

PIUTE COUNTY SCHOOL DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

PIUTE COUNTY SCHOOL DISTRICT
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GILBERT & STEWART
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INDEPENDENT AUDITOR ' S REPORT

Board of Education
Piute County School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Piute County School District (District) as of and for the year ended June 30, 2010, which collectively comprise the District ' s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District ' s management. Our responsibility is to express opinions on these financial statements based on our audit.

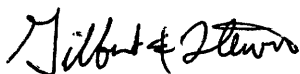
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Piute County School District as of June 30, 2010, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2010 on our consideration of the District ' s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 of 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 conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules 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.



GILBERT & STEWART, CPA'S

November 3, 2010

PIUTE COUNTY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Piute County School District (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2010. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the *statement of net assets* and the *statement of activities*.

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

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

The government-wide financial statements can be found on pages 11 through 12 of this report.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories, governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the

government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *general fund*, *capital projects fund*, and *debt service fund*, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund statements can be found on pages 13 to 17 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the District cannot use these funds to finance its operations.

The District uses a fiduciary fund to account for resources held for other groups. Currently the District does not use this fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 18 to 34 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 36 to 46 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$4,823,374 at June 30, 2010. Below is a summary of the District's assets, liabilities, and net assets.

PIUTE COUNTY SCHOOL DISTRICT'S NET ASSETS

	Governmental Activities	
	2010	2009
Current and other assets	\$ 8,451,224	\$ 3,228,121
Capital assets	3,456,101	2,265,122
Total assets	<u>\$ 11,907,325</u>	<u>\$ 5,493,243</u>
Current and other liabilities	\$ 1,293,862	\$ 789,417
Noncurrent liabilities	5,790,088	286,103
	<u>7,083,950</u>	<u>1,075,520</u>
Net Assets:		
Invested in capital assets net of related debt	2,495,402	2,256,840
Restricted	752,082	907,106
Unrestricted	1,575,890	1,253,776
	<u>\$ 4,823,374</u>	<u>\$ 4,417,722</u>

The largest portion of the District's net assets (52%) reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students and consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the District's net assets (16%) represent resources that are subject to external restrictions on how they may be used. The remainder of net assets (32%) may be used to meet the District's ongoing obligations to students, employees, and creditors. However, the unrestricted net asset amount has been earmarked for the following purposes:

- Designation for Undistributed Reserve

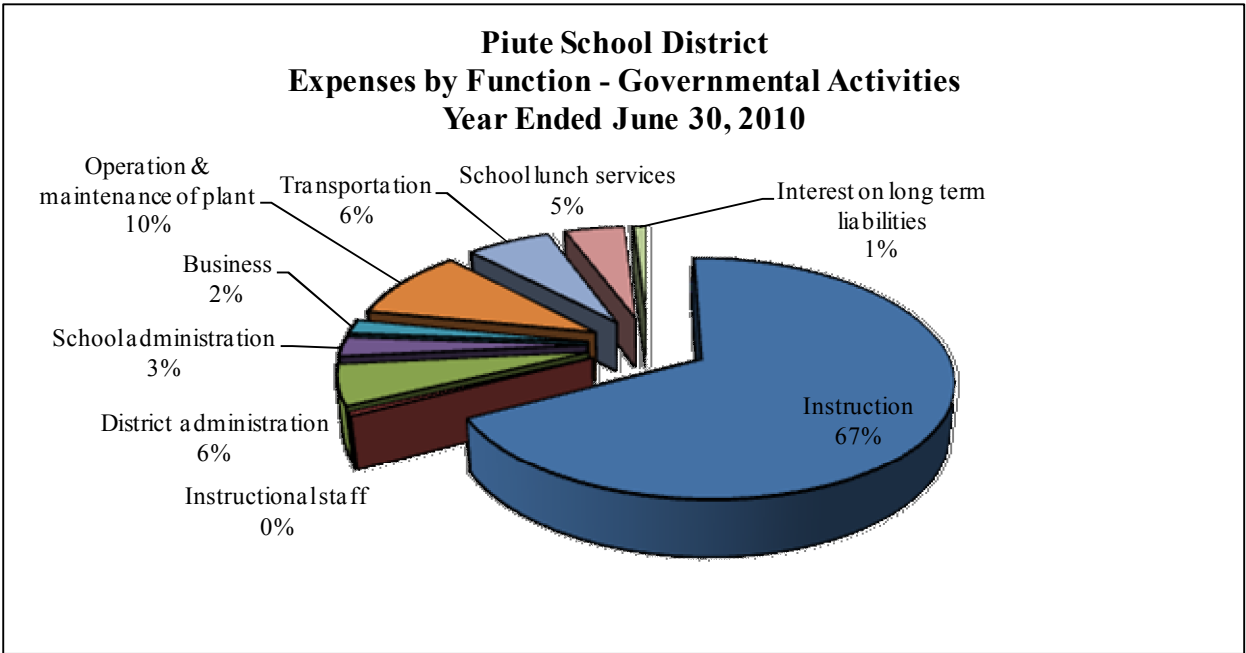
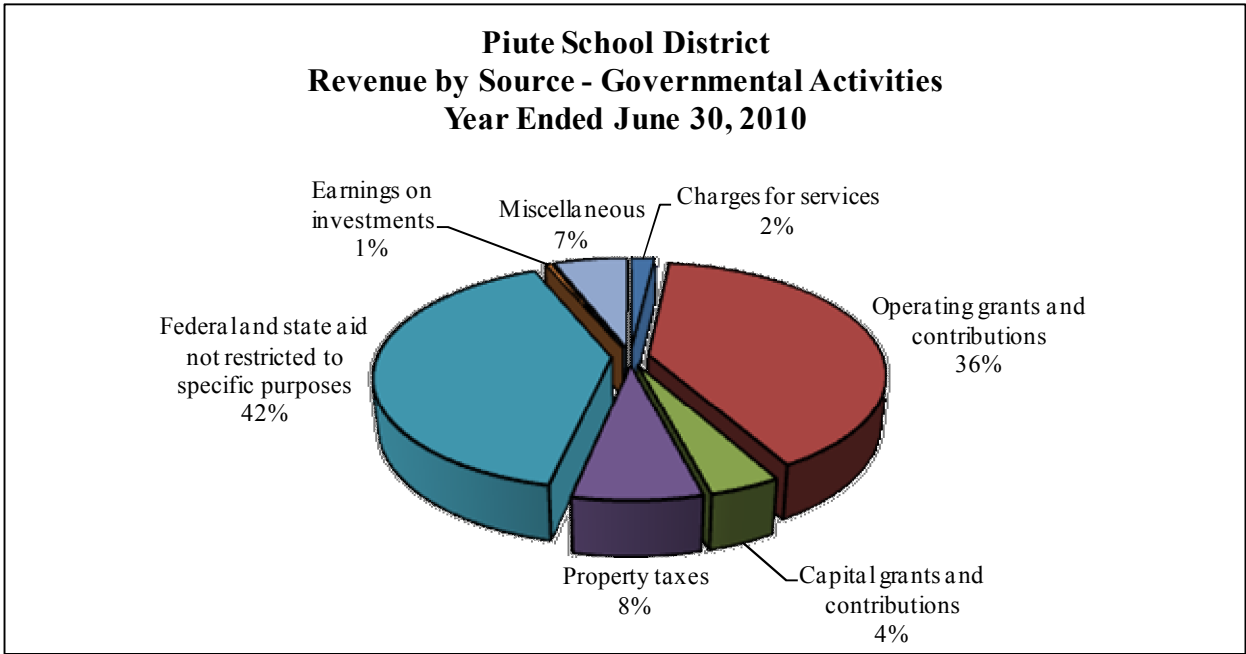
As allowed by law, the District has established an *undistributed reserve* of \$175,000 of general fund budgeted revenues within the general fund which is set aside for contingencies or possible reductions in state funding and not to be used in negotiation or settlement of

contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's bond rating.

As of June 30, 2010, the District is able to report positive balances in all three categories of net assets, both for the District as a whole and for its separate governmental activities. The same situation held true for the prior fiscal period.

PIUTE COUNTY SCHOOL DISTRICT'S CHANGES IN NET ASSETS

	Governmental Activities	
	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$ 93,247	\$ 94,681
Operating grants and contributions	1,972,303	1,837,861
Capital grants and contributions	202,265	206,628
General Revenues:		
Property taxes	366,574	437,251
Federal and state aid not restricted to specific purposes	1,987,597	2,154,297
Earnings on investments	23,394	27,480
Miscellaneous	293,948	369,754
Total revenues	<u>4,939,328</u>	<u>5,127,952</u>
Expenses:		
Instruction	3,053,980	2,902,999
Support services:		
Students	-	-
Instructional staff	23,326	24,453
District administration	250,833	271,282
School administration	126,846	345,937
Business	86,274	101,902
Operation & maintenance of plant	441,213	423,077
Transportation	294,580	406,448
School lunch services	211,475	217,987
Interest on long term liabilities	45,150	5,860
Total expenses	<u>4,533,677</u>	<u>4,699,945</u>
Changes in net assets	405,651	428,007
Net assets, beginning	<u>4,417,723</u>	<u>3,989,716</u>
Net assets, ending	<u>\$ 4,823,374</u>	<u>\$ 4,417,723</u>



FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

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

The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. The unreserved fund balance is divided between designated

balances and undesignated balances. The District has designated portions of the unreserved fund balance to earmark resources for certain government-wide liabilities that are not recognized in the governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

The *general fund* is the chief operating fund of the District. At June 30, 2010, unreserved and undesignated fund balance was \$1,426,077 while the total fund balance was \$1,601,077. The unreserved and undesignated fund balance increased by \$181,979 while the total fund balance also increased by \$181,979 during the fiscal year. Annual expenditures in the general fund were \$87,804 less than the final budgeted amounts, and resources available for appropriation were \$134,833 less than final budgeted amounts.

The *capital projects fund* has a total fund balance of \$4,894,142, of which \$4,840,000 is restricted for acquisition of capital assets and related expenditures. The fund balance increased by \$4,535,965 during the fiscal year. This increase is a result of issuance of bonds in connection with the construction and remodel of the high school.

The *debt service fund* has a total fund balance of \$296,555, all of which is reserved for the payment of debt service. The fund balance increased by \$627 during the fiscal year.

The *non K-12 programs special revenue fund* has a total fund balance of \$135,916. This balance is within the total allowed by state guidelines and is restricted to non-kindergarten through twelfth grade programs and other community programs. The fund balance increased by \$2,458 during the fiscal year.

The *school lunch special revenue fund* has a total fund balance of \$4,019. This balance is within the total allowed by state guidelines and is restricted to food service programs. The fund balance decreased by \$9 during the fiscal year.

The *student activity special revenue fund* has a total fund balance of \$70,271. This balance is within the total allowed by state guidelines and is restricted for student activity and other programs at the school level. The fund balance decreased during the year by \$11,767.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital projects fund is used primarily to account for costs incurred in acquiring, maintaining, and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

The primary class of capital assets used by the District to provide educational services to the public is school buildings. The District continually evaluates the cost efficiency of its buildings as part of its on-going capital improvements plan.

Capital assets at June 30, 2010 are outlined below:

PIUTE COUNTY SCHOOL DISTRICT'S CAPITAL ASSETS
(net of accumulated depreciation)

	2010	2009	
Land	\$ 125,000	\$ 125,000	
Construction in progress	695,797	-	
Buildings & Improvements	1,969,790	1,516,883	
Furniture and Equipment	665,514	735,739	
	\$ 3,456,101	\$ 2,377,622	

Debt Administration

The general obligation bond debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2010 was \$4,437,579 while the general obligation debt at that date was \$4,435,000 resulting in a legal debt margin of \$2,579. The general obligation bond debt increased by \$4,435,000 during the fiscal year as a result of issuance of bonds for construction and remodel of the high school. The District also created a municipal building authority and issued lease revenue bonds in the amount of \$1,060,000 also in connection with the construction and remodel of the high school.

Additional information on the District's long-term debt can be found in Note 7 to the basic financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Piute County School District's finances and to demonstrate the District's accountability for the funds it receives. If you have any questions concerning this report or need additional financial information, please contact the Business Administrator, Piute County School District, County Courthouse, Junction, Utah 84740.

BASIC FINANCIAL STATEMENTS

PIUTE COUNTY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2010

	Governmental Activities
Assets:	
Cash and investments	\$ 7,510,501
Receivables:	
Property taxes	298,695
Other governments	443,592
Prepaid Expenditures	35,344
Inventories	2,780
Bond issuance costs, net	160,312
Capital assets:	
Land	820,797
Other capital assets, net of accumulated depreciation	<u>2,635,304</u>
Total assets	<u>11,907,325</u>
Liabilities:	
Accounts payable	645,038
Accrued interest	45,476
Accrued salaries	254,862
Deferred revenue:	
Property taxes	298,695
Other governments	49,791
Noncurrent liabilities:	
Due within one year	34,131
Due in more than one year	<u>5,755,957</u>
Total liabilities	<u>7,083,950</u>
Net Assets:	
Invested in capital assets, net of related debt	2,495,402
Restricted for:	
School lunch	4,019
Non K-12 programs	135,916
Student activity fund	70,271
Scholarship fund	40,546
Debt service	251,079
Capital projects	250,251
Unrestricted	<u>1,575,890</u>
Total net assets	<u>\$ 4,823,374</u>

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

PIUTE COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2010

Functions	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instructional services	\$ 3,053,980	\$ 52,720	\$ 1,292,613	\$ 202,265	\$ (1,506,382)
Supporting services:					
Instructional staff	23,326	-	-	-	(23,326)
District administration	250,833	-	244,815	-	(6,018)
School administration	126,846	-	68,092	-	(58,754)
Business	86,274	-	-	-	(86,274)
Operation and maintenance of facilities	441,213	-	-	-	(441,213)
Transportation	294,580	-	224,217	-	(70,363)
School lunch services	211,474	40,527	142,566	-	(28,381)
Interest on long-term liabilities	45,150	-	-	-	(45,150)
Total school district	\$ 4,533,676	\$ 93,247	\$ 1,972,303	\$ 202,265	(2,265,861)
General revenues:					
Property taxes levied for:					
General purposes					202,021
Transportation					30,441
Debt service					-
Capital outlay					134,112
Federal and state aid not restricted to specific purposes					1,987,597
Earnings on investments					23,394
Miscellaneous					293,948
Total general revenues					2,671,513
Change in net assets					405,652
Net assets - beginning					4,417,723
Net assets - ending					\$ 4,823,374

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

PIUTE COUNTY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 1,596,071	\$ 296,555	\$ 5,416,912	\$ 200,963	\$ 7,510,501
Receivables:					
Property taxes	196,563	-	102,132	-	298,695
Other governments	346,792	-	-	96,800	443,592
Other receivables	-	-	35,344	-	35,344
Inventory	-	-	-	2,780	2,780
Due from other funds	-	-	-	6,928	6,928
Total assets	\$ 2,139,426	\$ 296,555	\$ 5,554,388	\$ 307,471	\$ 8,297,840
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 86,924	\$ -	\$ 558,114	\$ -	\$ 645,038
Accrued salaries	254,862	-	-	-	254,862
Due to other funds	-	-	-	6,928	6,928
Deferred revenue:					
Property taxes	196,563	-	102,132	-	298,695
Other governments	-	-	-	49,791	49,791
Total liabilities	538,349	-	660,246	56,719	1,255,314
Fund Balances:					
Reserved for:					
Debt service	-	296,555	-	-	296,555
Unreserved:					
Designated for:					
Undistributed reserve	175,000	-	-	-	175,000
Undesignated, reported in:					
General fund	1,426,077	-	-	-	1,426,077
Capital projects fund	-	-	4,894,142	-	4,894,142
Special revenue funds	-	-	-	250,752	250,752
Total fund balances	1,601,077	296,555	4,894,142	250,752	7,042,526
Total liabilities and fund balances	\$ 2,139,426	\$ 296,555	\$ 5,554,388	\$ 307,471	\$ 8,297,840

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

PIUTE COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

Total fund balances for governmental funds \$ 7,042,526

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 124,999	
Construction in progress	695,797	
Buildings and improvements, net of \$1,775,158 accumulated depreciation	1,969,790	
Furniture and equipment, net of \$1,281,079, accumulated depreciation	665,514	3,456,100

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds and lease revenue bonds is \$43,241 and accrued interest for obligations under capital leases is \$2,235. (45,476)

Bond issuance costs are reported as expenditures in the governmental funds. The bonds were paid off during the year and all bond issuance costs were completely amortized. 160,312

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:

Bonds payable	(5,500,000)	
Obligations under capital leases	(104,589)	
Accrued vacation and sick leave	(146,490)	
Post employment benefits	(39,009)	(5,790,088)

Total net assets of governmental activities \$ 4,823,374

PIUTE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Property taxes	\$ 232,445	\$ 627	\$ 133,502	\$ -	\$ 366,574
Earnings on investments	14,820	-	4,041	4,533	23,394
School lunch sales	-	-	-	40,527	40,527
Other local sources	58,447	-	95,344	192,877	346,668
State aid	3,137,824	-	202,265	18,164	3,358,253
Federal aid	624,981	-	-	178,931	803,912
Total revenues	<u>4,068,517</u>	<u>627</u>	<u>435,152</u>	<u>435,032</u>	<u>4,939,328</u>
Expenditures:					
Current:					
Instructional services	2,662,925	-	270	294,205	2,957,400
Supporting services:					
Instructional staff	23,326	-	-	-	23,326
District administration	237,183	-	-	-	237,183
School administration	121,764	-	-	-	121,764
Business	85,624	-	-	-	85,624
Operation and maintenance					
of facilities	419,408	-	-	-	419,408
Transportation	254,616	-	-	-	254,616
School lunch services	-	-	-	208,902	208,902
Capital outlay	-	-	1,398,917	-	1,398,917
Debt service:					
Principal retirement	16,192	-	-	-	16,192
Interest and fiscal charges	2,210	-	-	-	2,210
Total expenditures	<u>3,823,248</u>	<u>-</u>	<u>1,399,187</u>	<u>503,107</u>	<u>5,725,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>245,269</u>	<u>627</u>	<u>(964,035)</u>	<u>(68,075)</u>	<u>(786,214)</u>
Other financing sources (uses):					
Transfers	(63,290)	-	-	63,290	-
Bond proceeds	-	-	5,500,000	-	5,500,000
Equipment capital lease	-	-	-	-	-
Total other financing sources (uses)	<u>(63,290)</u>	<u>-</u>	<u>5,500,000</u>	<u>63,290</u>	<u>5,500,000</u>
Net change in fund balances	181,979	627	4,535,965	(4,785)	4,713,786
Fund balances - beginning	<u>1,419,098</u>	<u>295,928</u>	<u>358,177</u>	<u>255,537</u>	<u>2,328,740</u>
Fund balances - ending	<u>\$ 1,601,077</u>	<u>\$ 296,555</u>	<u>\$ 4,894,142</u>	<u>\$ 250,752</u>	<u>\$ 7,042,526</u>

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

PIUTE COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2010

Net change in fund balances-total governmental funds **\$ 4,713,786**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 1,258,724	
Depreciation expense	<u>(180,245)</u>	1,078,479

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net assets.

Other financing source - capital lease	-	
Interest expense - capital leases	301	
Principal payments of capital leases	<u>16,192</u>	16,493

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	(5,500,000)	
Bond issuance costs	161,909	
Interest expense - general obligation bonds	(43,241)	
Amortization of bond issuance costs	<u>(1,597)</u>	(5,382,929)

In the statement of activities, certain operating expenses - compensated absences (vacations), special termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, accrued sick leave increased by \$290, post retirement benefits payable increased by \$19,887.

(20,177)

Change in net assets of governmental activities

\$ 405,652

PIUTE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 206,192	\$ 252,492	\$ 232,445	\$ (20,047)
Earnings on investments	25,000	25,000	14,820	(10,180)
Other local sources	168,700	150,955	58,447	(92,508)
State aid	3,168,642	3,126,133	3,137,824	11,691
Federal aid	641,981	648,770	624,981	(23,789)
Total revenues	<u>4,210,515</u>	<u>4,203,350</u>	<u>4,068,517</u>	<u>(134,833)</u>
Expenditures:				
Current:				
Instructional services	2,725,142	2,659,700	2,662,925	(3,225)
Supporting services:				
Instructional staff	28,975	25,550	23,326	2,224
District administration	324,500	265,900	237,183	28,717
School administration	189,046	166,100	121,764	44,336
Business	88,754	88,754	85,624	3,130
Operation and maintenance of facilities	416,458	427,358	419,408	7,950
Transportation	337,421	277,690	273,018	4,672
Total expenditures	<u>4,110,296</u>	<u>3,911,052</u>	<u>3,823,248</u>	<u>87,804</u>
Excess of revenues over expenditures	100,219	292,298	245,269	(47,029)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfer in	-	-	-	-
Transfer out	(51,937)	(192,905)	(63,290)	129,615
Net change in fund balances	48,282	99,393	181,979	82,586
Fund balances - beginning	<u>1,419,098</u>	<u>1,419,098</u>	<u>1,419,098</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,467,380</u>	<u>\$ 1,518,491</u>	<u>\$ 1,601,077</u>	<u>\$ 82,586</u>

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

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Piute County School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

- **Reporting Entity** - The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. The Board establishes District policies, approves budgets, appoints a Superintendent with responsibilities for administering all educational activities of the District, and appoints a Business Administrator with responsibilities for fiscal matters. The Board is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government. As required by GAAP, these basic financial statements present the activities of the District. The District is not a component unit of any other primary government.

Government-wide and fund financial statements – The *government-wide financial statements* (i.e., the statement of net assets and the statement of changes in net assets) display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line.

Program revenues include 1) fees and charges paid by students and other recipients of goods or services, offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY (Continued)

The *fund financial statements* provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category (governmental, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.
- The *debt service fund* accounts for resources (primarily taxes) accumulated and payments made for retirement of general obligation debt and for payment of associated interest and fees on that debt.

The District reports the following nonmajor special revenue funds that receive revenues which are restricted to expenditures for specified purposes:

- The *school food services fund* accounts for preparation and service of school lunches and breakfasts.
- The *non K-12 fund* accounts for preschool, adult education, recreation and other non K-12 programs.
- The *student activity fund* accounts for fees and revenues associated with student activities at the school level.
- The *scholarship fund* accounts for a perpetual scholarship fund.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY (Continued)

Measurement focus, basis of accounting, and financial statement presentation – The *government-wide and fiduciary fund 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 when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and post-employment healthcare benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data – Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a District level for the student activities agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During June of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY (Continued)

- Copies of the proposed budget are made available for public inspection and review by the District's patrons.

If the District does not exceed the certified tax rate, a public hearing is held prior to June 22nd at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the tax rates.

- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2010, have been included in the final budget approved by the Board, as presented in the financial statements. Budgets were amended at year end.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds and the internal service fund. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

Deposits and Investments – The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pool's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY (Continued)

Cash and Cash Equivalents – The District considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers’ Investment Fund (PTIF).

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either “due to/from other funds” (i.e., current portion of interfund loans) or “advances from/to other funds” (i.e., the noncurrent portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resource.

Inventories – Inventories are valued at cost or, if donated, at fair value when received, using the moving average method. The consumption method of accounting is applied to the inventories of all funds.

Inventories of donated United States Department of Agriculture (USDA) commodities on hand at year-end are reported on the balance sheet at fair market value on the date received as inventory. Commodities used during the year are reported as revenues and expenditures on the operating statement.

Capital Assets – Capital assets, which include land, water stock, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land, furniture and equipment and \$100,000 for buildings and improvements and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

1. SUMMARY (Continued)

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Furniture	15
Portable Classrooms	15
Machinery and Tools	15
Buses	15
Laboratory Equipment	10
Musical Instruments	10
Licensed Vehicles	10
Computers	5

Compensated Absences – Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for accumulated sick days to a maximum of 120 days at \$60 per day. No reimbursement or accrual is made for unused vacation leave.

All sick pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations – In the government-wide financial statements financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, 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.

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.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

1. SUMMARY (Continued)

Fund Equity – 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 restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

Comparative Data and Reclassifications – Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year’s presentation.

Use of Estimates - Presenting financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates concerning assets, liabilities, revenues and expenses. Actual results may vary from these estimates.

2. DEPOSITS AND INVESTMENTS

A. Deposits

Deposits – Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The district follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits. District funds are deposited in qualified depositories as defined by the Act. The District does not have a deposit policy for custodial credit risk. As of June 30, 2010, the District’s custodial credit risk for deposits were as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2010</u>
Regular Checking Account	Insured	\$ 250,300
Regular Checking Account	Uninsured and collateralized	<u>1,262,956</u>
		<u>\$1,513,256</u>

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The District's investments are managed through participation in the state Public Treasurer's Investment Fund and through a repurchase agreement arrangement with a local bank. As of June 30, 2010, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Utah Public Treasurers' Investment Fund	Less than one year	<u>\$5,990,204</u>

Investments – Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance to the Utah Money Management Act which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

Investments – Credit Risk – The District follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-trade commercial paper, bankers' acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its investments. The District has no investment policy that would further limit its investment choices.

Investments – Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Piute County treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%. The interest rate period is from January 1 until the date paid.

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market value statewide value of the property, as established by the State Tax Commission. Effective January 1, 1999, legislation required motor vehicles be subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it.

As of June 30, 2010, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2010 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 125,000	\$ -	\$ -	\$ 125,000
Construction in progress	-	695,797	-	695,797
Total capital assets, not being depreciated	<u>125,000</u>	<u>695,797</u>	<u>-</u>	<u>820,797</u>
Capital assets, being depreciated:				
Buildings and improvements	3,216,829	528,119	-	3,744,948
Furniture and equipment	1,911,785	34,808	-	1,946,593
Total capital assets, being depreciated	<u>5,128,614</u>	<u>562,927</u>	<u>-</u>	<u>5,691,541</u>
Accumulated depreciation for:				
Buildings and improvements	(1,699,946)	(75,212)	-	(1,775,158)
Furniture and equipment	(1,176,046)	(105,033)	-	(1,281,079)
Total accumulated depreciation	<u>(2,875,992)</u>	<u>(180,245)</u>	<u>-</u>	<u>(3,056,237)</u>
Total capital assets, being depreciated, net	<u>2,252,622</u>	<u>382,682</u>	<u>-</u>	<u>2,635,304</u>
Governmental activities capital assets, net	<u>\$ 2,377,622</u>	<u>\$ 1,078,479</u>	<u>\$ -</u>	<u>\$ 3,456,101</u>

Depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 98,724
Supporting services:	
District administration	13,650
School administration	2,880
Central	650
Operation and maintenance of facilities	21,805
Transportation	39,964
School lunch services	2,572
Total depreciation expense, governmental activities	<u>\$ 180,245</u>

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

5. RETIREMENT PLANS

Defined Benefit Plans - The District contributes to the State and School Contributory Retirement System and State and School Noncontributory Retirement System (Systems), which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 5% of their annual covered salary (all or part may be paid by the employer for the employee) and Piute County School District is required to contribute 9.73% of their member's annual covered salary. In the State and School Noncontributory Retirement System the Piute County School District is required to contribute 14.22% of the member's annual covered salary. The contribution rates are the actuarial determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The District's contributions to the State and School Contributory Retirement System for the years ending June 30 2010, 2009, and 2008 were \$609, \$550, and \$581 respectively. The Noncontributory Retirement System contributions for June 30, 2010, 2009, and 2008 were \$285,860, \$257, 292, \$249,746 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plan – The District participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2010, 2009, and 2008 were \$27,580, \$24,705, and \$23,797 respectively; the employee contributions for the years ending June 30 2010, 2009, and 2008 were \$46,768, \$43,693, \$44,771 respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

5. RETIREMENT PLANS (Continued)

Separation Payments Plan OPEB – The District has a separation payments plan for all eligible employees who retire after meeting certain criteria. To be eligible for the plan employees must meet certain requirements as set forth in the plan as follows:

In order to qualify for Retirement Benefits under this policy, eligible employees of Piute County School District must have, by June 30th of the year in which retirement they are under is elected, have accumulated sufficient years of service under the Utah State Retirement System rules to qualify for full retirement benefits under the Utah State Retirement System. (Full retirement is interpreted to mean Retirement with the Utah State Retirement System without retirement benefit reduction). Eligibility is restricted to all full-time employees (at least 35 hours per week) with ten (10) or more years of service in the district.

Benefits under the plan are as follows:

The Board shall contribute \$5,000 per year on a monthly basis for health insurance for three consecutive years (including the birthday month), whichever comes first. After that period. The employee may be entitled to rights under COBRA but must make arrangements for and pay the total costs for any further insurance coverage. The employee may arrange with the district to place all or any part of these of these funds into a 401k at retirement. If an employee qualifies for Medicare a cash payment will be provided on the same ratio as the \$5000 is to the couple coverage.

As an example, if couple coverage costs \$6,500 and a Medicare supplement costs \$2,300 the following calculations will be made to determine the proportion of the Medicare supplement the district will pay. Since \$5,000 is 77%, the District will pay 77% of the \$2,300 or \$1,771

Projections of the payments under this plan for financial reporting purposes are based on a substantive agreement between the District and it eligible employees. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in the actuarial accrued liability, consistent with the long-term perspective of the calculations. In July 1, 2006 actuarial valuation, the projected unit credit using the full accrual at full eligibility age was used. An interest rate assumption of 4% was used along with demographic and other assumptions including mortality rates, public education retirement rates, the District's salary schedule, an inflationary factor, and employee termination rates by age, gender, and years of service.

The plan does not issue a separately prepared report. Funding for the plan is from ongoing operations and a separate funding plan is not in place.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined with other public entities in a common risk management and insurance program operated by the State of Utah Division of Risk Management. The District pays premiums to this risk pool, the Utah State Risk Management Fund, for its general insurance coverage. The pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of specified amounts for certain types of risks. The District is subject to a minimal deductible for claims of the risk pool. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation	\$ -	\$4,435,000	\$ -	\$4,435,000	\$ -
Lease revenue bonds	-	1,065,000	-	1,065,000	-
Total bonds payable, net	-	5,500,000	-	5,500,000	-
Obligations under capital leases	120,781	-	(16,192)	104,589	34,131
Arbitrage rebate payable		-		-	-
Accrued vacation or sick pay	146,200	290	-	146,490	-
Post employment benefits	19,122	19,887		39,009	
Total governmental activity long-term liabilities	<u>\$ 286,103</u>	<u>\$5,520,177</u>	<u>\$ (16,192)</u>	<u>\$5,790,088</u>	<u>\$ 34,131</u>

Payments on the general obligation bonds are made by the debt service fund from property taxes and earnings on investments. Lease revenue bonds are paid from a tax levy in the capital projects fund. The obligations under capital leases are paid by the capital projects fund or general fund depending on the lease type. Vacation, sick leave, and early retirement benefits will be paid by the fund in which the employee worked.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

7. LONG-TERM DEBT (Continued)

General Obligation Bonds – During the year the District issued General Obligation QSCB School Building bonds in the amount of \$4,435,000. The proceeds are to be used for the remodel and construction of Piute High School located in Junction, Utah. The bonds will mature in on April 15, 2027. However, the District is required to make annual deposits to a sinking fund account to be held by the paying agent. These bonds carry an annual interest rate of 5.71%. The District is required to make annual interest payments on the outstanding bonds however, it is anticipated that annually the District will receive a subsidy from the Federal government to cover the interest payment. The required debts service schedule is as follows:

Fiscal Year Ending June 30	\$4,435,000 Series 2010		Federal Interest Subsidy (1)	Estimated Annual Contributions to Sinking Fund (2)	Total Payment Required for Debt Service (2)
	Principal	Interest			
2011	\$ -	\$ 239,170	\$ (239,170)	\$ 260,882	\$ 260,882
2012	-	253,239	(253,239)	260,882	260,882
2013	-	253,239	(253,239)	260,882	260,882
2014	-	253,239	(253,239)	260,882	260,882
2015	-	253,239	(253,239)	260,882	260,882
2016	-	253,239	(253,239)	260,882	260,882
2017	-	253,239	(253,239)	260,882	260,882
2018	-	253,239	(253,239)	260,882	260,882
2019	-	253,239	(253,239)	260,882	260,882
2020	-	253,239	(253,239)	260,882	260,882
2021	-	253,239	(253,239)	260,882	260,882
2022	-	253,239	(253,239)	260,882	260,882
2023	-	253,239	(253,239)	260,882	260,882
2024	-	253,239	(253,239)	260,882	260,882
2025	-	253,239	(253,239)	260,882	260,882
2026	-	253,239	(253,239)	260,882	260,882
2027	4,435,000	253,239	(253,239)	260,882	260,882
Totals	<u>\$ 4,435,000</u>	<u>\$ 4,290,994</u>	<u>\$ (4,290,994)</u>	<u>\$ 4,434,994</u>	<u>\$ 4,434,994</u>

(1) Assumes all interest due will be paid from the federal interest rate subsidy.

(2) The District will contribute \$260,882 annually to a sinking fund account.

PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

7. LONG-TERM DEBT (Continued)

MBA Lease Revenue Bonds – During the year the Municipal Building Authority of the District issued \$1,065,000 QSCB School Building Lease Revenue Bonds. The proceeds of these bonds are to be used in connection with the remodel and construction of Piute High School located in Junction, Utah. The bonds will mature in on April 15, 2027. However, the District is required to make annual deposits to a sinking fund account to be held by the paying agent. These bonds carry an annual interest rate of 7.89%. The District is require to make annual interest payments on the outstanding bonds however, it is anticipated that annually the District will receive a subsidy from the Federal government to cover the interest payments up to 5.80%. The required debts service schedule is as follows:

Fiscal Year Ending June 30	\$1,065,000 Series 2010		Federal Interest Subsidy (1)	Estimated Annual Contributions to Sinking Fund (2)	Total Payment Required for Debt Service (2)
	Principal	Interest			
2011	\$ -	\$ 79,360	\$ (58,338)	\$ 62,647	\$ 83,669
2012	-	84,029	(61,770)	62,647	84,906
2013	-	84,029	(61,770)	62,647	84,906
2014	-	84,029	(61,770)	62,647	84,906
2015	-	84,029	(61,770)	62,647	84,906
2016	-	84,029	(61,770)	62,647	84,906
2017	-	84,029	(61,770)	62,647	84,906
2018	-	84,029	(61,770)	62,647	84,906
2019	-	84,029	(61,770)	62,647	84,906
2020	-	84,029	(61,770)	62,647	84,906
2021	-	84,029	(61,770)	62,647	84,906
2022	-	84,029	(61,770)	62,647	84,906
2023	-	84,029	(61,770)	62,647	84,906
2024	-	84,029	(61,770)	62,647	84,906
2025	-	84,029	(61,770)	62,647	84,906
2026	-	84,029	(61,770)	62,647	84,906
2027	<u>1,065,000</u>	<u>84,029</u>	<u>(61,770)</u>	<u>62,648</u>	<u>84,907</u>
Totals	<u>\$ 1,065,000</u>	<u>\$ 1,423,824</u>	<u>\$ (1,046,658)</u>	<u>\$ 1,065,000</u>	<u>\$ 1,442,166</u>

(1) Assumes interest due will be paid from the federal interest rate subsidy up to 5.8%.

(2) The District will contribute \$62,647 annually to a sinking fund account.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

7. LONG-TERM DEBT (Continued)

Obligations Under Capital Lease – The District obtained equipment and buses under capital lease arrangements. Annual payments are funded either through the capital projects fund or from transportation. The future minimum lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 34,131	\$ 3,145	\$ 37,276
2012	16,580	2,191	18,771
2013	17,246	1,486	18,732
2014	17,952	758	18,710
2015	<u>18,680</u>	<u>0</u>	<u>18,680</u>
	<u>\$ 104,589</u>	<u>\$ 7,580</u>	<u>\$112,169</u>

8. DESIGNATED FOR UNDISTRIBUTED RESERVE

Utah State law allows for the establishment of an undistributed reserve. The Board of Education must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year’s total general fund budgeted revenues. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with Utah State Board of Education and State Auditor.

9. GRANTS

The District receives significant financial assistance from Federal and State governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District’s independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

**PIUTE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

10. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Utah law requires that actual expenditures shall not exceed budgeted appropriations for any fund. Actual expenditures exceeded appropriations in:

General Fund	\$ 25,728
Capital Projects Fund	13,541
School Lunch Fund	18,987
Student Activity	171,719

11. INTER FUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end the District had an inter fund loan in the amount of \$6,928 between the Non K-12 Fund and the School Lunch Fund. This inter fund loan has been eliminated at the government-wide level.

The following fund transfers occurred during the year:

Fund	Transfer Out	Transfer In
General Fund	\$ 63,290	\$ -
Food Service Fund	-	25,800
Non K-12 Fund	-	37,490
Total Fund Transfers	\$ 63,290	\$ 63,290

The above transfers were made in the general course of annual operations.

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

Type	Unavailable	Unearned
Property Tax Receivable - General Fund	\$ -	\$ 196,563
Property Tax Receivable - Capital Projects Fund		102,132
Deferred rev. from other govts - Non K-12 Fund	-	47,011
Total deferred/unearned revenue for govtl funds	\$ -	\$ 345,706

REQUIRED SUPPLEMENTARY INFORMATION

PIUTE COUNTY SCHOOL DISTRICT
Required Supplementary Information
Year Ended June 30, 2010

District Separation Payments Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
07/01/2006	\$ -	\$ 241,671	\$ 241,671	0.00%	\$ 1,902,169	12.71%

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

School Lunch Fund – This fund is used to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Government to help ensure that students receive low-cost, nutritionally balanced meals.

Non K-12 Programs Fund – This fund is used to account for programs that are not part of the basic educational program of kindergarten, elementary and secondary students. These areas include adult education and preschool for disabled students. This fund is also used to account for costs to provide community educational and recreational activities. Financing is provided primarily through grants and student fees.

Scholarship Fund – This fund is used to account for a perpetual scholarship fund for graduating seniors.

Student Activity Fund – This fund is used to account for fees, revenues, and expenditures related to student activity funds at the school level.

PIUTE COUNTY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	<u>Special Revenue</u>				Total Nonmajor Governmental Funds
	School Lunch	Non K-12 Programs	Scholarship Fund	Student Activity Fund	
Assets:					
Cash and investments	\$ -	\$ 90,146	\$ 40,546	\$ 70,271	\$ 200,963
Receivables:					
Other governments	10,947	85,853	-	-	96,800
Inventory	2,780	-	-	-	2,780
Due from other funds	-	6,928	-	-	6,928
Total assets	<u>\$ 13,727</u>	<u>\$ 182,927</u>	<u>\$ 40,546</u>	<u>\$ 70,271</u>	<u>\$ 307,471</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	6,928	-	-	-	6,928
Deferred revenue:					
Property taxes	-	-	-	-	-
Other governments	2,780	47,011	-	-	49,791
Total liabilities	<u>9,708</u>	<u>47,011</u>	<u>-</u>	<u>-</u>	<u>56,719</u>
Fund balances:					
Unreserved:					
Undesignated	4,019	135,916	40,546	70,271	250,752
Total fund balances	<u>4,019</u>	<u>135,916</u>	<u>40,546</u>	<u>70,271</u>	<u>250,752</u>
Total liabilities and fund balances	<u>\$ 13,727</u>	<u>\$ 182,927</u>	<u>\$ 40,546</u>	<u>\$ 70,271</u>	<u>\$ 307,471</u>

PIUTE COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2010

	<u>Special Revenue</u>				Total Nonmajor Governmental Funds
	<u>School Lunch</u>	<u>Non K-12 Programs</u>	<u>Scholarship Fund</u>	<u>Student Activity Fund</u>	
Revenues:					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Student fees	-	37,459	-	155,418	192,877
Lunch sales	40,527	-	-	-	40,527
Earnings on investments	-	-	4,533	-	4,533
State aid	18,164	-	-	-	18,164
Federal aid	124,402	54,529	-	-	178,931
Total revenues	<u>183,093</u>	<u>91,988</u>	<u>4,533</u>	<u>155,418</u>	<u>435,032</u>
Expenditures:					
Current:					
Instructional services	-	127,020	-	167,185	294,205
Supporting services:					
Other services	-	-	-	-	-
School lunch services	208,902	-	-	-	208,902
Total expenditures	<u>208,902</u>	<u>127,020</u>	<u>-</u>	<u>167,185</u>	<u>503,107</u>
Excess of revenues over expenditures	(25,809)	(35,032)	4,533	(11,767)	(68,075)
Other financing sources:					
Transfer in	25,800	37,490	-	-	63,290
Net change in fund balances	(9)	2,458	4,533	(11,767)	(4,785)
Fund balances - beginning	<u>4,028</u>	<u>133,458</u>	<u>36,013</u>	<u>82,038</u>	<u>255,537</u>
Fund balances - ending	<u>\$ 4,019</u>	<u>\$ 135,916</u>	<u>\$ 40,546</u>	<u>\$ 70,271</u>	<u>\$ 250,752</u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	<u>2010</u>		<u>2009</u>	
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Lunch sales - children	\$ 32,898	\$ 32,781	\$ (117)	\$ 34,382
Lunch Sales - adult	7,324	7,443	119	7,579
Other local sales	303	303	-	-
Total local sources	<u>40,525</u>	<u>40,527</u>	<u>2</u>	<u>41,961</u>
State sources:				
State lunch program	24,530	18,164	(6,366)	25,711
Total state sources	<u>24,530</u>	<u>18,164</u>	<u>(6,366)</u>	<u>25,711</u>
Federal sources:				
Federal lunch program	11,772	11,839	67	11,350
Free and reduced assistance	75,885	76,894	1,009	67,535
Breakfast program	28,418	28,583	165	27,231
Other	-	7,086	7,086	21,507
Total federal sources	<u>116,075</u>	<u>124,402</u>	<u>8,327</u>	<u>127,623</u>
Total revenues	<u>181,130</u>	<u>183,093</u>	<u>1,963</u>	<u>195,295</u>
Expenditures:				
Current:				
Salaries	74,227	74,226	1	72,757
Employee benefits	15,485	15,540	(55)	13,114
Purchased services	3,503	3,503	-	1,483
Supplies	199	199	-	43
Food	104,548	111,635	(7,087)	111,849
Other	3,748	3,799	(51)	16,070
Total expenditures	<u>201,710</u>	<u>208,902</u>	<u>(7,192)</u>	<u>215,316</u>
Excess (deficiency) of revenues over expenditures	(20,580)	(25,809)	(5,229)	(20,021)
Other financing sources and (uses)				
Transfers in	20,580	25,800	5,220	20,000
Transfers out	-	-	-	-
Net change in fund balances	-	(9)	(9)	(21)
Fund balances - beginning	<u>4,028</u>	<u>4,028</u>	<u>-</u>	<u>4,049</u>
Fund balances - ending	<u>\$ 4,028</u>	<u>\$ 4,019</u>	<u>\$ (9)</u>	<u>\$ 4,028</u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Non K-12 Programs
Nonmajor Special Revenue Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	2010		Variance with Final Budget - Positive (Negative)	2009
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	
Community school fees	42,500	37,459	(5,041)	42,434
Total local sources	42,500	37,459	(5,041)	42,434
State sources:				
Adult high school completion	-	-	-	-
Preschool	-	-	-	28,298
Medicare Outreach	-	-	-	-
Total state sources	-	-	-	28,298
Federal sources:				
Special education preschool grant	50,888	54,529	3,641	24,179
Adult education	-	-	-	-
Total federal sources	50,888	54,529	3,641	24,179
Total revenues	93,388	91,988	(1,400)	94,911
Expenditures:				
Current:				
Salaries	103,639	101,571	2,068	70,468
Employee benefits	22,756	22,322	434	18,837
Purchased services	1,900	1,288	612	1,853
Supplies	2,000	1,839	161	2,843
Equipment	800	-	800	-
Total expenditures	131,095	127,020	4,075	94,001
Excess (deficiency) of revenues over (under) expenditures	(37,707)	(35,032)	2,675	910
Other financing sources and (uses):				
Transfers in	-	37,490	37,490	-
Transfers out	-	-	-	-
Net change in fund balances	(37,707)	2,458	40,165	910
Fund balances - beginning	133,458	133,458	-	132,548
Fund balances - ending	<u>\$ 95,751</u>	<u>\$ 135,916</u>	<u>\$ 40,165</u>	<u>\$ 133,458</u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activity Fund
Nonmajor Special Revenue Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	2010			2009
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Student fees	175,000	155,418	(19,582)	176,413
Total local sources	<u>175,000</u>	<u>155,418</u>	<u>(19,582)</u>	<u>176,413</u>
Expenditures:				
Current:				
Fees and Supplies	185,000	167,185	17,815	171,719
Total expenditures	<u>185,000</u>	<u>167,185</u>	<u>17,815</u>	<u>171,719</u>
Excess (deficiency) of revenues over (under) expenditures	(10,000)	(11,767)	(1,767)	4,694
Other financing sources:				
Transfer in	-	-	-	-
Net change in fund balances	(10,000)	(11,767)	(1,767)	4,694
Fund balances - beginning	<u>82,038</u>	<u>82,038</u>	<u>-</u>	<u>77,344</u>
Fund balances - ending	<u>\$ 72,038</u>	<u>\$ 70,271</u>	<u>\$ (1,767)</u>	<u>\$ 82,038</u>

PIUTE COUNTY SCHOOL DISTRICT
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
Scholarship Fund
Nonmajor Special Revenue Fund
Years Ended June 30, 2010 and 2009

	2010	2009
Revenues:		
Local sources:		
Contributions	\$ -	\$ -
Earnings on investments	4,533	-
Total revenues	4,533	-
Expenditures:		
Current:		
Scholarships and other expenditures	-	4,362
Total expenditures	-	4,362
Excess (deficiency) of revenues over (under) expenditures	4,533	(4,362)
Other financing sources (uses):		
Transfers in	-	-
Net change in fund balances	4,533	(4,362)
Fund balances - beginning	36,013	40,375
Fund balances - ending	\$ 40,546	\$ 36,013

MAJOR GOVERNMENTAL FUNDS

General Fund – This fund services primary on-going operation of the District. It is used to account for activity and financial resources that are not required to be accounted for in other funds.

Debt Service Fund - The Debt Service Fund is used to account for the receipt of property taxes levied for retirement of general obligation debt. The expenditures are for principal retirement and for payment of interest and fees.

Capital Projects Fund - The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. Financing is provided by an annual property tax levy not to exceed .0024 plus an additional levy in an amount not to exceed 10% of the cost of the basic program as authorized by Utah Code 53A-16-104 and 53A-17a-145. Also, state funds can be obtained by qualifying under guidelines established for districts determined to be in critical need for construction building aid.

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Debt Service Fund
Year Ended June 30, 2010

	<u>2010</u>		<u>Variance with Final Budget - Positive (Negative)</u>	<u>2009</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
Revenues:				
Property tax	\$ -	\$ 627	\$ 627	\$ 101,055
Earnings on investments			-	
Total revenues	<u>-</u>	<u>627</u>	<u>627</u>	<u>101,055</u>
Expenditures:				
Debt service:				
Bond principal	-	-	-	70,000
Bond interest	-	-	-	3,942
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>627</u>	<u>627</u>	<u>27,113</u>
Other financing sources (uses):				
Proceeds of refunding bonds	-	-	-	
Payment to refunded bond escrow agent	-	-	-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	627	627	27,113
Fund balance - beginning	<u>295,928</u>	<u>295,928</u>	<u>-</u>	<u>268,815</u>
Fund balance - ending	<u>\$ 295,928</u>	<u>\$ 296,555</u>	<u>\$ 627</u>	<u>\$ 295,928</u>

PIUTE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	2010		Variance with Final Budget - Positive (Negative)	2009
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 131,838	\$ 133,502	\$ 1,664	\$ 143,579
Earnings on investments	-	4,041	4,041	-
Other local revenues	-	95,344	95,344	-
Total local sources	131,838	232,887	101,049	143,579
State sources:				
Capital outlay foundation	200,000	202,265	2,265	206,628
Other	-	-	-	-
Total state sources	200,000	202,265	2,265	206,628
Total revenues	331,838	435,152	103,314	350,207
Expenditures:				
Instructional Services:				
Salaries and Benefits	-	-	-	-
Supplies	300	270	30	-
Total instructional services	300	270	30	-
Land and buildings:				
Land improvements	2,500	2,340	160	10,076
Building improvements	683,250	1,386,776	(703,526)	121,027
Total land and buildings	685,750	1,389,116	(703,366)	131,103
Equipment:				
Equipment	9,600	9,801	(201)	63,438
Buses	-	-	-	-
Total equipment	9,600	9,801	(201)	63,438
Total expenditures	695,650	1,399,187	(703,537)	194,541
Excess (deficiency) of revenues over (under) expenditures	(363,812)	(964,035)	(600,223)	155,666
Other Financing Sources (Uses):				
General obligation bond proceeds	-	5,500,000	5,500,000	-
Equipment capital lease	-	-	-	-
Total other financing sources (uses)	-	5,500,000	5,500,000	-
Net change in fund balances	(363,812)	4,535,965	4,899,777	155,666
Fund balance - beginning	358,177	358,177	-	202,511
Fund balance - ending	<u>\$ (5,635)</u>	<u>\$ 4,894,142</u>	<u>\$ 4,899,777</u>	<u>\$ 358,177</u>