Education	—	462,697	—	—	—	462,697
Alternative facilities program	—	—	—	—	6,292,001	6,292,001
School readiness	—	467,947	—	—	—	467,947
Community education	—	1,559,241	—	—	—	1,559,241
ECFE	—	200,979	—	—	—	200,979
Bond refunding	—	—	—	5,252,666	—	5,252,666
Health and safety	152,222	—	—	—	—	152,222
Operating capital	3,127,809	—	—	—	—	3,127,809
Inventories and prepaid expenses	1,625,529	—	1,245,607	1,377,000	—	4,248,136
Area learning center	826,646	—	—	—	—	826,646
Unreserved:						
Designated for severance pay	2,538,018	—	—	—	—	2,538,018
Designated for retiree health insurance	20,377,730	290,956	315,831	—	—	20,984,517
Designated for contractual obligations	181,636	—	—	—	—	181,636
Designated for building construction	—	—	—	—	20,932,324	20,932,324
Designated for next year operations	1,458,664	—	—	—	—	1,458,664
Undesignated	28,505,328	—	3,321,885	(6,231,255)	—	25,595,958
Total fund balances	<u>61,063,434</u>	<u>2,981,820</u>	<u>4,883,323</u>	<u>398,411</u>	<u>27,224,325</u>	<u>96,551,313</u>
Total liabilities and fund balances	<u>\$ 212,261,444</u>	<u>9,996,994</u>	<u>6,896,197</u>	<u>36,876,212</u>	<u>32,172,470</u>	<u>298,203,317</u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Reconciliation of the Balance Sheet
to the Statement of Net Assets

June 30, 2010

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

Total fund balances – Governmental Funds		\$ 96,551,313
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds:		
Capital assets	\$ 646,184,928	
Less accumulated depreciation	<u>(248,546,719)</u>	397,638,209
Long-term receivables applicable to governmental activities are not available to pay current period expenditures and, therefore, are deferred in Governmental Funds:		
Delinquent property taxes		3,752,497
Debt issuance premiums, discounts, and issuance costs are reported as other financing sources, uses, or expenditures in the Governmental Funds, but as assets or adjustments to the carrying value of long-term obligations in the statement of net assets:		
Bond issuance costs	935,250	
Unamortized bond discount (premium), net	<u>(5,966,038)</u>	(5,030,788)
An Internal Service Fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the statement of net assets.		1,492,683
Net other postemployment benefit obligations reported in the statement of net assets do not require the use of current financial resources and are not reported as liabilities in governmental funds until actually due.		(51,619,118)
Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Bonds payable	273,650,000	
Certificates of participation	37,613,776	
Deferred amounts on refunding	(583,259)	
Accrued interest on the bonds and certificates	6,425,046	
Compensated absences (vacation expense)	4,829,553	
Special termination benefits payable (severance payment)	<u>10,742,481</u>	<u>(332,677,597)</u>
Net assets of governmental activities		<u>\$ 110,107,199</u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended June 30, 2010

	<u>General</u>	<u>Community service</u>	<u>Food service</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total Governmental Funds</u>
Revenues:						
Local sources:						
Property taxes	\$ 72,768,918	3,601,311	50,962	28,665,402	—	105,086,593
County and other	14,547,472	6,099,785	—	192,535	—	20,839,792
State	347,523,258	11,934,045	1,045,860	4,937,521	—	365,440,684
Federal	85,402,798	3,254,918	17,879,245	—	549,868	107,086,829
Investment earnings	47,993	3,526	3,303	4,492	49,209	108,523
Sales and conversions of assets	200,608	—	3,060,536	—	—	3,261,144
Total revenues	<u>520,491,047</u>	<u>24,893,585</u>	<u>22,039,906</u>	<u>33,799,950</u>	<u>599,077</u>	<u>601,823,565</u>
Expenditures:						
Current:						
District administration	20,512,678	—	—	—	—	20,512,678
District support	11,384,211	—	—	—	—	11,384,211
Regular instruction	257,401,134	850,064	—	—	—	258,251,198
Vocational instruction	5,003,058	—	—	—	—	5,003,058
Exceptional instruction	108,496,079	—	—	—	—	108,496,079
Community education services	—	23,056,182	—	—	—	23,056,182
Instructional support	33,455,622	—	—	—	—	33,455,622
Pupil support services	46,088,319	951,442	21,786,403	—	—	68,826,164
Sites, buildings, and equipment	39,687,985	—	—	—	22,581,003	62,268,988
Debt service:						
Principal payments	—	—	—	22,472,981	—	22,472,981
Interest expense	—	—	—	15,606,755	—	15,606,755
Other debt expense	—	—	—	202,709	132,024	334,733
Total expenditures	<u>522,029,086</u>	<u>24,857,688</u>	<u>21,786,403</u>	<u>38,282,445</u>	<u>22,713,027</u>	<u>629,668,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,538,039)</u>	<u>35,897</u>	<u>253,503</u>	<u>(4,482,495)</u>	<u>(22,113,950)</u>	<u>(27,845,084)</u>
Other financing sources (uses):						
Bonds issued	—	—	—	8,300,000	25,905,000	34,205,000
Premium on bonds issued	—	—	—	727,389	(23,422)	703,967
Interest on proceeds of refunding bonds	—	—	—	962,915	—	962,915
Principal payments by refunded bond escrow agent	—	—	—	(27,320,000)	—	(27,320,000)
Interest payments by refunded bond escrow agent	—	—	—	(888,000)	—	(888,000)
Total other financing (uses) sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>(18,217,696)</u>	<u>25,881,578</u>	<u>7,663,882</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures	<u>(1,538,039)</u>	<u>35,897</u>	<u>253,503</u>	<u>(22,700,191)</u>	<u>3,767,628</u>	<u>(20,181,202)</u>
Fund balance at beginning of year	62,601,473	2,945,923	4,629,820	23,098,602	23,456,697	116,732,515
Fund balance at end of year	<u>\$ 61,063,434</u>	<u>2,981,820</u>	<u>4,883,323</u>	<u>398,411</u>	<u>27,224,325</u>	<u>96,551,313</u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities

Governmental Funds

Year ended June 30, 2010

Total net change in fund balances – Governmental Funds \$ (20,181,202)

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

Capital outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, in the statement of activities, those costs are allocated over their estimated useful lives as annual depreciation expense.

Capital outlays exceeded depreciation expense as follows in the current period:

Capital outlays	\$ 16,450,033	
Depreciation expense	<u>(16,774,480)</u>	(324,447)

Certain revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the Governmental Funds. This consists of current year delinquent property taxes.

448,218

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets:

Long-term obligations	22,472,981	
Payments to refunded bond escrow agent	<u>27,320,000</u>	49,792,981

Bond proceeds provide current financial resources to the Governmental Funds but increase long-term liabilities in the statement of net assets.

Bonds issued		(34,205,000)
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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:

Decrease in accrued interest expense	710,338	
Increase in accrued compensated absences	(50,873)	
Amortization of bond issuance costs, premiums, and discounts and deferred amounts on refunding	353,556	

Governmental Funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	<u>(912,414)</u>	100,607
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Net other postemployment benefit obligation reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.

(16,446,136)

An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The net operating income of the Internal Service Fund is reported with governmental activities.

		<u>10,696</u>
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Change in net assets of governmental activities		<u>\$ (20,804,283)</u>
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See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Net Assets

Proprietary Fund

June 30, 2010

	Assets	Governmental activities – internal service fund
Cash and short-term investments		\$ 13,069,469
Total assets		<u>\$ 13,069,469</u>
	Liabilities	
Workers' compensation payable		\$ 11,576,786
Total liabilities		<u>11,576,786</u>
	Net Assets	
Net assets:		
Unrestricted		<u>1,492,683</u>
Total net assets		<u>1,492,683</u>
Total liabilities and net assets		<u>\$ 13,069,469</u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Fund

Year ended June 30, 2010

	Governmental activities – internal service fund
Operating revenues:	
Insurance service fees	\$ 3,364,041
Investment earnings	10,696
Total operating revenues	<u>3,374,737</u>
Operating expenses:	
Claims expense	<u>3,364,041</u>
Total operating expenses	<u>3,364,041</u>
Operating income/change in net assets	10,696
Net assets at beginning of year	<u>1,481,987</u>
Net assets at end of year	<u><u>\$ 1,492,683</u></u>

See accompanying notes to basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Statement of Cash Flows

Proprietary Fund

Year ended June 30, 2010

	Governmental activities – internal service fund
Cash flows from operating activities:	
Received from assessments made to other funds	\$ 3,364,041
Investment earnings	10,696
Workers' compensation payments	(2,760,364)
Net cash provided by operating activities	614,373
Cash at beginning of year	12,455,096
Cash at end of year	\$ 13,069,469
Reconciliation of operating income/change in net assets to net cash provided by operating activities:	
Operating income/change in net assets	\$ 10,696
Adjustment to reconcile operating income/change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Workers' compensation payable	603,677
Net cash provided by operating activities	\$ 614,373

See accompanying notes to basic financial statements.

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Notes to Basic Financial Statements

June 30, 2010

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

Independent School District No. 625, Saint Paul, Minnesota (the District) is an instrumentality of the state of Minnesota established to function as an educational institution. The Board of Education consists of elected officials and is responsible for legislative and fiscal control of the District. A superintendent is appointed by the Board of Education and is responsible for administrative control of the District.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the District.

Extracurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside of school hours. In accordance with Minnesota Statutes, the District's School Board has elected to control and be financially accountable with respect to the underlying extracurricular activities. Accordingly, the extracurricular student activity accounts are included in these financial statements in the General Fund.

(b) Districtwide and Fund Financial Statements

The districtwide financial statements (i.e., the statement of net assets and statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for the purpose for which both restricted and unrestricted net assets are available. Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities. The effect of interfund activity has been removed from these statements.

INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA

Notes to Basic Financial Statements

June 30, 2010

Separate fund financial statements are provided for Governmental Funds and proprietary funds. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District's governmental activities, the financial statement of the Internal Service Fund is consolidated into the governmental column when presented in the Districtwide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's Internal Service Fund is charges to customers for service. Operating expenses for the Internal Service Fund include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The districtwide 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 have been met.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. Property taxes are considered to be available if collected within 60 days of fiscal year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes and U. S. generally accepted accounting principles (U.S. GAAP). Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

In applying the provisions of Governmental Accounting Standards Board (GASB) Statement No. 20, the District adopted all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, with the exception of those pronouncements that conflict with GASB pronouncements. The District has elected not to adopt FASB statements and interpretations issued after November 30, 1989.

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Funds

The District reports its financial activities through the use of fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The existence of the various funds of the District has been established by the State of Minnesota, Department of Education. A description of the activities of the various funds is provided below.

Governmental Funds

The District reports the following major Governmental Funds:

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. In the financial statements, the General Fund includes the Elementary and Secondary General Operating Fund and the Fully Financed Programs Fund, excluding amounts relating to community service fully financed programs, which are included in the Community Service Special Revenue Fund.

Community Service Special Revenue Fund – Elementary and Secondary Community Service and Fully Financed Community Service – Activities relating to the adult education programs, recreation and civic programs, and community programs that are fully financed by federal, state, or private grants are accounted for in this fund.

Food Service Special Revenue Fund – Activities relating to the school lunch and other related programs are accounted for in this fund.

Debt Service Fund – This fund accounts for resources used to repay bond indebtedness incurred to finance major property acquisition, construction, and improvement programs for Elementary and Secondary Schools.

Capital Projects Fund – This fund accounts for resources to be used for the acquisition and construction of major capital facilities for Elementary and Secondary Schools.

Proprietary Fund

Internal Service Fund – This fund accounts for the activities of the District’s workers’ compensation self-insurance program.

(d) Assets, Liabilities, and Net Assets

(i) Cash and Investments

The District uses pooled cash and investment accounts. Investments in money market instruments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value.

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Investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement. Investment income is allocated to the various funds based upon average monthly cash and investment balances.

Cash overdrafts in certain funds are considered short-term advances from other funds within the pool and are reflected as interfund receivables/payables. The fund incurring the overdraft is charged interest.

For purposes of the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with maturities of three months or less from the date of acquisition.

(ii) Receivables

All receivables are shown net of any allowance for uncollectibles. The only receivables not expected to be collected within one year are delinquent property taxes receivable.

(iii) Inventories

Inventory is valued at cost (first-in, first-out) or market and charged to expenditures when used. Inventory in the General Fund consists of textbooks and supplies held for consumption. Inventory in the Food Service Fund consists of food and related preparation supplies for the school nutrition programs.

(iv) Property Taxes

Property taxes are levied each December and are certified to Ramsey County for collection in the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. Property taxes are due from taxpayers in two installments payable on May 15 and October 15. The following are the dates the District receives the calendar year 2010 property taxes from Ramsey County:

May 26, 2010	First half advance of estimated May property tax collections
June 7, 2010	Second half advance of estimated May property tax collections
July 6, 2010	Final May tax settlement
October 25, 2010	First half advance of estimated October property tax collections
November 2, 2010	Second half advance of estimated October property tax collections
December 2, 2010	Final October settlement
January 25, 2011	Final settlement for calendar year

The majority of the District's revenue in the General, Community Service, and Debt Service Funds is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between property taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." Districts are required

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to recognize a percentage of the tax receipts for the calendar year as revenue for the year ended June 30. State aid is reduced by the amount of revenue recognized early. The remaining portion of the 2010 property taxes is recorded as deferred revenue since the property tax levy collectible in 2010 is intended to finance the subsequent fiscal year. As mandated by legislation, a portion of the property tax levy collectible in 2010, including the Teacher's Retirement Association (TRA) benefit levy, is recognized as revenue in fiscal year 2010.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred in the fund-based financial statements because it is not known to be available to finance the operations of the District in the current year. Based on ultimate collections experience, no allowance for uncollectible taxes is considered necessary.

(v) Capital Assets

Capital assets have been acquired for school purposes. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost of purchased or constructed assets. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are recorded in the districtwide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Capital assets not being depreciated include land and construction in progress. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Estimated useful lives are as follows:

Land improvements	20 years
Buildings	50 years
Building improvements	25 years
Equipment	5 – 20 years

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

(vi) Long -Term Obligations

In the districtwide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line amortization, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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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.

(vii) Compensated Absences – Vacation, Sick Leave, and Severance Pay

Under terms of union contracts, civil service employees are granted vacation and sick leave in varying amounts, portions of which can be carried over to future years. In the event of termination, civil service employees are reimbursed for any vacation earned and unused for the current and prior years. All vacation pay is accrued when incurred in the districtwide financial statements.

Unused sick leave for eligible employees is recorded as severance pay to the extent it is probable that the District will compensate employees for unused sick leave through cash payments upon termination or retirement. Severance pay is reported in the districtwide financial statements. Employees must be 55 years of age or older and must be eligible for pension under provisions of the Saint Paul Teachers Retirement Fund or the Public Employees Retirement Association of Minnesota. Severance pay is calculated at a rate ranging from \$60 to \$175, depending on the bargaining group, for each day of unused sick leave. The maximum amount of money that any employee may obtain through the severance program is \$23,500.

Funding for severance pay is partially funded through a special levy. Severance pay is recorded as an expenditure when paid.

(viii) Fund Balance

In the fund financial statements, Governmental Funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specified purpose.

(ix) Net Assets

Net assets represent the difference between assets and liabilities in the districtwide financial statements. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the districtwide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

(e) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

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disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(f) Future Adoption of Accounting Pronouncements

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The District intends to implement these GASB statements on their respective effective dates.

(2) Cash and Short-Term Investments

(a) Deposits

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the Board of Education. All such depositories are members of the Federal Reserve System.

Minnesota Statutes require that all the District's deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposits. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Deposit balances at June 30, 2010 are as follows:

	Carrying amount	Bank balance
Total bank deposits (checking and savings)	\$ 8,527,970	8,368,649

At June 30, 2010, all deposits for the District were insured or collateralized by securities held by the District's agent in the District's name.

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(b) Investments

Minnesota Statutes authorize the District to invest in the following types of investments:

- (1) Direct obligations or obligations guaranteed by the United States or its agencies.
- (2) Shares of investment companies registered under the Federal Investment Company Act of 1940 whose only investments are securities described in (1) above.
- (3) General obligations of the State of Minnesota or any of its municipalities.
- (4) Banker's acceptances of U.S. banks eligible for purchase by the Federal Reserve System.
- (5) Commercial paper issued by U.S. corporations or their Canadian subsidiaries, of the highest quality and maturing in 270 days or less.
- (6) Guaranteed investment contracts issued or guaranteed by U.S. commercial banks or domestic branches of foreign banks or U.S. insurance companies or their subsidiaries.
- (7) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker/dealers.
- (8) Future contracts sold under authority of Minnesota Statutes 471.56, subd. 5.

The District does not have any investment policies that would further limit investment choices.

The District's investments are potentially subject to various risks including the following:

- **Custodial credit risk** – The risk that in the event of a failure of the counterparty to an investment transaction (typically a brokerage firm or financial institution), the government would not be able to recover the value of the investment or collateral securities.
- **Credit risk** – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.
- **Concentration risk** – Investing 5% or more of the District's portfolio in the securities of a single issuer. This disclosure excludes U.S. government securities that are explicitly guaranteed by the U.S. government.
- **Interest rate risk** – The risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk).

The District's investment policy does not address the various risks noted above.

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The following table presents the District's deposit and investment balances at June 30, 2010, and information relating to potential investment risks:

	<u>Interest rate risk</u> <u>Maturities less than 1 year</u>	<u>Concentration risk</u> <u>Over 5% of portfolio</u>	<u>Credit risk</u> <u>Credit rating</u> <u>S&P's</u>	<u>Carrying value</u>
Investment pool				
Minnesota School District				
Liquid Asset Fund	N/A	N/A	AAAm	\$ 46,611,626
Money market funds	N/A	N/A		<u>133,226</u>
Total investments				46,744,852
Deposits				<u>8,527,970</u>
Total deposits and investments				<u>\$ 55,272,822</u>

N/A Not applicable

The Minnesota School District Liquid Asset Fund is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2a7. The fair value of the position in the pool is the same as the value of the pool shares.

(3) Restricted Cash and Investments

At June 30, 2010, \$30,922,275 of cash, money market account and U.S. government securities were held in escrow accounts for the District. These funds are the proceeds of the certificates of participation and general obligation bonds issued for the District's acquisition and renovation of instructional facilities. At June 30, 2010, all deposits of restricted cash for the District were insured or collateralized by securities held by the District's agent in the District's name.

The U.S. government securities consist of three securities with maturity dates in 2031. Carrying amount of the investments is \$15,932,653 as of June 30, 2010.

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(4) Receivables

Receivables due from other governmental units at June 30, 2010 consist of the following:

	<u>General</u>	<u>Community service</u>	<u>Food service</u>	<u>Debt service</u>	<u>Total</u>
Minnesota Department of Education categorical aid	\$ 105,702,221	3,516,256	56,860	2,772,076	112,047,413
Minnesota Department of Education, principally pass-through federal assistance	22,491,568	474,609	1,038,138	—	24,004,315
Tuition reimbursement	1,193,033	—	—	—	1,193,033
Federal government direct assistance	1,886,022	186,078	—	—	2,072,100
Other	960,910	112,354	—	—	1,073,264
	<u>\$ 132,233,754</u>	<u>4,289,297</u>	<u>1,094,998</u>	<u>2,772,076</u>	<u>140,390,125</u>

(5) Interfund Receivables/Payables

The District had the following interfund receivable and payable balances as of June 30, 2010:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 1,067,448	615,893
Debt Service	554,407	118,271
Capital Projects	1,250,195	2,137,886
Total	<u>2,872,050</u>	<u>2,872,050</u>

(6) Capital Assets

Capital assets activity for the year ended June 30, 2010 is as follows:

	<u>Land</u>	<u>Construction in progress</u>	<u>Total</u>
Capital assets not being depreciated:			
Cost at June 30, 2009	\$ 26,016,335	11,348,824	37,365,159
Additions and transfers in	—	14,991,041	14,991,041
Deletions and transfers out	—	(16,322,380)	(16,322,380)
Cost at June 30, 2010	<u>\$ 26,016,335</u>	<u>10,017,485</u>	<u>36,033,820</u>

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	<u>Land improvements</u>	<u>Buildings</u>	<u>Building improvements</u>	<u>Equipment</u>	<u>Total</u>
Capital assets being depreciated:					
Cost at June 30, 2009	\$ 16,724,959	335,589,332	226,022,542	14,290,885	592,627,718
Additions and transfers in	720,394	—	15,601,986	1,458,992	17,781,372
Deletions and transfers out	—	—	—	(257,982)	(257,982)
Cost at June 30, 2010	<u>\$ 17,445,353</u>	<u>335,589,332</u>	<u>241,624,528</u>	<u>15,491,895</u>	<u>610,151,108</u>

Accumulated depreciation activity for the year ended June 30, 2010 is as follows:

	<u>Land improvements</u>	<u>Buildings</u>	<u>Building improvements</u>	<u>Equipment</u>	<u>Total</u>
Accumulated depreciation at June 30, 2009	\$ 7,057,684	135,131,796	78,333,196	11,507,545	232,030,221
Additions	818,251	6,371,283	8,667,344	917,602	16,774,480
Deletions	—	—	—	(257,982)	(257,982)
Accumulated depreciation at June 30, 2010	<u>\$ 7,875,935</u>	<u>141,503,079</u>	<u>87,000,540</u>	<u>12,167,165</u>	<u>248,546,719</u>
Total capital assets being depreciated, net	\$ 9,569,418	194,086,253	154,623,988	3,324,730	361,604,389

Depreciation expense of \$16,774,480 for the year ended June 30, 2010 was charged to the following governmental functions:

Administration	\$ 144,850
District support services	525,390
Elementary and secondary regular instruction	15,642,440
Special education instruction	207,612
Instructional support services	45,420
Pupil support services	55,495
Community service	153,273
Total depreciation expense	<u>\$ 16,774,480</u>

At June 30, 2010, the District had approximately \$10,789,685 in outstanding construction commitments.

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(7) Long-Term Liabilities

(a) Change in Long-Term Liabilities

During the fiscal year ended June 30, 2010, the following changes occurred in long-term liabilities:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>	<u>Due within one year</u>
General obligation bonds	\$ 283,910,000	34,205,000	(44,465,000)	273,650,000	23,895,000
Certificates of participation	42,941,757	—	(5,327,981)	37,613,776	5,507,558
Note payable	—	—	—	—	—
Add (less) unamortized discount/premium	5,520,940	703,965	(258,867)	5,966,038	—
(Less) add deferred amounts on refunding	<u>(662,241)</u>	<u>(35,369)</u>	<u>114,351</u>	<u>(583,259)</u>	<u>—</u>
Total long-term obligations	331,710,456	34,873,596	(49,937,497)	316,646,555	29,402,558
Compensated absences:					
Severance pay	10,981,371	1,850,971	(2,089,861)	10,742,481	10,742,481
Vacation pay	<u>4,539,790</u>	<u>4,356,287</u>	<u>(4,066,524)</u>	<u>4,829,553</u>	<u>4,829,553</u>
	<u>\$ 347,231,617</u>	<u>41,080,854</u>	<u>(56,093,882)</u>	<u>332,218,589</u>	<u>44,974,592</u>

Severance and vacation pay are primarily liquidated by the fund incurring the liability.

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(b) Components of Long-Term Liabilities

(i) General Obligation Bonds Payable

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds were issued for school improvement, acquisition, and construction programs. General obligation bonds outstanding at June 30, 2010 include:

<u>Date of issue</u>	<u>Date of final maturity</u>	<u>Coupon rate percentage</u>	<u>Amount of original issue</u>	<u>Outstanding at June 30, 2010</u>
3/20/2001	3/20/2011	0 Coupon	6,000,000	6,000,000
8/1/2001	2/1/2021	4.0% – 5.0%	5,000,000	3,120,000
8/1/2001	2/1/2021	4.0% – 5.0%	15,000,000	9,565,000
8/1/2002	2/1/2023	3.0% – 5.0%	11,000,000	8,240,000
8/1/2002	2/1/2023	3.0% – 5.0%	15,000,000	11,315,000
3/31/2003	2/1/2024	3.0% – 4.5%	11,000,000	8,510,000
3/31/2003	2/1/2024	3.5% – 4.5%	15,000,000	11,615,000
12/1/2004	2/1/2025	3.0% – 5.0%	25,335,000	20,795,000
3/31/2003	2/1/2017	3.5% – 4.5%	29,055,000	17,460,000
12/1/2005	2/1/2026	4.0% – 5.0%	24,995,000	21,725,000
12/1/2005	2/1/2021	4.0% – 5.0%	44,290,000	40,065,000
11/1/2006	2/1/2021	4.0% – 5.0%	24,760,000	22,530,000
11/1/2007	2/1/2028	4.0% – 5.0%	25,630,000	24,185,000
12/1/2008	2/1/2029	3.0% – 5.0%	25,800,000	25,165,000
12/18/2008	2/1/2018	3.5% – 4.5%	11,345,000	9,155,000
12/15/2009	2/1/2020	2.0% - 4.0%	9,790,000	9,790,000
12/15/2009	2/1/2015	3.0% - 5.0%	8,300,000	8,300,000
12/23/2009	12/15/2015	1.585%	16,115,000	16,115,000
			<u>\$ 323,415,000</u>	<u>273,650,000</u>

The District's legal debt limit is 15% of the fair market value of the property within the District, totaling \$3,288,711,363 at June 30, 2010. The District's legal debt margin at June 30, 2010 is \$2,986,672,905.

At June 30, 2010, \$129,700,000 of defeased general obligation debt is outstanding.

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(ii) Certificates of Participation

The District has entered into installment purchase contracts to acquire and renovate facilities for instructional purposes through certificates of participation issued by independent vendors in the District's name. These certificates are full faith and credit obligations of the District and have been recorded as long-term obligations issued for capital projects in the financial statements. Certificates of participation outstanding at June 30, 2010 include:

<u>Date of issue</u>	<u>Date of final maturity</u>	<u>Coupon rate percentage</u>	<u>Amount of original issue</u>	<u>Certificates outstanding</u>
2/1/1990	2/1/2010	5.90% – 7.10%	\$ 23,148,543	2,017,227
2/1/1993	2/1/2013	5.70% – 6.375%	4,000,000	945,000
1/7/1993	1/1/2017	5.40% – 6.35%	5,603,508	1,576,549
8/1/2002	2/1/2015	2.50% – 4.20%	16,760,000	7,435,000
11/1/2006	2/1/2018	4.00%	14,420,000	10,325,000
11/1/2006	2/1/2016	4.00%	9,370,000	7,325,000
1/29/2009	2/1/2019	3.50% – 4.25%	8,715,000	7,990,000
			<u>\$ 82,017,051</u>	<u>37,613,776</u>

(c) Minimum Debt Service Payments

Annual debt service requirements to maturity for the bonds and certificates of participation are as follows:

	<u>Bonds</u>		<u>Certificates</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:						
2011	\$ 23,895,000	12,141,979	5,507,558	3,401,494	29,402,558	15,543,473
2012	18,155,000	10,930,716	5,651,950	3,254,295	23,806,950	14,185,011
2013	18,885,000	10,171,347	5,834,469	3,095,695	24,719,469	13,267,042
2014	18,720,000	9,346,324	5,636,173	2,923,235	24,356,173	12,269,559
2015	17,775,000	8,523,002	5,789,518	2,763,290	23,564,518	11,286,292
2016 – 2020	80,840,000	30,968,203	9,194,108	1,989,242	90,034,108	32,957,445
2021 – 2025	57,945,000	13,798,743	—	—	57,945,000	13,798,743
2026 – 2030	37,435,000	2,378,917	—	—	37,435,000	2,378,917
	<u>\$ 273,650,000</u>	<u>98,259,231</u>	<u>37,613,776</u>	<u>17,427,251</u>	<u>311,263,776</u>	<u>115,686,482</u>

(d) General Obligation Bonds and Certificates of Participation Issued

During fiscal year 2010, the District issued \$9,790,000 in General Obligation School Building Bonds, Series 2009B and \$16,115,000 in Qualified School Construction Bonds Taxable General Obligation Bonds, Series 2009D. The proceeds will be used to finance various deferred maintenance

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and repairs, health and safety projects, handicapped accessibility projects, and acquisition and betterment of school facilities.

During fiscal year 2010, the District also issued \$8,300,000 Series 2009C General Obligation Refunding Bonds. The proceeds were used to finance a current refunding of the 2002C and 2002D General Obligation Bonds. For the 2009C issue, the refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$35,369. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2013. The 2009C issue was undertaken to reduce the total debt service payments over the next five years by a net \$550,504 and resulted in an economic gain in present value dollars of \$555,217.

(8) Variance from State Reporting Requirements

Inventories – The Minnesota Department of Education has not defined a reserve for inventory account in its Uniform Financial Accounting and Reporting Standards (UFARS). However, the District has reported a reserve for inventory of \$1,736,224 on the Governmental Funds balance sheet in accordance with U.S. GAAP.

Prepaid expenses – The Minnesota Department of Education has not defined a reserve for prepaid expenses in its UFARS. However, the District has reported a reserve for prepaid expenses of \$2,511,912 on the Governmental Funds balance sheet in accordance with U.S. GAAP.

(9) Postemployment Benefits Other than Pensions

The cost of postemployment healthcare benefits, from an accrual account perspective, similar to the cost of pension benefits, should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB No. 45), the District recognizes the cost of postemployment healthcare in the year the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows. Recognition of the liability accumulated from prior years will be amortized over 30 years.

(a) Plan Description

The District provides postemployment healthcare benefits to certain eligible employees. The District provides these benefits in a single-employer defined benefit healthcare plan administered by the District. All of the postemployment benefits are based on contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements.

Employees who retire before age 65 and meet the eligibility requirements for health insurance shall continue to be provided health insurance contributions by the District until such employees reach 65 years of age. Employees hired into the District before January 1, 1996 and who retired prior to January 1, 1998, upon reaching age 65 and meeting the service eligibility requirements, shall receive, at no cost to the retiree, health insurance premium coverage for the remainder of the retiree's and

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dependent's life. Employees hired into the District before January 1, 1996 and who retire on or after January 1, 1998, upon reaching age 65 and meeting the service eligibility requirements, shall continue to receive the District's contribution toward health insurance premiums for the remainder of the retiree's and dependent's lives. Premium contributions for such policy will not exceed \$300 per month for single coverage and \$400 per month for family coverage. Premium contributions for non-Medicare-eligible employees will not exceed \$400 per month for single coverage and \$500 per month for family coverage. Employees hired on or after January 1, 1996 shall not have and acquire in any way any eligibility for District-paid health insurance premium contributions for coverage in retirement at age 65 and over.

(b) Funding Policy

The required contribution is based on a projected pay-as-you-go financing requirement.

(c) Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The District's OPEB cost for the current year and the related information is as follows at June 30, 2010:

Annual required contribution (ARC)	\$	30,807,239
Interest on net OPEB obligation		879,325
Adjustment to ARC		<u>(1,680,482)</u>
Annual OPEB cost (expense)		30,006,082
Contributions made		<u>(13,559,946)</u>
Increase in net OPEB obligation		16,446,136
Net OPEB obligation, beginning of year		<u>35,172,982</u>
Net OPEB obligation, end of year	\$	<u><u>51,619,118</u></u>

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(d) Three-Year Trend Information

<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
June 30, 2010	\$ 30,006,082	45.2%	\$ 51,619,118
June 30, 2009	28,257,841	38.4%	35,172,982
June 30, 2008	28,257,841	37.1	17,768,845

(e) Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$409,602,151 resulting in an unfunded actuarial accrued liability (UAAL) of \$409,602,151. The covered payroll (annual payroll of active employees covered by the plan) was \$298,996,320 and the ratio of UAAL to covered payroll was 137.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as presented below as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(f) Schedule of Funding Progress – Unaudited Required Supplementary Information

Analysis of the District's funding status follows:

<u>Actuarial valuation date</u>	<u>Actuarial value of plan assets</u>	<u>Actuarial accrued liability (AAL)</u>	<u>Plan assets less than AAL</u>	<u>Funded ratio</u>	<u>Covered payroll</u>	<u>Plan assets less than AAL as of a percentage of covered payroll</u>
January 1, 2009	\$ —	409,602,151	409,602,151	—%	\$ 298,996,320	137.0%
January 1, 2007	—	312,955,987	312,955,987	—	214,378,153	68.5
January 1, 2006	N/A	N/A	N/A	N/A	N/A	N/A
January 1, 2005	N/A	N/A	N/A	N/A	N/A	N/A

(g) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and

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plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 2.5% investment rate of return, which is a long-term rate of return on general account assets, and an annual inflation rate and annual healthcare cost trend rate of 8.5% in 2009, reduced 0.5% each year until it reaches an annual rate of 5.0% in 2016. The UAAL is being amortized over a 30-year period on a level dollar method.

(10) Joint Powers Agreement

(a) *Metropolitan Learning Alliance*

The District has formed a joint powers entity (Metropolitan Learning Alliance (MLA)) with four metropolitan area districts. The purpose of such agreement is to jointly and cooperatively establish educational programming at the Mall of America for research and development of lifelong learning and outcome-based education. This educational programming is being accomplished in collaboration with the Mall of America business community. The MLA board of trustees consists of 12 members. Five of the members have voting rights. The five voting members are the School Board members who have been designated as representatives by and for the respective districts. The remaining seven are the superintendents of the respective schools and two persons designated by the Mall of America business community.

Each district is responsible for funding MLA on a per-pupil basis with respect to the enrollment or participation in MLA educational programming by pupils residing within the geographical boundaries of each respective district. It is the intent that each district's respective per-pupil MLA expenditures not exceed like expenditures for pupils enrolled in each respective district's own educational programming, excluding capital expenditure aid, referendum revenue, and intradistrict integration grants. It is the intent that grants and donations from other governmental and nongovernmental entities shall be a major source of MLA funding.

(b) *East Metro Integration District*

The District is a member of the East Metro Integration District (District 6067) that includes 10 area districts. Each district is responsible for funding on a per-pupil basis for pupils residing within the geographic boundaries of each district. The Joint Powers Board for District 6067 consists of two representatives selected by each of the member school districts. Each representative of the Joint Powers Board from a member school district shall be entitled to cast one vote.

(11) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees (workers' compensation); and natural disasters. To mitigate these risks, the District has obtained property and casualty insurance through Berkley Risk Administrators. The District's property and casualty plan through Berkley Risk Administrators provides for a \$250,000 deductible per occurrence. The plan requires quarterly premiums with no additional

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assessments. Berkley Risk Administrators has obtained a reinsurance policy. Settlement claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in the District's insurance coverage in fiscal year 2010.

Workers' compensation coverage is self-insured and is administered by Cannon Cochran Management Services, Inc. The District provides coverage of \$450,000 per employee per occurrence with a lifetime cap of \$1,200,000. Claims in excess of \$450,000 are covered by the District's reinsurance company, WCRA. The District pays quarterly premiums to WCRA and is subject to additional assessments. Changes in the estimated workers' compensation liability during the past two years are as follows:

	2010	2009
Estimated liability at beginning of year	\$ 10,973,109	11,248,363
Increased claims (including IBNR)	3,364,041	3,168,629
Administrative payments	(148,348)	(148,760)
Claim payments	(2,612,016)	(3,295,123)
Estimated liability at end of year	\$ 11,576,786	10,973,109

The District carries commercial insurance for employee health and dental coverage.

(12) Defined Benefit Pension Plans

The St. Paul Teachers' Retirement Fund Association (SPTRFA) is a single-employer pension plan. The Public Employees Retirement Association (PERA) is a cost-sharing multiple employer pension plan. Substantially all employees of the District are required by state law to belong to pension plans administered by the SPTRFA or PERA.

(a) *St. Paul Teachers Retirement Fund Association*

Plan Description

All licensed employees are required to participate in the SPTRFA plan. Licensed employees belong to either the Coordinated or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. Benefits are established by State Statute or SPTRFA bylaws.

SPTRFA provides retirement benefits, as well as death and disability benefits. All benefits vest after three years of credited service. Members first employed before July 1, 1989 are Tier I members but have the option of a Tier II benefit if this benefit is greater. All members first employed after June 30, 1989 are Tier II members. Normal retirement age in Tier I is 65. Normal retirement age in Tier II is 65 or the age in which a member becomes eligible for an unreduced Social Security benefit. In addition, the Tier I age and service requirements for unreduced benefits are the Rule of 90 or age 62 with 30 or more years of service in the Coordinated Plan, or age 60 with 25 years or more of service in the Basic Plan.

Employees in the Basic Plan with three years of credited service may retire at age 55 or older and receive a reduced retirement benefit. Employees in the Coordinated Plan with three years of credited

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service may retire at age 55 or older or at any age with 30 years of service and receive a reduced retirement benefit. Benefits are based upon the following formula percentages:

	<u>Coordinated Plan member</u>	<u>Basic Plan member</u>
Tier I:		
Each year of service during the first 10 years	1.2% per year	2.0% per year
Each year of service thereafter (up to a maximum of 40 years)	1.7% per year	2.0% per year
Tier II:		
All years of service	1.7% per year	2.5% per year

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The formula percentage is applied to the average of the highest five successive annual salaries for Coordinated Plan members and the best five years during the 10 most current years for Basic Plan members. The benefit is payable for life with five available annuity payment plans.

SPTRFA issues a publicly available financial report that includes financial statements and required supplementary information for SPTRFA. That report may be obtained by writing to SPTRFA, 1619 Dayton Avenue, Room 309, St. Paul, MN 55104, or by calling 651-642-2550.

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Funding Policy and Annual Pension Cost

The District makes annual required contributions to the pension plans. The annual required contributions are actuarially determined. The District and the State are required by statute to make contributions, all of which have been made. The District's annual pension cost for the current fiscal year and related information is as follows:

	Basic Plan	Coordinated Plan
Contribution rates:		
Employees	8.00%	5.50%
District	11.64%	8.34%
Annual pension cost	\$ 907,077	20,568,865
Contributions made	\$ 841,822	19,036,276
Actuarial valuation date	July 1, 2009	July 1, 2009
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percent, 5% payroll growth	Level percent, 5% payroll growth
Remaining amortization period	25 years	25 years
Asset valuation method	Market value, adjusted for amortization obligations receivable at end of each fiscal year, less a percentage of unrecognized asset return determined at close of each of the four preceding fiscal years.	Market value, adjusted for amortization obligations receivable at end of each fiscal year, less a percentage of unrecognized asset return determined at close of each of the four preceding fiscal years.
Actuarial assumptions:		
Investment rate of return	8.50%	8.50%
Projected salary increases	Based on a 10 yr select and ultimate rate table with rates ranging from 5.0-6.9%, age and service based	Based on a 10 yr select and ultimate rate table with rates ranging from 5.0-6.9%, age and service based
Cost-of-living adjustments	2.00%	2.00%

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Three-Year Trend Information

	<u>Year ending</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Basic Plan	June 30, 2008	\$ 2,290,608	97	\$ 77,621
	June 30, 2009	1,171,988	94	75,604
	June 30, 2010	907,077	92	65,255
Coordinated Plan	June 30, 2008	30,958,584	97	1,084,905
	June 30, 2009	20,361,191	93	1,363,791
	June 30, 2010	20,568,865	92	1,532,589

Schedule of Funding Progress (Unaudited)

Actuarial information with regard to the SPTRFA is presented below. All amounts are expressed in thousands of dollars.

<u>Actuarial valuation date</u>	<u>Actuarial value of assets (a)</u>	<u>AAL – entry age (b)</u>	<u>UAAL (b – a)</u>	<u>Funded ratio (a/b)</u>	<u>Annual covered payroll (c)</u>	<u>UAAL as a percentage of covered payroll ((b – a)/c)</u>
July 1, 2007	1,015,722	1,391,298	375,576	73.01	229,172	163.88
July 1, 2008	1,075,951	1,432,040	356,089	75.13	235,993	150.89
July 1, 2009	1,049,954	1,454,314	404,360	72.20	243,166	166.29

(b) Public Employees Retirement Association

Plan Description

All full-time and certain part-time employees of the District are covered by defined benefit plans administered by PERA. PERA administers the Public Employees Retirement Fund (PERF), which is a cost-sharing, multiple-employer retirement plan. The plan is established and administered in accordance with Minnesota Statutes Chapters 353 and 356.

Members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level

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accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for Coordinated Plan members is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service.

For all PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. There are also various types of joint-and-survivor annuity options available, which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions statedg53 in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA, 60 Empire Drive, #200, St. Paul, MN 55103-2088, or by calling 651-296-7460 or 1-800-652-9026.

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plan equal to the amount required by state statute. PERF Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.00%, respectively, of their annual covered salary. The District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members and 6.75% for Coordinated Plan PERF members. The District's contributions for the years ended June 30, 2010, 2009, and 2008 were \$6,364,310, \$6,247,038, and \$5,863,730, respectively, equal to the contractually required contributions for each year as set by state statute.

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(13) Subsequent Event

In October 2010, the District approved issuance of \$10,355,000 of General Obligation School Building Refunding Bonds to refund existing outstanding issuances. In November 2010, the District approved issuance of \$26,000,000 of Taxable General Obligation School Building Bonds to fund various construction and maintenance projects.

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Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
General Fund and Major Special Revenue Funds

Year ended June 30, 2010

	General			Community service			Food service		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual	Budgeted amounts		Actual
	Original	Final		Original	Final		Original	Final	
Revenues:									
Local sources:									
Property taxes	\$ 72,626,651	72,626,651	72,768,918	3,548,616	3,548,616	3,601,311			50,962
County and other	10,688,802	15,724,058	14,547,472	5,745,509	5,799,509	6,099,785			
State	378,727,968	382,322,158	347,523,258	9,965,315	11,710,588	11,934,045	1,229,000	1,229,000	1,045,860
Federal	66,316,801	66,911,960	85,402,798	2,541,768	3,439,470	3,254,918	15,899,000	15,899,000	17,879,245
Investment earning	2,540,326	2,383,822	47,993			3,526			3,303
Sales and conversions of assets	13,900	338,939	200,608				3,482,000	3,482,000	3,060,536
Total revenues	<u>530,914,448</u>	<u>540,307,588</u>	<u>520,491,047</u>	<u>21,801,208</u>	<u>24,498,183</u>	<u>24,893,585</u>	<u>20,610,000</u>	<u>20,610,000</u>	<u>22,039,906</u>
Expenditures:									
Current:									
District administration	20,578,205	20,680,312	20,512,678						
District support	15,458,466	13,393,838	11,384,211						
Regular instruction	263,183,685	274,861,934	257,401,134	775,845	889,187	850,064			
Vocational instruction	1,030,425	2,544,906	5,003,058						
Exceptional instruction	112,024,393	111,133,621	108,496,079						
Community education services				21,506,763	23,634,086	23,056,182			
Instructional support	31,495,987	35,486,171	33,455,622						
Pupil support services	48,510,328	47,138,997	46,088,319	681,600	1,024,548	951,442	20,698,262	20,698,262	21,786,403
Capital outlay:									
Sites, buildings, and equipment	42,332,959	42,241,115	39,687,985						
Total expenditures	<u>534,614,448</u>	<u>547,480,894</u>	<u>522,029,086</u>	<u>22,964,208</u>	<u>25,547,821</u>	<u>24,857,688</u>	<u>20,698,262</u>	<u>20,698,262</u>	<u>21,786,403</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(3,700,000)</u>	<u>(7,173,306)</u>	<u>(1,538,039)</u>	<u>(1,163,000)</u>	<u>(1,049,638)</u>	<u>35,897</u>	<u>(88,262)</u>	<u>(88,262)</u>	<u>253,503</u>
Fund balances at beginning of year			62,601,473			2,945,923			4,629,820
Fund balances at end of year			\$ <u>61,063,434</u>			<u>2,981,820</u>			<u>4,883,323</u>

See accompanying independent auditors' report and notes to required supplementary information.

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Notes to Required Supplementary Information

June 30, 2010

Budgetary Information

The budget for the General Fund, Community Service, and Food Service Special Revenue Funds is prepared on the same basis of accounting as the financial statements and lapses at year-end.

These procedures are followed in establishing the budgetary data reflected in the required supplementary information:

- In September, the Board of Education appoints members to the Citizens' Budget and Finance Advisory Committee (CBFAC).
- The Board of Education adopts the guidelines and the budget calendar.
- From February through April, the administration and schools prepare the budget.
- The Board's Committee of the Board reviews the citizens' recommendations and the administration's responses. The administration recommends the budget.
- The Board's Committee of the Board reports at a June regular board meeting regarding the budget recommendations and adopts the budget, which is detailed in a separate budgetary report.
- The Superintendent and the Chief Financial Officer are authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts include three budget amendments that increased the District's total revenue and expenditure budgets by \$12,090,115 and \$15,450,059, respectively. Unencumbered expenditure appropriations lapse at year-end. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not represent expenditures or liabilities. Encumbrances outstanding at year-end are reappropriated in the ensuing year's budget, and the related expenditures are recorded in the ensuing year.

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General Fund

Combining Balance Sheet

June 30, 2010

(with comparative totals for June 30, 2009)

Assets	<u>General Fund Accounts</u>	<u>Fully Financed General Fund Accounts</u>	<u>Totals</u>	
			<u>2010</u>	<u>2009</u>
Cash and short-term investments	\$ 36,858,999	(7,228,884)	29,630,115	74,286,464
Receivables:				
Property taxes	46,578,262	—	46,578,262	46,073,597
Due from other governmental units	118,967,167	13,266,587	132,233,754	62,393,369
Other	431,576	694,760	1,126,336	2,646,505
Due from other funds	1,067,448	—	1,067,448	—
Inventories, principally at cost	529,974	—	529,974	544,105
Prepaid expenses	1,044,848	50,707	1,095,555	1,295,749
	<u>\$ 205,478,274</u>	<u>6,783,170</u>	<u>212,261,444</u>	<u>187,239,789</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 7,310,188	1,433,367	8,743,555	7,894,299
Accrued expenses	38,465,176	2,425,004	40,890,180	36,578,413
Aid anticipated certificate payable	24,874,385	—	24,874,385	—
Due to other governmental units	495,064	—	495,064	640,404
Due to other funds	615,893	—	615,893	—
Amounts held for school activities	3,173,642	—	3,173,642	3,318,530
Deferred revenue:				
Property taxes	69,350,507	—	69,350,507	70,596,109
Other	129,985	2,924,799	3,054,784	5,610,561
	<u>144,414,840</u>	<u>6,783,170</u>	<u>151,198,010</u>	<u>124,638,316</u>
Fund balance:				
Reserved for:				
Encumbrances	2,269,852	—	2,269,852	2,360,432
Severance pay	—	—	—	3,812,347
Retiree health insurance	—	—	—	20,380,497
Health and Safety	152,222	—	152,222	1,902,571
Operating capital	3,127,809	—	3,127,809	2,316,703
Inventories and prepaids	1,574,822	50,707	1,625,529	1,839,854
Area learning center	826,646	—	826,646	—
Unreserved:				
Designated for severance pay	2,538,018	—	2,538,018	—
Designated for retiree health insurance	20,377,730	—	20,377,730	—
Designated for contractual obligations	181,636	—	181,636	181,636
Designated for next year operations	1,458,664	—	1,458,664	2,405,974
Undesignated	28,556,035	(50,707)	28,505,328	27,401,459
	<u>61,063,434</u>	<u>—</u>	<u>61,063,434</u>	<u>62,601,473</u>
Total fund balance	<u>61,063,434</u>	<u>—</u>	<u>61,063,434</u>	<u>62,601,473</u>
Total liabilities and fund balance	<u>\$ 205,478,274</u>	<u>6,783,170</u>	<u>212,261,444</u>	<u>187,239,789</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

General Fund Accounts

Balance Sheet

June 30, 2010

(with comparative totals for June 30, 2009)

Assets	2010	2009
Cash and short-term investments	\$ 36,858,999	80,823,575
Receivables:		
Property taxes	46,578,262	46,073,597
Due from other governmental units	118,967,167	49,873,026
Interest	—	—
Other	431,576	1,346,249
Due form other funds	1,067,448	
Inventories, principally at cost	529,974	544,105
Prepaid expenses	1,044,848	1,214,134
	<u>205,478,274</u>	<u>179,874,686</u>
Total assets	\$ <u>205,478,274</u>	<u>179,874,686</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 7,310,188	6,422,615
Accrued expenses	38,465,176	35,588,406
Aid anticipated certificate payable	24,874,385	—
Due to other governmental units	495,064	640,369
Due to other funds	615,893	
Amounts held for school activities	3,173,642	3,318,530
Deferred revenue:		
Property taxes	69,350,507	70,596,109
Other	129,985	707,184
	<u>144,414,840</u>	<u>117,273,213</u>
Total liabilities	\$ <u>144,414,840</u>	<u>117,273,213</u>
Fund balance:		
Reserved for:		
Encumbrances	2,269,852	2,360,432
Severance pay	—	3,812,347
Retiree health insurance	—	20,380,497
Operating capital	3,127,809	2,316,703
Health and Safety	152,222	1,902,571
Inventories and prepaid expenses	1,574,822	1,758,239
Area learning center	826,646	—
Unreserved:		
Designated for severance pay	2,538,018	—
Designated for retiree health insurance	20,377,730	—
Designated for contractual obligations	181,636	181,636
Designated for next year operations	1,458,664	2,405,974
Undesignated	28,556,035	27,483,074
	<u>61,063,434</u>	<u>62,601,473</u>
Total fund balance	\$ <u>61,063,434</u>	<u>62,601,473</u>
Total liabilities and fund balance	\$ <u>205,478,274</u>	<u>179,874,686</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Fully Financed General Fund Accounts

Balance Sheet

June 30, 2010

(with comparative totals for June 30, 2009)

Assets	2010	2009
Cash and short-term investments	\$ (7,228,884)	(6,537,111)
Receivables:		
Due from other governmental units	13,266,587	12,520,343
Other	694,760	1,300,256
Prepaid expenses	50,707	81,615
Total assets	\$ 6,783,170	7,365,103
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,433,367	1,471,684
Accrued expenses	2,425,004	990,007
Due to other governmental units	—	35
Deferred revenue	2,924,799	4,903,377
Total liabilities	6,783,170	7,365,103
Fund balance:		
Reserved for:		
Prepaid expenses	50,707	81,615
Unreserved:		
Undesignated	(50,707)	(81,615)
Total fund balance	—	—
Total liabilities and fund balance	\$ 6,783,170	7,365,103

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

General Fund

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

Year ended June 30, 2010
(with comparative totals for the year ended June 30, 2009)

	<u>General Fund Accounts</u>	<u>Fully Financed General Fund Accounts</u>	<u>Totals</u>	
			<u>2010</u>	<u>2009</u>
Revenues:				
Local sources:				
Property taxes	\$ 72,768,918	—	72,768,918	69,822,722
County and other	6,933,399	7,614,073	14,547,472	14,176,855
State	344,991,055	2,532,203	347,523,258	391,030,649
Federal	30,182,414	55,220,384	85,402,798	41,040,402
Investment earnings	47,993	—	47,993	1,307,937
Sales and conversions of assets	200,608	—	200,608	299,224
Total revenues	<u>455,124,387</u>	<u>65,366,660</u>	<u>520,491,047</u>	<u>517,677,789</u>
Expenditures:				
Current:				
District administration	19,650,994	861,684	20,512,678	21,909,673
District support	11,313,642	70,569	11,384,211	11,562,261
Regular instruction	217,208,433	40,192,701	257,401,134	252,782,640
Vocational instruction	4,104,146	898,912	5,003,058	4,489,449
Exceptional instruction	91,817,040	16,679,039	108,496,079	103,253,149
Instructional support	29,126,337	4,329,285	33,455,622	36,598,693
Pupil support services	43,753,849	2,334,470	46,088,319	47,931,032
Capital outlay:				
Sites, buildings, and equipment	39,687,985	—	39,687,985	42,009,623
Total expenditures	<u>456,662,426</u>	<u>65,366,660</u>	<u>522,029,086</u>	<u>520,536,520</u>
Excess of revenues over expenditures	(1,538,039)	—	(1,538,039)	(2,858,731)
Fund balance at beginning of year	<u>62,601,473</u>	<u>—</u>	<u>62,601,473</u>	<u>65,460,204</u>
Fund balance at end of year	<u>\$ 61,063,434</u>	<u>—</u>	<u>61,063,434</u>	<u>62,601,473</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

General Fund Accounts

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Final Budget and Actual

Year ended June 30, 2010

(with comparative totals for the year ended June 30, 2009)

	2010		2009
	Final Budget	Actual	Actual
Revenues:			
Local sources:			
Property taxes	\$ 72,626,651	72,768,918	69,822,722
County and other	6,379,118	6,933,399	7,978,770
State	378,267,723	344,991,055	387,166,828
Federal	850,000	30,182,414	1,172,840
Interest earnings	2,383,822	47,993	1,307,937
Sales and conversions of assets	338,939	200,608	299,224
	460,846,253	455,124,387	467,748,321
Total revenues			
Expenditures:			
Current:			
District administration	19,742,567	19,650,994	20,871,874
District support	13,008,454	11,313,642	11,421,958
Regular instruction	226,322,312	217,208,433	224,030,783
Vocational instruction	1,469,533	4,104,146	3,834,763
Exceptional instruction	91,103,900	91,817,040	89,836,942
Instructional support	29,736,339	29,126,337	33,578,708
Pupil support services	44,395,339	43,753,849	45,022,401
Capital outlay:			
Sites, buildings, and equipment	42,241,115	39,687,985	42,009,623
	468,019,559	456,662,426	470,607,052
Total expenditures			
(Deficiency) excess of revenues (under) over expenditures	\$ (7,173,306)	(1,538,039)	(2,858,731)
Fund balance at beginning of year		62,601,473	65,460,204
Fund balance at end of year		\$ 61,063,434	62,601,473

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Fully Financed General Fund Accounts

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Final Budget and Actual

Year ended June 30, 2010

(with comparative totals for the year ended June 30, 2009)

	2010		2009
	Final Budget	Actual	Actual
Revenues:			
Local sources:			
County and other	\$ 9,344,940	7,614,073	6,198,085
State	4,054,435	2,532,203	3,863,821
Federal	66,061,960	55,220,384	39,867,562
Total revenues	79,461,335	65,366,660	49,929,468
Expenditures:			
Current:			
District administration	937,745	861,684	1,037,799
District support	385,384	70,569	140,303
Regular instruction	48,539,622	40,192,701	28,751,857
Vocational instruction	1,075,373	898,912	654,686
Exceptional instruction	20,029,721	16,679,039	13,416,207
Instructional support	5,749,832	4,329,285	3,019,985
Pupil support services	2,743,658	2,334,470	2,908,631
Total expenditures	\$ 79,461,335	65,366,660	49,929,468
Excess of revenues over expenditures		—	—
Fund balance at beginning of year		—	—
Fund balance at end of year		\$ —	—

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Community Service Fund

Balance Sheet

June 30, 2010

(with comparative totals for June 30, 2009)

Assets	2010	2009
Cash and short-term investments	\$ 3,377,752	5,041,393
Receivables:		
Property taxes	2,319,906	2,289,385
Due from other governmental units	4,289,297	2,449,868
Other	10,039	64,446
Prepaid expenses	—	10,766
Total assets	\$ 9,996,994	9,855,858
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 833,538	1,056,817
Accrued expenses	1,818,165	1,469,223
Deferred revenue:		
Property taxes	3,733,716	3,825,903
Other	629,755	557,992
Total liabilities	7,015,174	6,909,935
Fund balance:		
Reserve for:		
Adult Basic Education	462,697	580,606
Retiree health insurance	—	245,474
School readiness	467,947	554,314
Community education	1,559,241	1,501,484
ECFE	200,979	53,279
Prepaid expenses	—	10,766
Unreserved:		
Designated for retiree health insurance	290,956	—
Total fund balance	2,981,820	2,945,923
Total liabilities and fund balance	\$ 9,996,994	9,855,858

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Community Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2010

(with comparative totals for the year ended June 30, 2009)

	2010	2009
Revenues:		
Local sources:		
Property taxes	\$ 3,601,311	3,331,111
County and other	6,099,785	6,827,133
State	11,934,045	12,608,270
Federal	3,254,918	3,697,852
Investment earnings	3,526	70,393
Total revenues	24,893,585	26,534,759
Expenditures:		
Current:		
Regular instruction	850,064	1,235,389
Community education services	23,056,182	24,285,832
Pupil support services	951,442	995,877
Total expenditures	24,857,688	26,517,098
Excess of revenues over expenditures	35,897	17,661
Fund balances at beginning of year	2,945,923	2,928,262
Fund balance at end of year	\$ 2,981,820	2,945,923

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Food Service Fund

Balance Sheet

June 30, 2010

(with comparative figures for June 30, 2009)

Assets	Food Service	
	2010	2009
Cash and short-term investments	\$ 4,555,591	4,094,263
Receivables:		
Due from other governmental units	1,094,999	976,512
Inventories, principally at cost	1,206,250	990,198
Prepaid expenses	39,357	2,700
Total assets	\$ 6,896,197	6,063,673
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 416,345	264,204
Accrued expenses	1,596,529	1,169,649
Total liabilities	2,012,874	1,433,853
Fund balance:		
Reserve for:		
Retiree health insurance	—	316,828
Inventories and prepaid expenses	1,245,607	992,898
Unreserved:		
Designated for retiree health insurance	315,831	—
Undesignated	3,321,885	3,320,094
Total fund balance	4,883,323	4,629,820
Total liabilities and fund balance	\$ 6,896,197	6,063,673

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Food Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 2010

(with comparative totals for the year ended June 30, 2009)

	2010	2009
Revenues:		
Local sources:		
Property taxes	\$ 50,962	68,521
State	1,045,860	1,204,125
Federal	17,879,245	16,197,050
Sales and conversion of assets	3,060,536	3,332,455
Investment earnings	3,303	43,929
Total revenues	22,039,906	20,846,080
Expenditures:		
Current:		
Pupil support services	21,786,403	20,288,211
Total expenditures	21,786,403	20,288,211
Excess of revenues over expenditures	253,503	557,869
Fund balances at beginning of year	4,629,820	4,071,951
Fund balance at end of year	\$ 4,883,323	4,629,820

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Debt Service Fund

Balance Sheet

June 30, 2010

(with comparative figures for June 30, 2009)

Assets	2010	2009
Cash and short-term investments	\$ 4,639,895	10,764,205
Restricted cash with fiscal agent	5,252,666	23,041,292
Receivables:		
Property taxes	22,277,979	18,056,716
Due from other governmental units	2,772,075	1,698,247
Due from other funds	554,407	—
Interest		3,885
Other receivable	2,190	—
Prepays expenses	1,377,000	412,000
Total assets	\$ 36,876,212	53,976,345
Liabilities and Fund Balance		
Accounts payable	\$ —	2,578
Deferred revenue:		
Property taxes	36,359,530	30,875,165
Due to other funds	118,271	—
Total liabilities	36,477,801	30,877,743
Fund balance:		
Reserved for prepaid expenses	1,377,000	412,000
Reserved for bond refunding	5,252,666	23,041,292
Unreserved:		
Undesignated	(6,231,255)	(354,690)
Total fund balance	398,411	23,098,602
Total liabilities and fund balance	\$ 36,876,212	53,976,345

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Final Budget and Actual

Year ended June 30, 2010

(with comparative actual figures for the year ended June 30, 2009)

	2010		2009
	Final Budget	Actual	Actual
Revenues:			
Local sources:			
Property taxes	\$ 30,233,162	28,665,402	28,162,682
County and other	—	192,535	—
State	3,732,577	4,937,521	4,932,730
Investment earnings	201,000	4,492	365,531
	<u>34,166,739</u>	<u>33,799,950</u>	<u>33,460,943</u>
Total revenues			
Expenditures:			
Debt service:			
Principal payments	18,922,982	22,472,981	20,614,089
Interest expense	14,248,298	15,606,755	15,442,939
Other debt expense	30,000	202,709	137,426
	<u>33,201,280</u>	<u>38,282,445</u>	<u>36,194,454</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>965,459</u>	<u>(4,482,495)</u>	<u>(2,733,511)</u>
Other financing sources (uses):			
Refunding bonds issued	—	8,300,000	20,060,000
Premium on refunding debt	—	727,389	409,368
Interest on proceeds of refunding bonds	—	962,915	1,126,157
Principal payments by refunded bond escrow agent	—	(27,320,000)	(29,355,000)
Interest payments by bond escrow agent	—	(888,000)	(1,300,622)
	<u>—</u>	<u>(18,217,696)</u>	<u>(9,060,097)</u>
Total other financing uses			
Deficiency of revenue and other financing sources under expenditures	<u>\$ 965,459</u>	<u>(22,700,191)</u>	<u>(11,793,608)</u>
Fund balance at beginning of year		<u>23,098,602</u>	<u>34,892,210</u>
Fund balance at end of year		<u>\$ 398,411</u>	<u>23,098,602</u>

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Capital Projects Fund

Balance Sheet

June 30, 2010

(with comparative figures for June 30, 2009)

Assets	2010	2009
Restricted cash and investments	\$ 30,922,275	26,380,106
Receivables:		
Interest receivable	—	37,845
Due from other funds	1,250,195	—
Total assets	\$ 32,172,470	26,417,951
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 2,576,724	2,496,745
Accrued expenses	233,535	464,509
Due to other funds	2,137,886	—
Total liabilities	4,948,145	2,961,254
Fund balance:		
Reserved for:		
Alternative facilities program	6,292,001	5,494,106
Unreserved:		
Designated for building construction	20,932,324	17,962,591
Total fund balance	27,224,325	23,456,697
Total liabilities and fund balance	\$ 32,172,470	26,417,951

See accompanying independent auditors' report.

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Final Budget and Actual

Year ended June 30, 2010

(with comparative actual figures for the year ended June 30, 2009)

	2010		2009
	Final Budget	Actual	Actual
Revenues:			
Local sources:			
County and other	\$ —	—	100
Federal	—	549,868	—
Investment earnings	200,000	49,209	223,803
Total revenues	200,000	599,077	223,903
Expenditures:			
Capital outlay:			
Sites, buildings, equipment, and other	30,200,000	22,581,003	27,270,487
Debt Service:			
Other debt expense	—	132,024	72,643
Total expenditures	30,200,000	22,713,027	27,343,130
Deficiency of revenue under expenditures	(30,000,000)	(22,113,950)	(27,119,227)
Other financing sources:			
Bonds issued	26,000,000	25,905,000	25,800,000
(Discount) premium on bonds issued, net	—	(23,422)	201,695
Total other financing sources	26,000,000	25,881,578	26,001,695
Excess (deficiency) of revenue and other financing sources over (under) expenditures		3,767,628	(1,117,532)
Fund balance at beginning of year		23,456,697	24,574,229
Fund balance at end of year		\$ 27,224,325	23,456,697

See accompanying independent auditors' report.

Fiscal Compliance Report - 6/30/2010

District: ST. PAUL (625-1)

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(Unaudited)

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$520,477,745	<u>\$520,477,745</u>	\$0	Total Revenue	\$599,077	<u>\$599,077</u>	\$0
Total Expenditures	\$522,029,085	<u>\$522,029,085</u>	\$0	Total Expenditures	\$22,713,025	<u>\$22,713,025</u>	\$0
<i>Reserved:</i>				<i>Reserved:</i>			
4.03 Staff Development	\$0	<u>\$0</u>	\$0	4.07 Capital Projects Levy	\$0	<u>\$0</u>	\$0
4.05 Deferred Maintenance	\$0	<u>\$0</u>	\$0	4.09 Alternative Facility Program	\$6,292,001	<u>\$6,292,001</u>	\$0
4.06 Health and Safety	\$152,222	<u>\$152,222</u>	\$0	4.13 Project Funded by COP	\$0	<u>\$0</u>	\$0
4.07 Capital Projects Levy	\$0	<u>\$0</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
4.08 Cooperative Revenue	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.13 Project Funded by COP	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	\$20,932,326	<u>\$20,932,326</u>	\$0
4.14 Operating Debt	\$0	<u>\$0</u>	\$0	07 DEBT SERVICE			
4.16 Levy Reduction	\$0	<u>\$0</u>	\$0	Total Revenue	\$33,799,950	<u>\$33,799,950</u>	\$0
4.17 Taconite Building Maint	\$0	<u>\$0</u>	\$0	Total Expenditures	\$38,282,445	<u>\$38,282,445</u>	\$0
4.19 Encumbrances	\$2,269,852	<u>\$2,269,852</u>	\$0	<i>Reserved:</i>			
4.23 Certain Teacher Programs	\$0	<u>\$0</u>	\$0	4.25 Bond Refundings	\$5,252,666	<u>\$5,252,666</u>	\$0
4.24 Operating Capital	\$3,127,809	<u>\$3,127,809</u>	\$0	4.51 QZAB Payments	\$0	<u>\$0</u>	\$0
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.27 Disabled Accessibility	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	(\$4,854,253)	<u>(\$4,854,253)</u>	\$0
4.28 Learning & Development	\$0	<u>\$0</u>	\$0	08 TRUST			
4.34 Area Learning Center	\$826,646	<u>\$826,646</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	\$0	<i>Reserved:</i>			
4.38 Gifted & Talented	\$0	<u>\$0</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
4.41 Basic Skills Programs	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.45 Career Tech Programs	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
4.46 First Grade Preparedness	\$0	<u>\$0</u>	\$0	09 AGENCY			
4.49 Safe School Crime	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.50 Pre-Kindergarten	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
4.51 QZAB Payments	\$0	<u>\$0</u>	\$0	20 INTERNAL SERVICE			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	Total Revenue	\$3,374,737	<u>\$3,374,737</u>	\$0
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	\$0	Total Expenditures	\$3,364,041	<u>\$3,364,041</u>	\$0
<i>Unreserved:</i>				<i>Reserved:</i>			
4.18 Severance-Ins. Premium	\$22,915,748	<u>\$22,915,748</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
4.22 Unreserved/Undesignated	\$31,771,156	<u>\$31,771,156</u>	\$0	<i>Unreserved:</i>			
02 FOOD SERVICES				4.22 Unreserved/Undesignated	\$1,492,683	<u>\$1,492,683</u>	\$0
Total Revenue	\$21,939,418	<u>\$21,939,418</u>	\$0	25 OPEB REVOCABLE TRUST			
Total Expenditures	\$21,786,403	<u>\$21,786,403</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
<i>Reserved:</i>				Total Expenditures	\$0	<u>\$0</u>	\$0
4.19 Encumbrances	\$0	<u>\$0</u>	\$0	<i>Reserved:</i>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
<i>Unreserved:</i>				<i>Unreserved:</i>			
4.18 Severance-Ins. Premium	\$315,831	<u>\$315,831</u>	\$0	4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
4.22 Unreserved/Undesignated	\$4,567,490	<u>\$4,567,490</u>	\$0	45 OPEB IRREVOCABLE TRUST			
04 COMMUNITY SERVICE				Total Revenue	\$0	<u>\$0</u>	\$0
Total Revenue	\$24,893,584	<u>\$24,893,584</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
Total Expenditures	\$24,857,687	<u>\$24,857,687</u>	\$0	<i>Reserved:</i>			
<i>Reserved:</i>				4.19 Encumbrances	\$0	<u>\$0</u>	\$0
4.19 Encumbrances	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
4.31 Community Education	\$1,559,242	<u>\$1,559,242</u>	\$0	47 OPEB DEBT SERVICE			
4.32 E.C.F.E	\$200,979	<u>\$200,979</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
4.44 School Readiness	\$467,947	<u>\$467,947</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
4.47 Adult Basic Education	\$462,697	<u>\$462,697</u>	\$0	<i>Reserved:</i>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	4.25 Bond Refundings	\$0	<u>\$0</u>	\$0
<i>Unreserved:</i>				<i>Unreserved:</i>			
4.18 Severance-Ins. Premium	\$290,956	<u>\$290,956</u>	\$0	4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0	Unaudited Data Reporting Elements			

Unaudited Data Reporting Elements

FY10 OPERATING CAPITAL TRANSFER

Per Pupil Amount	\$0.00
AMCPU	\$43,816.90
Total Transfer	\$0.00

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SAINT PAUL, MINNESOTA**

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(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 29, 2006	Grant receivable June 29, 2006	Grant payable June 29, 2006	Unearned revenue June 29, 2006	Total revenue	Total expenditures
Title I:								
29-2300	Title 1 Educationally Disadvantaged	\$ 11,550,557	2,901,501	5,165,991	—	—	8,067,492	8,067,492
29-2305	Title 1 Professional Development	2,151,524	2,053,424	—	—	—	2,053,424	2,053,424
29-2307	Title 1 PY Carry Over	—	3,054,058	—	—	—	3,054,058	3,054,058
29-2309	Title I ARRA	3,482,806	1,578,962	1,446,389	—	—	3,025,351	3,025,352
29-2310	Title 1 Homeless	1,030,581	794,893	60,971	—	—	855,864	855,864
29-2340	Title 1 Project for Delinquency	887,430	270,089	202,043	—	—	472,132	472,132
29-2347	Title 1 Project for Delinquency PY Carry Over	280,330	—	280,330	—	—	280,330	280,330
29-2631	Title 1 District Improvement PD LLC	1,574,197	1,306,278	—	—	—	1,306,278	1,306,278
29-2633	Title 1 LEA Level Activities	3,035,131	2,076,409	—	—	—	2,076,409	2,076,409
29-2634	Title 1 District Improvement PD	1,070,947	936,906	—	—	—	936,906	936,906
29-2635	Title 1 AYP PD	1,995,976	1,694,963	—	—	—	1,694,963	1,694,963
29-2636	Title 1 Neglected	131,179	49,865	—	—	—	49,865	49,865
29-2637	Title 1 District Improvement PD PBIS	275,000	228,168	—	—	—	228,168	228,168
29-2638	Title 1 Parent Involvement	616,347	565,227	—	—	—	565,227	565,227
29-2639	Title 1 School Choice & SES	3,200,000	3,011,182	—	—	—	3,011,182	3,011,182
29-2641	Title 1 District Improvement PD PAR	66,227	17,697	—	—	—	17,697	17,697
29-2642	Title 1 LEA Activities – School Improvement	400,000	391,151	—	—	—	391,151	391,151
29-2643	Title 1 District Improvement PD CP	767,721	799,883	—	—	—	799,883	799,883
29-3300	Title 1 School Improvement	1,498,779	688,786	616,832	—	—	1,305,618	1,305,617
29-3303	Title 1 AYP Additional Grants	75,000	—	25,000	—	—	25,000	25,000
29-3306	Title 1 Reading First	226,000	196,408	—	—	—	196,408	196,408
	Total Title I	34,315,732	22,896,180	7,517,226	—	—	30,413,406	30,413,406
Title IV:								
29-1011	Federal Carry Over	—	257,742	48,980	—	—	306,722	306,722
29-1050	SPDG LEA Capacity Grant	137,749	27,268	7,259	—	—	34,527	34,527
29-1080	Preschool Incentive	727,951	238,440	32,683	—	—	271,123	271,123
29-1290	Part H	868,802	463,964	19,267	—	—	483,231	483,231
29-1330	Public Law 94-142	14,943,847	11,963,473	1,190,206	—	—	13,153,679	13,153,679
29-1351	Program evaluation and continuous improvement	74,940	35,337	32,137	—	—	67,474	67,474
	Total Title IV	16,753,289	12,986,224	1,330,532	—	—	14,316,756	14,316,756
Title II:								
29-2290	Title II, Part D E2T2	3,042	—	—	—	—	—	—
29-2292	Title II, Part D E2T2	469,077	167,912	173,320	—	—	341,232	341,232
29-4430	Title II, Part A	3,596,915	530,014	1,144,016	—	—	1,674,030	1,674,030

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Year ended June 30, 2010

(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 29, 2006	Grant receivable June 29, 2006	Grant payable June 29, 2006	Unearned revenue June 29, 2006	Total revenue	Total expenditures
29-4437	Title II, Part A PY Carry Over	\$ 1,728,268	1,728,268	—	—	—	1,728,268	1,728,268
	Total Title II	5,797,302	2,426,194	1,317,336	—	—	3,743,530	3,743,530
	Title III:							
29-4695	Title III	1,864,472	228,573	397,108	—	—	625,681	625,681
29-4697	Title III – PY Carry Over	913,218	913,219	—	—	—	913,219	913,219
	Total Bilingual Educational Act	2,777,690	1,141,792	397,108	—	—	1,538,900	1,538,900
	Carl Perkins Act, Public Law 84-524:							
29-2980	Intensified Services for Disadvantaged	709,724	502,092	169,460	—	—	671,552	671,552
29-2981	Perkins PY Carry Over	43,278	43,278	—	—	—	43,278	43,278
	Total Carl Perkins Act	753,002	545,370	169,460	—	—	714,830	714,830
	Indian Education:							
29-2010	Indian Education Title VII	299,424	241,587	41,777	—	—	283,364	283,364
	Total Indian education	299,424	241,587	41,777	—	—	283,364	283,364
	Miscellaneous Federal:							
29-2040	Johnson-O'Malley	71,873	17,917	24,329	—	—	42,246	42,246
29-2070	Indian Education Chemical Prevention	159,734	115,056	39,655	—	—	154,711	154,711
29-2209	Advanced Placement Incentive Program	333,696	—	160,786	—	—	160,786	160,786
29-2260	JROTC Programs	812,500	808,125	110,224	—	(15,856)	902,493	902,493
29-3356	Foreign Language Assistance Chinese Immersion	57,824	128,211	—	—	—	128,211	128,211
29-3540	NYLC – Cleveland	14,000	—	5,420	—	—	5,420	5,420
29-3540	NYLC – Obama	14,000	469	3,644	—	—	4,113	4,113
29-3830	Get Ready/Gear Up	360,000	191,188	146,721	—	—	337,909	337,910
29-3920	LSTA – Phalen Lake	67,325	1,000	66,197	—	—	67,197	67,197
29-4240	Title IV	345,853	163,551	59,501	—	—	223,052	223,052
29-4247	Title IV – PY Carry over	103,231	103,231	—	—	—	103,231	103,231
29-4300	Reimbursable Health Services	136,067	262,919	42,158	—	(116,547)	188,530	188,530
29-4301	MCH Adolescent Health	15,000	5,000	5,000	—	(5,000)	5,000	5,000
29-4325	STEPS to a Healthier US	11,631	11,631	—	—	(903)	10,728	10,728
29-4375	Elementary School Counselors	—	4,027	—	—	—	4,027	4,027
29-4450	BioSMART Federal Magnet Grant	2,692,575	1,753,953	529,361	—	—	2,283,314	2,283,314
29-4637	Common Bond Grant	5,000	—	—	—	—	—	—
29-4710	Refugee Children School Impact Grant	239,393	59,292	118,790	—	—	178,082	178,082
29-4970	Minnesota Humanities Grant	106,049	20,351	16,400	—	—	36,751	36,750
29-4980	TASAP	249,730	3,164	72,831	—	—	75,995	75,995

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(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended	Grant receivable	Grant payable	Unearned revenue	Total	Total
			June 29, 2006	June 29, 2006	June 29, 2006	June 29, 2006	revenue	expenditures
29-4990	Council of Great City Schools	\$ 137,000	—	55,500	—	—	55,500	55,500
29-5925	21st Century Grant – Neighborhood House	60,268	60,185	83	—	—	60,268	60,268
29-9410	Neighborhood House Mentor Program	7,540	7,400	—	—	—	7,400	7,400
	Total miscellaneous federal	6,000,289	3,716,670	1,456,600	—	(138,306)	5,034,964	5,034,964
	State of Minnesota:							
29-2025	Indian Land Tenure Foundation	1,181	—	—	—	—	—	—
29-2075	ICAP Program	29,044	—	22,011	—	—	22,011	22,011
29-2200	Advanced Placement – Open School	1,714	2,311	1,288	—	(1,288)	2,311	2,311
29-2200	Advanced Placement – Central	38,882	6,184	39,856	—	—	46,040	46,040
29-2200	Advanced Placement – Como Sr	45,000	1,750	33,078	—	—	34,828	34,828
29-2200	Advanced Placement – Highland Sr	8,086	8,086	—	—	(301)	7,785	7,785
29-2200	Advanced Placement – Humboldt Sr	41,500	41,850	4,144	—	(39,330)	6,664	6,664
29-2200	Advanced Placement – Johnson	43,557	45,890	8,176	—	(18,849)	35,217	35,217
29-2200	Advanced Placement – Arlington	18,990	19,164	9,544	—	(13,997)	14,711	14,711
29-2200	Advanced Placement – Benjamin E Mays	—	—	800	—	(800)	—	—
29-2200	Advanced Placement – Highland Elem	—	—	350	—	(350)	—	—
29-2200	Advanced Placement – Creative Arts Sr.	1,125	1,125	—	—	—	1,125	1,125
29-2210	International Baccalaureate – Central	130,432	113,417	18,960	—	—	132,377	132,377
29-2215	IB Raised Academic Achievement	—	54	—	—	—	54	54
29-2220	International Baccalaureate – Harding	104,044	105,912	16,140	—	(8,727)	113,325	113,325
29-2225	IB PYP MYP Programs – Highland Pk Jr.	3,715	3,715	9,120	—	(11,948)	887	887
29-2225	IB PYP MYP Programs – Ramsey Jr.	—	3,899	2,625	—	—	6,524	6,524
29-2230	International Baccalaureate -Highland	58,788	103,401	7,095	—	(42,304)	68,192	68,192
29-2370	PASS Grant – Central	5,500	3,850	—	—	(587)	3,263	3,263
29-2580	Urban Teacher Ed. Partnership Grant	10,000	—	5,202	—	—	5,202	5,202
29-2660	MSAB Grant – Open School	—	1,955	—	—	(1,955)	—	—
29-2660	MSAB Grant – B E Mays	5,225	5,225	—	—	—	5,225	5,225
29-2660	MSAB Grant – Four Seasons	—	2,340	—	—	(1,064)	1,276	1,276
29-2660	MSAB Grant – JJ Hill	5,000	5,000	—	—	—	5,000	5,000
29-2660	MSAB Grant – Capitol Hill	4,000	4,000	—	—	—	4,000	4,000
29-2660	MSAB Grant – Linwood	5,000	9,500	—	—	(6,900)	2,600	2,600
29-2665	Ramp Up To Readiness – Murray	10,000	830	4,003	—	—	4,833	4,833
29-3800	NEST Grant	990	—	—	—	—	—	—
29-3930	MDE Magnet Grant – Museum Magnet	99,418	24,179	57,455	—	—	81,634	81,634
29-3930	MDE Magnet Grant – Webster	88,441	55,240	24,038	—	—	79,278	79,278
29-3970	MN Agricultural Education – Humboldt	6,000	4,500	4,500	—	(8,384)	616	616

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(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 29, 2006	Grant receivable June 29, 2006	Grant payable June 29, 2006	Unearned revenue June 29, 2006	Total revenue	Total expenditures
29-4218	PIRSN Seed Grant	\$ 1,500	—	1,500	—	—	1,500	1,500
29-4255	Improving Teacher Quality	—	10,250	—	—	(23)	10,227	10,227
29-4810	Success For the Future	133,871	114,118	17,513	—	—	131,631	131,631
29-4885	Cy Pres Program	530,205	52,772	—	—	(50,544)	2,228	2,228
	Total State of Minnesota	1,431,208	750,517	287,398	—	(207,351)	830,564	830,564
	Ramsey/Hennepin County:							
29-1170	Boys Totem Town – Summer School	50,213	50,213	—	—	—	50,213	50,213
29-1179	Boys Totem Town – Summer School	13,487	—	—	—	—	—	—
29-1180	Juvenile Service Center – Summer	50,660	45,657	—	—	—	45,657	45,657
29-1189	Juvenile Service Center – Summer	22,029	—	—	—	—	—	—
29-4385	Statewide Health Improvement	224,685	120,837	93,786	—	—	214,623	214,623
29-4570	Ramsey County Truancy Center	25,739	25,739	—	—	(25,739)	—	—
29-4900	Children's Initiative Grant – Nagi Kicopo Project	38,185	25,040	—	—	—	25,040	25,040
29-4900	Children's Initiative Grant – North End	—	75,496	119,735	—	—	195,231	195,231
	Total Ramsey/Hennepin County	424,998	342,982	213,521	—	(25,739)	530,764	530,764
	Private:							
29-1010	Special Ed Ecolab Grants	480	480	—	—	—	480	480
29-1012	SW Miscellaneous Grants/Donations	1,806	4,677	—	—	(1,697)	2,980	2,980
29-1055	Lavander Grant	26,001	26,001	—	—	(4,754)	21,247	21,247
29-1100	Wilder – Bush Memorial – Summer	12,656	12,486	—	—	—	12,486	12,486
29-1140	Booth Brown House – Summer School	—	3,796	—	—	—	3,796	3,796
29-1200	Gillette Children's Hospital TDR	—	6,236	—	—	(1,021)	5,215	5,215
29-1209	Gillette Children's Hospital TDR	7,500	—	—	—	—	—	—
29-1263	ECSU	3,631	1,656	—	—	—	1,656	1,656
29-1264	US Bank	759	759	—	—	—	759	759
29-1266	Deaf/Hard of Hearing	114	114	—	—	(114)	—	—
29-1350	Para Professional Training	1,060	1,060	—	—	(1,060)	—	—
29-1710	Wilder Programs	504,231	404,201	138,136	—	(38,106)	504,231	504,231
29-2050	Indian Ed Student Celebrations	68,171	72,927	—	—	(44,333)	28,594	28,594
29-2082	Ecolab Visions For Change – Humboldt Sr	3,206	3,206	—	—	(1,131)	2,075	2,075
29-2082	Ecolab FIRST Robotics – Humboldt Sr	12,000	12,000	—	—	(736)	11,264	11,264
29-2082	Ecolab AVID – Humboldt Sr	40,000	68,956	—	—	(45,763)	23,193	23,193
29-2082	Ecolab Vista Tutoring – Humboldt Sr	75,000	—	8,082	—	—	8,082	8,082
29-2455	Hugh J Andersen Foundation – Capitol Hill	19,535	19,535	—	—	(335)	19,200	19,200
29-2515	RIF Residential Funding	126	254	—	—	(128)	126	126

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29-2560	BWCA Wilderness Adventure Program – Expo	\$ —	5,000	—	—	(1,608)	3,392	3,392
29-2660	MN State Arts Board	17,910	24,102	1,000	—	(15,523)	9,579	9,579
29-2790	St. Paul Travelers – Hayden Heights	10,000	12,753	—	—	(3,783)	8,970	8,970
29-2790	St. Paul Travelers – St. Anthony Park	600	600	—	—	—	600	600
29-2989	Thomson West Law and Justice	7,702	7,702	—	—	(2,758)	4,944	4,944
29-3040	Medtronics Grant	—	41,911	—	—	(302)	41,609	41,609
29-3040	Medtronics Crossroads	5,457	5,457	—	—	(4,602)	855	855
29-3080	Academy of Finance – District Wide	4,448	2,090	—	—	(17)	2,073	2,073
29-3080	Academy of Finance – Como Sr	4,375	5,247	—	—	(1,460)	3,787	3,787
29-3080	Academy of Finance – Johnson Sr	2,500	3,373	—	—	(890)	2,483	2,483
29-3080	Academy of Finance – Arlington	2,500	2,579	—	—	(984)	1,595	1,595
29-3180	Dean Witter Grant – Murray	29,300	29,301	—	—	(14,551)	14,750	14,750
29-3180	Dean Witter Grant – St. Anthony Park	16,670	16,670	—	—	(1,842)	14,828	14,828
29-3340	Actuarial Foundation – Prosperity Heights	1,184	1,184	—	—	(247)	937	937
29-3360	NEA Foundation – Crossroads	5,000	5,000	—	—	(1,712)	3,288	3,288
29-3400	Homeless Program Charitable Contributions	6,820	7,245	7,600	—	(7,245)	7,600	7,600
29-3530	SPPS Foundation Grant Tutoring CBC	100	180	437	—	—	617	617
29-3530	SPPS Foundation Grants School Arts Project	28,492	28,492	—	—	(592)	27,900	27,900
29-3530	SPPS Foundation Grants TPAE Murray Jr	4,000	4,000	—	—	(165)	3,835	3,835
29-3530	SPPS Foundation Grants Adams Spanish Immersion	—	551	—	—	(5)	546	546
29-3530	SPPS Foundation Grants Parent Involvement John A Johnson	1,667	1,667	—	—	(4)	1,663	1,663
29-3530	SPPS Foundation Grants Parent Involvement Daytons Bluff	1,667	1,667	—	—	(1,667)	—	—
29-3530	SPPS Foundation Grants Parent Involvement North End	1,666	1,666	—	—	(1,666)	—	—
29-3530	SPPS Foundation Grants North End – Walmart	2,000	3,600	—	—	(3,600)	—	—
29-3530	SPPS Foundation Grants North End – Uniforms	500	700	—	—	(200)	500	500
29-3550	3M Grant Engineering is Elementary	476,306	476,306	—	—	(222,508)	253,798	253,798
29-3550	3M Grant Eastside Partnership	90,000	90,000	—	—	(56,860)	33,140	33,140
29-3550	3M FIRST Lego League	20,002	20,003	—	—	(8,744)	11,259	11,259
29-3550	3M Grant Math Counts	7,500	7,500	—	—	(7,500)	—	—
29-3550	3M Grant FIRST Robotics	36,600	36,600	—	—	(7,930)	28,670	28,670
29-3550	3M Grant – Catalyst/Common X	73,242	73,243	—	—	(25,870)	47,373	47,373
29-3550	3M Grant Field Trip Experiences	152,000	152,000	—	—	(114,850)	37,150	37,150
29-3550	3M STEP	275,694	275,694	—	—	(127,590)	148,104	148,104
29-3550	3M Project Lead The Way	23,155	23,155	—	—	(6,919)	16,236	16,236
29-3550	3M Stuff For Schools	41,911	92,314	—	—	(48,331)	43,983	43,983
29-3550	3M STEM	134,592	134,592	—	—	(134,592)	—	—
29-3550	3M SciFy	58,814	58,814	—	—	—	58,814	58,814

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29-3570	Chosen To Achieve – Monitors Foundation	\$ —	14,096	—	—	(11,096)	3,000	3,000
29-3570	Community Foundations – Open	5,000	5,000	—	—	(4,937)	63	63
29-3570	Community Foundations – AVID Central	16,686	16,687	—	—	(5,249)	11,438	11,438
29-3570	Community Foundations – Arlington	700	700	—	—	(148)	552	552
29-3570	Community Foundations – Hazel Park	5,000	5,000	—	—	—	5,000	5,000
29-3570	Community Foundations – Murray	7,123	11,500	—	—	(5,052)	6,448	6,448
29-3570	Community Foundations – Ames	20,000	20,000	—	—	(1,163)	18,837	18,837
29-3570	Community Foundations – Yackel – BEM	6,945	6,945	—	—	(3,883)	3,062	3,062
29-3570	Community Foundations – Yackel – Highland Elem	11,822	11,822	—	—	(6,275)	5,547	5,547
29-3570	Community Foundations – Capitol Hill	2,506	2,506	—	—	(267)	2,239	2,239
29-3570	Community Foundations – Walmart – Highwood Hills	10,000	10,000	—	—	(140)	9,860	9,860
29-3570	Community Foundations – Sheridan	—	3,814	—	—	(1,250)	2,564	2,564
29-3570	Community Foundations – American Indian Magnet	—	4,200	—	—	(935)	3,265	3,265
29-3571	Community Trusts – Central	—	8,000	—	—	—	8,000	8,000
29-3571	Community Trusts – Jackson	20,000	20,000	—	—	(31)	19,969	19,969
29-3650	Project Early K	1,242,490	1,241,576	—	—	(118,015)	1,123,561	1,123,561
29-3710	McNeely Foundation	116,599	116,598	—	—	(17,106)	99,492	99,492
29-3720	Minneapolis Foundation – Transitions Initiative	356,041	25,086	—	—	—	25,086	25,086
29-3720	Minneapolis Foundation – Sahan Initiative	—	122,570	—	—	—	122,570	122,570
29-3790	Peta Wakan Tipi	—	12,156	—	—	—	12,156	12,156
29-3830	Get Ready – Harding	—	154	4,989	—	—	5,143	5,143
29-3850	General Mills Grant – Champion For Kids	4,540	1,531	1,247	—	—	2,778	2,778
29-3850	General Mills Grant – Central	10,000	10,000	—	—	(6,425)	3,575	3,575
29-3860	Northstar Financial	103,644	103,644	—	—	(3,157)	100,487	100,487
29-3890	United Way Grant	75,000	18,750	18,750	—	—	37,500	37,500
29-3890	United Way Grant – Jackson	100,000	100,000	—	—	(143)	99,857	99,857
29-3940	Boston Scientific – Highland Sr	2,785	2,785	—	—	(93)	2,692	2,692
29-3950	St. Jude Medical Foundation – Arlington	20,000	40,000	—	—	(20,000)	20,000	20,000
29-3960	Target/Scholarship America -	10,000	—	8,638	—	—	8,638	8,638
29-3960	Target/Scholarship America – Johnson Sr	—	800	—	—	(800)	—	—
29-3960	Target/Scholarship America – BEM	800	800	—	—	—	800	800
29-3960	Target/Scholarship America – Eastern Heights	—	300	—	—	(300)	—	—
29-3960	Target/Scholarship America – Crossroads	—	800	—	—	(48)	752	752
29-3960	Target/Scholarship America – Highwood Hills	800	800	—	—	(12)	788	788
29-3960	Target/Scholarship America – Nokomis	800	800	—	—	(4)	796	796
29-3960	Target/Scholarship America – Phalen Lake	—	800	—	—	(800)	—	—
29-3960	Target/Scholarship America – Prosperity Heights	—	800	—	—	(800)	—	—

**INDEPENDENT SCHOOL DISTRICT NO. 625
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Year ended June 30, 2010

(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 29, 2006	Grant receivable June 29, 2006	Grant payable June 29, 2006	Unearned revenue June 29, 2006	Total revenue	Total expenditures
29-3960	Target/Scholarship America – Obama	\$ —	800	—	—	(800)	—	—
29-3960	Target/Scholarship America – AIM	—	500	—	—	—	500	500
29-4190	Out For Equity	5,945	5,946	30	—	(2,154)	3,822	3,822
29-4192	Out For Equity Support	36,000	36,000	—	—	(1,375)	34,625	34,625
29-4228	MN Thunder	90,170	—	—	—	—	—	—
29-4274	Travelers Grant – Principals Academy	500,000	500,000	—	—	(257,521)	242,479	242,479
29-4275	AVID – Travelers Grant	1,009,470	1,009,471	106,245	—	—	1,115,716	1,115,716
29-4275	Travelers Grant – Central	4,000	—	—	—	—	—	—
29-4276	AVID – St. Paul Foundation	391	391	—	—	(391)	—	—
29-4290	St. Paul Foundation Emergency	11,324	11,325	—	—	(2,310)	9,015	9,015
29-4291	St. Paul Foundation – Teacher Grants	—	86,886	—	—	(37,594)	49,292	49,292
29-4302	Miscellaneous Donations – Student Wellness	5,000	6,280	—	—	(1,280)	5,000	5,000
29-4315	Promote Diabetes Education Strategies	17,878	14,548	3,408	—	—	17,956	17,956
29-4335	Medica Foundation	39,973	14,011	25,701	—	—	39,712	39,712
29-4345	Health Care Provider Partnership	9,226	9,226	—	—	(1,133)	8,093	8,093
29-4368	Exercise Your Right To Feel Good	31,000	22,543	—	—	(16,663)	5,880	5,880
29-4395	HP Healthy Lifestyles Plan	50,000	50,000	—	—	(11,665)	38,335	38,335
29-4600	Lillian Wright Memorial	14,469	4,707	533	—	—	5,240	5,240
29-4633	Principals' Academy	237,150	237,150	—	—	(34,070)	203,080	203,080
29-4640	Superintendent's Discretionary	200	200	—	—	(98)	102	102
29-4650	Best Practices Demonstration School	10,235	10,234	—	—	(2,094)	8,140	8,140
29-4850	Merck-Asthma	5,132	5,132	—	—	(3,182)	1,950	1,950
29-4880	Conferences and Events	10,739	12,489	—	—	(2,509)	9,980	9,980
29-4970	MN Humanities Grant	80	80	—	—	—	80	80
29-5300	Scholarships – Chuck Lund	16,384	16,384	—	—	(2,161)	14,223	14,223
29-5300	Scholarships – Olga B Hart Foundation	—	27,000	—	—	(12,000)	15,000	15,000
29-9203	Project Success Field Trips	—	1,165	—	—	—	1,165	1,165
29-9260	Outside Funded Transportation	78,000	42,779	51,640	—	(829)	93,590	93,590
29-9265	PIP/Dodge Nature Center	25,000	48,494	653	—	(33,940)	15,207	15,207
29-9330	New Teacher Project	369,000	202,921	—	—	(150,000)	52,921	52,921
29-9490	Bush Educators – Connected Counseling	736,950	716,950	—	—	(39,176)	677,774	677,774
29-9500	Federation Agreement	249,880	82,288	145,019	—	—	227,307	227,307
	Total private	8,033,527	7,408,222	522,108	—	(1,787,369)	6,142,961	6,142,961
19-XXX	Intraschool/AAC Athletics:							
	All Intraschool Accounts	4,000,000	5,585,348	78,357	—	(3,231,869)	2,431,836	2,431,836
	Total Intraschool/AAC Athletics	4,000,000	5,585,348	78,357	—	(3,231,869)	2,431,836	2,431,836

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL, MINNESOTA**

Elementary and Secondary Schools

Fully Financed Fund Program Grant Analysis

Statement of Reimbursable Programs' Revenues and Expenditures

Year ended June 30, 2010

(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 29, 2006	Grant receivable June 29, 2006	Grant payable June 29, 2006	Unearned revenue June 29, 2006	Total revenue	Total expenditures
	Miscellaneous:							
29-1190	General Special Ed. Summer School	\$ 1,500,000	720,729	—	—	—	720,729	720,729
29-1230	Itin Vision Staff	958,787	387,084	501,008	—	—	888,092	888,092
29-1245	Special Education Purchase of Service	12,366	—	4,154	—	—	4,154	4,154
29-1260	Special Education Itinerant Vision	21,548	23,241	—	—	(23,241)	—	—
29-1310	Project Explore	23,522	23,522	—	—	(3,781)	19,741	19,741
29-2360	Title I Reading Recovery	30,673	34,455	—	—	(28,757)	5,698	5,698
29-3100	ELL Workshop	7,955	6,098	—	—	(5,645)	453	453
29-3520	Automotive Learning Center	9,520	12,328	—	—	(10,580)	1,748	1,748
29-4100	Grants Office	—	—	—	—	—	—	—
29-4365	Employee Wellness Efforts	—	7,873	—	—	(4,647)	3,226	3,226
29-4910	Translations with administration	134,103	118,757	2,751	—	(116,711)	4,797	4,797
29-9090	Vending Machine Proceeds – 2102 University	—	1,017	—	—	(611)	406	406
29-9090	Vending Machine Proceeds – 360 Colborne	—	201	—	—	(3)	198	198
29-9211	Valley Branch ELC	85,914	74,339	1,220	—	(50,288)	25,271	25,271
29-9300	Planetarium	86,041	74,402	—	—	(40,993)	33,409	33,409
29-9522	EMID Starbase	4,445	43,817	75,940	—	(11,059)	108,698	108,698
No budget		—	6,765	13,525	—	(20,290)	—	—
	Total miscellaneous	2,874,874	1,534,628	598,598	—	(316,606)	1,816,620	1,816,620
	Total fully financed fund	\$ 83,461,335	59,575,714	13,930,021	—	(5,707,240)	67,798,495	67,798,495

See accompanying independent auditors' report.

INDEPENDENT SCHOOL DISTRICT NO. 625
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Year ended June 30, 2010
(Unaudited)

Budget code	Program description	Budget	Cash received or transferred during year ended June 29, 2006	Grant receivable June 29, 2006	Grant payable June 29, 2006	Unearned revenue June 29, 2006	Total revenue	Total expenditures
Federal:								
30-5064	21st Century Grant – 4th Cohort Learning Centers	\$ 569,444	394,056	139,701	—	—	533,757	533,757
30-5220	ABE ESL ORR Grant	72,486	72,486	—	—	—	72,486	72,486
30-5221	Supplemental Refugee ESL Grant	294,600	197,000	153,020	—	(81,346)	268,674	268,674
30-5235	ABE Statewide Support Services	9,489	(28,011)	37,500	—	—	9,489	9,489
30-5240	ABE EL Civics Grant	40,000	33,625	6,375	—	—	40,000	40,000
30-5824	PEK Early Reading First	894,363	636,627	185,983	—	—	822,610	822,610
30-5852	Learn and Serve America Schools	15,000	—	2,939	—	—	2,939	2,939
30-5930	21st Century Grant – 2nd Cohort Learning Centers	30,935	32,264	—	—	—	32,264	32,264
30-5931	21st Century Grant – Transition Project	858,252	614,156	203,643	—	—	817,799	817,799
	Total federal	<u>2,784,569</u>	<u>1,952,203</u>	<u>729,161</u>	<u>—</u>	<u>(81,346)</u>	<u>2,600,018</u>	<u>2,600,018</u>
State:								
30-5051	Night Moves – Eastside	—	2,477	1,008	—	—	3,485	3,485
30-5052	Night Moves – Como	—	2,418	1,544	—	—	3,962	3,962
30-5101	State Hearing Impaired	—	—	11,439	—	—	11,439	11,439
30-5235	ABE Statewide Support Services	125,000	125,000	—	—	—	125,000	125,000
33-5302/5350/5909	Nonpublic State Aid Programs	1,639,623	1,183,209	397,602	—	—	1,580,811	1,580,811
30-5906	Achievement Plus	—	222	—	—	—	222	222
30-5908	Preschool Screening	219,968	118,775	104,083	—	(52,347)	170,511	170,511
	Total state	<u>1,984,591</u>	<u>1,432,101</u>	<u>515,676</u>	<u>—</u>	<u>(52,347)</u>	<u>1,895,430</u>	<u>1,895,430</u>
Other governmental units:								
30-5230	ABE Learner Activities	55,000	41,097	—	—	(11,177)	29,920	29,920
30-5700	Day Cares	987,768	849,792	36,660	—	(158,471)	727,981	727,981
	Total other governmental units	<u>1,042,768</u>	<u>890,889</u>	<u>36,660</u>	<u>—</u>	<u>(169,648)</u>	<u>757,901</u>	<u>757,901</u>
Private:								
30-5201	Ronald M Hubbs Scholarship	—	18,304	365	—	(5,767)	12,902	12,902
30-5300	Indian Ed Scholarships	2,000	1,310	—	—	(310)	1,000	1,000
30-5911	CET – Fair Parking	—	10,039	—	—	—	10,039	10,039
	No Budget	—	—	—	—	—	—	—
	Total private	<u>2,000</u>	<u>29,653</u>	<u>365</u>	<u>—</u>	<u>(6,077)</u>	<u>23,941</u>	<u>23,941</u>
	Total community service fully financed	<u>\$ 5,813,928</u>	<u>4,304,846</u>	<u>1,281,862</u>	<u>—</u>	<u>(309,418)</u>	<u>5,277,290</u>	<u>5,277,290</u>

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