

TEN STEPS  
To Preparing School  
District Financial Statements  
Under GASB 34

ASBO INTERNATIONAL  
Gold Mine Sessions  
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# Ten Steps to Preparing School District Financial Statements Under GASB 34

## Table of Contents

Based on Alpine School District June 30, 2002 Report

	Page	Step
Outline - Ten Step to Preparing District Financial Statements Under GASB 34	1	
Implementation Resources	9	
Basic Financial Statements	11	
Program Revenues	12	
Fund Structure		1
Analysis of Funds - Major vs. Nonmajor		2
Capital Assets		3a
Long-term Liabilities		3b
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet		4a
Statement of Revenues, Expenditures, and Changes in Fund Balances		4b
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund		4c
Proprietary Funds:		
Statements of Fund Net Assets		4d
Statements of Revenues, Expenses, and Changes in Fund Net Assets		4e
Statements of Fund Cash Flows		4f
Fiduciary Funds:		
Statement of Fiduciary Net Assets		4g
Combining Nonmajor Governmental Fund Financial Statements:		
Combining Balance Sheet		4h
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		4i
Conversion Entries		5a
Trial Balance - Governmental Accounts		5b
Calculation of Net Asset Balances		6a
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets		6b
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		6c
Government-wide Financial Statements:		
Statement of Net Assets		7a
Statement of Activities		7b
Program-Specific Operating Grant Revenue - Allocation by Function		7c

# GASB 34 Implementation

For Utah School Districts

## Ten Steps to Preparing District Financial Statements Under GASB 34

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and the UASBO Accounting Practices and Reporting Committee

May 2, 2003

Prior to drafting the report, the preparer should consider the following items:

- *Resources* – Obtain and study GASB Statement No. 34, related pronouncements, and other appropriate resource materials. See Implementation Resources on page 9 in these materials.
- *Who* – Develop an implementation team (involve administration, budget director, accounting office, component units, and independent auditor).
- *When* – Schedule implementation dates and prepare plan.
- *Changes* – Identify necessary system, accounting and financial reporting changes.
- *Audit* – Update independent audit contract – the scope of the auditor’s report and audit effort has changed.
- *Restate prior year financial statements?* – Although optional, we recommend restating your prior year reports under the new standard. This will allow presentation of comparative analysis in the MD&A, calculation of beginning net assets for the year of implementation, and gives the preparer time to become acquainted with all the new issues well before you are required to implement.

These ten steps were used by Alpine School District (and several other districts) in the preparation of their June 30, 2002 financial reports. A copy of their reports can be found on the Utah State Auditor’s Office web site, [www.sao.state.ut.us](http://www.sao.state.ut.us) under Reports, Financial Reports, School District – 2002. A copy of the Excel workbook used to prepare the Alpine School District’s financial report can be found at [www.uasbo.k12.ut.us](http://www.uasbo.k12.ut.us) under Accounting Practices, Tools, Template.

**Step 1 – Define Funds** – GASB 34 has changed the definition of certain funds. Different recognition and reporting standards apply to each fund category (governmental, proprietary, or fiduciary). The District should establish the minimum number of funds consistent with legal and operating requirements.

- *Foundations* can be presented as a blended component unit (integral part of the district) or as a discretely presented component unit (operate with a degree of autonomy) depending on the nature of the relationship between the district and the foundation. They will be reported as special revenue funds.
- *Student activities* (resources not used to support district operations) would normally be agency funds.
- *Expendable trust funds* have been discontinued and will be classified as governmental funds or fiduciary funds.

- *Nonexpendable trusts* (endowments) held by the District where earnings are used for purposes that support District programs would normally be permanent funds.
- *Enterprise funds* could be reclassified as special revenue funds when the principal revenue sources are federal and state funding or local taxes.
- *Insignificant activities* need not be reported as separate funds; consider reclassifying these activities as programs or functions within the general or special programs fund.
- Consider an internal service fund or an employee benefit trust fund when the District elects to report transactions such as compensated absences liabilities or special termination benefits on the accrual basis of accounting (an alternative to a separate fund could be to designate part of the general fund balance for unmatured obligations).

**Step 2 - Calculate Major Funds** – Governmental and proprietary fund financial statements focus on major funds.

- The general fund is always a major fund.
- Other individual governmental and enterprise funds are major funds if they meet both of the following criteria:
  1. Total assets, liabilities, revenues, or expenditures/expenses of the individual funds are at least 10% of the corresponding element total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds).
  2. The same element that met the 10% criterion in (1) is at least 5% of the corresponding element total for all governmental and enterprise funds combined.
- Revenues and expenditures/expenses for other financing sources and uses (bond proceeds, sales of capital assets, etc.) are excluded from in these calculations.
- The District may report any other governmental or enterprise fund as a major fund if its officials believe the fund is particularly important to financial statement users.
- Caution: When making the major fund calculation, include the receivable and deferral for property taxes as discussed in Step 4 below.

**Step 3 - Prepare Two Schedules: Capital Assets and Long-term Liabilities**

Capital Assets – Prepare a reconciliation of *capital assets* for the current year, including beginning balances, increases, decreases, and ending balances. Major classes of capital assets are divided between governmental activities and business-type activities.

- Capital assets, accumulated depreciation, depreciation expense allocated by function, and gains and losses from disposals are reported in the government-wide financial statements.
- Capital expenditures continue to be reported in the governmental fund statements.
- No significant changes for proprietary fund types.

- Update capital asset records; include only those assets that meet the definition of a capital asset: land and improvements, buildings and improvements, equipment, and works of art and historical treasures. Most districts will not have infrastructure assets; the topic of infrastructure assets is not discussed here.
- Establish a district-wide capitalization threshold (for example, \$5,000 for equipment and \$100,000 for buildings) for reporting and depreciation purposes. Asset lists for management and inventory control purposes can employ different thresholds.
- Also consider other capital assets such as assets under capital leases, certain works of art, and natural resource rights.
- Capital assets are reported in the statement of net assets at historical cost (or estimated fair value, if donated) net of accumulated depreciation. Significant amounts of nondepreciable capital assets are reported as separate line items in the statement of net assets.
- Capital assets are depreciated in the statement of activities over their estimated useful lives unless they are inexhaustible (land and land improvements or construction in progress or certain works of art and historical treasures).
- Depreciation is normally calculated using the straight-line method over the estimated useful lives of the class of assets. Salvage value is usually insignificant and, therefore, not included in the calculation. Estimated useful lives can be based on replacement schedules or industry standards.
- Allocation of current depreciation expense can be accomplished by prorating the expense to different functions using estimated percentages.

For example, the primary use of an average elementary school building within the district might estimated to be 80% instruction, 6% food service, 4% school administration, and 10% operation and maintenance. The District could then group all elementary schools together and allocate depreciation expense directly to each function using the estimates. The percentages would be updated annually as necessary.

Depreciation expense on other depreciable capital assets would be charged directly to functions based on the primary use of the asset. For example, a copier in a secondary school may be used mostly for instruction and, therefore, all of the depreciation expense on the copier would be charged to instruction; even though a portion could be allocated to other functions, the difference would be insignificant.

Long-term Liabilities – Prepare a reconciliation of *long-term liabilities* for the current year, including beginning balances, additions, reductions, ending balances, and amounts due within one year. Each major class of long-term liabilities (for example, bonds and notes, obligations under capital leases, claims and judgments, compensated absences, and special termination benefits) should be divided between governmental activities and business-type activities.

- General obligation bonds are reported net of the applicable bond premiums or discounts and, if a refunding bond, the amount the reacquisition price that exceeds the net carrying amount of the old debt. Bond premiums and discounts and any refunding deferrals are amortized over the life of the bonds using the straight-line method. (However, the effective interest rate method of amortization should be used if a material difference between the two methods exists.)
- Bond issuance costs are also deferred and are reported net of amortization on the statement of net assets. These amounts are not, however, included in the long-term liability reconciliation.

- Compensated absences (unpaid vacation), claims and judgments, and special termination benefits (early retirement) are normally *unmatured* obligations. They are reported as long-term liabilities on the government-wide statement of net assets but are not governmental fund liabilities. The accumulation of net assets in a governmental fund for the eventual payment of these obligations should be reported as a part of fund balance, namely, unreserved—designated fund balance, if appropriate. Again, districts that would prefer accrual-basis reporting of unmatured obligations in *fund* financial statements (similar to how they are reported in *government-wide* financial statements) would establish a trust fund or an internal service fund to accumulate resources to finance these obligations.
- Districts are permitted, but not required, to report other postemployment benefits (OPEB) in the financial statements in conformity with the rules that apply to participation in defined benefit plans. OPEB include benefits employees earn over their years of service that will not be received until after their employment with the district ends through retirement or other reason for separation. Two Exposure Drafts of proposed changes have been issued. The new standards would be implemented by districts in three phases based on the district's total annual revenues; larger districts would implement by fiscal year 2007, mid-sized by 2008, and small by 2009. However, until the new standards are effective, it is recommended to report only the required disclosures related to the benefit. Accordingly, OPEB obligations would not be included in the reconciliation of long-term liabilities.

**Step 4 - Prepare Fund Financial Statements** – Governmental and proprietary fund financial statements can be prepared directly from information generated by the district's accounting system. Certain adjustments may be needed to present the governmental fund financial statements on the modified accrual basis of accounting and the proprietary and fiduciary fund financial statements on the accrual basis of accounting.

- Each major governmental fund is reported in a separate column in the governmental fund financial statements. Each major enterprise fund is reported in a separate column in the proprietary fund financial statements.
- Nonmajor governmental funds are aggregated and displayed in a single column, and a combined total column is presented for all governmental funds (major and aggregate nonmajor), in the governmental fund financial statements. Nonmajor enterprise funds are aggregated and displayed in a single column, and a combined total column is presented for all enterprise funds (major and aggregate nonmajor), in the proprietary fund financial statements.
- Internal service funds are not reported as major funds. Instead, the combined total for all internal service funds is reported in a separate column on the proprietary fund financial statements to the right of the total enterprise funds column.
- For governmental funds:

Formats are similar to old model.

General capital assets and general long-term liabilities are not included; account groups have been eliminated.

Fund balances are segregated into reserved and unreserved amounts. Unreserved amounts can be further segregated into designated or undesignated amounts. Note that *reserved fund balances* will generally be different from amounts reported as *restricted net assets* on the statement of net assets.

Budgetary comparison information can be presented as a statement. The original budget has been added to the current comparison of final budget-to-actual results. Budgetary information is required for the general fund and each major special revenue fund. We recommend preparing budgets on the modified accrual basis to avoid measurement focus differences between budgetary and actual information.

- For proprietary funds:

A classified statement of net assets is recommended.

Net assets are separated into three categories: invested in capital assets, net of related debt, restricted and unrestricted. Governments will no longer use contributed capital and retained earnings accounts.

Operating statement focuses on all changes in net assets.

Direct method is used to prepare the statement of cash flows.

- Combining statements for nonmajor funds and individual fund statements and schedules are supplementary information and can be presented after the notes to the financial statements, if desired.

**Step 5 – Record Conversion Entries** – There are differences between governmental fund financial statements and government-wide financial statements. Certain adjustments are needed to make the transition from governmental *funds* to governmental *activities* as reported in the government-wide financial statements. Normally these adjustments will not be entered into the district’s books but are used to prepare the government-wide financial statements. These adjustments also provide all the information needed to prepare the required reconciliation schedules as discussed in Step 6.

Normally, only governmental funds need to be converted. Fiduciary funds are not included in the government-wide financial statements. Enterprise funds already are prepared using the accrual basis of accounting. Internal service funds are properly classified as proprietary funds but must be included as part of governmental activities for purposes of government-wide financial reporting whenever they primarily serve governmental funds, which is typically the case.

Conversion entries can be divided into four groups. You need not be concerned about classifying net assets into the three required categories when preparing the conversion entries. Net asset amounts by category will be calculated in Step 6.

- A. Identify beginning balances of governmental full-accrual accounts.

Full-accrual accounts include capital assets, long-term liabilities, and deferred revenues at the end of the prior year.

Many balances can be obtained from the capital asset and long-term liabilities schedules prepared in Step 3. Deferred revenue for property taxes amounts can be obtained from the county treasurer. Accrued interest on debt will need to be calculated.

This group of entries only affect balance sheet accounts.

Beginning balances for internal service funds will be added with Group C. Therefore, beginning balances are only those that relate to governmental fund accounts.

B. Identify current-year accruals.

Each of the full-accrual accounts identified with Group A needs to be adjusted to its appropriate year-end balance.

Again, many accruals and related expenses can be obtained from the capital asset and long-term liabilities schedules prepared in Step 3. Amortization expense, gains or losses on disposals of capital assets are recorded to update certain full-accrual accounts.

All transactions reported as other financing sources and uses in the governmental fund financial statements are reclassified in the process. The same is true for principal retirement of debt and certain capital expenditures and bond issuance expenditures.

C. Incorporate data from internal service funds into governmental activities.

The result is to combine internal service fund balances and operations with the governmental funds they serve as if the internal service funds had never been established by the district.

Only the current operating income or loss (allocated by function) is combined along with nonoperating items and current-year balance sheet accounts. The difference is posted to net assets, which is also the prior-year net asset balance of the internal service fund.

D. Eliminate certain interfund balances and activities.

Interfund balances at year-end between governmental funds are eliminated.

Interfund balances between governmental funds and fiduciary fund types will remain outstanding.

Interfund balances between governmental activities and business-type activities can both be presented in the asset section of the statement of net assets as “internal balances;” the total of the internal balance accounts would be zero on the statement of net assets.

### **Step 6 – Prepare Net Asset Calculation and Reconciliations**

Net Asset Calculation – The total net assets balance at the end of the year must be divided into the three components of net assets on the government-wide statement of net assets.

- Start with the fund balances from the balance sheets of the governmental fund financial statements.
- Identify adjustments (from the conversion entries) that reconcile the balance sheet of governmental funds to the statement of net assets.
- Allocate the adjustments to their appropriate component: restricted; unrestricted; or invested in capital assets, net of related debt.
- Reclassify the unspent portion of capital debt as a reduction to the net asset balance of the component that includes the unspent cash. This will avoid overstating a restricted net asset balance.

Reconciliation schedules – Reconciliations describe the differences between the government-wide financial statements and the government fund financial statements. They can be presented as separate statements.

- Separate schedules would preclude the necessity of a more detailed explanation in the notes to the financial statements. They accompany the governmental fund financial statements and are presented immediately following the page they support.
- Brief explanations are usually sufficient.
- Reconciling items are summaries of all the conversion entries prepared in Step 5.
- Conversion entries that affect balance sheet accounts provide the differences between the balance sheet of governmental funds and the statement of net assets.
- Conversion entries that affect revenue and expense accounts provide the differences between the statement of revenues, expenditures, and changes in fund balances of governmental funds and the statement of activities.

**Step 7 - Prepare Government Wide Financial Statements** – Once the conversion entries are posted to the trial balance of governmental fund accounts, the government-wide financial statements can be formatted without further adjustment.

- Capital assets and long-term liabilities balances are obtained from the schedules prepared in Step 3.
- Components of net assets are obtained from the calculation performed in Step 6.
- If the district has enterprise funds, totals from proprietary fund financial statements provide balances needed for business-type activities.
- Revenues are divided in two broad categories – program revenues and general revenues in the statement of activities. The primary four sources of program revenues are: charges for services, program-specific operating grants, program-specific capital grants, and general revenues.
- *Charges for services* include fees, rent, and tuition.
- *Program-specific operating/capital grants* include revenues from entities outside the district that restrict the resources to a particular program. The restrictions govern the program in which the amounts should be reported.
- Multipurpose grants provide financing for more than one specified program. These should be reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application on which the award was based. If the programs but not the amounts are specified, the grant should be reported as general revenue unless the grant is an expenditure-driven grant. For an expenditure-driven grant, the amounts of the grant revenues for each specified program will not be known until the district has compiled the amount it will request for funding. In effect, the contributing government *has* agreed to finance specific programs in specific amounts even though unknown when the grant was made. In this case, districts should report program revenues based on amounts of reimbursable expenses of each program, provided that the grant specifies in which programs the resources must be used. Multipurpose grants that do not provide for specific identification of the programs and amounts are not restricted and must be reported as general revenues.

- If significant, program-specific *operating* grants should be reported in a separate column from program-specific *capital* grants. Capital grants are resources restricted for capital purposes – to purchase, construct, or renovate capital assets associated with a specific program. Operating grants are resources required to be used to finance the cost of operating a specific program or can be used either for operating or capital purposes of a specific program.
- *General revenues* include taxes, unrestricted grants, unrestricted investment earnings, and motor vehicle fees. They also include gains from disposing of capital assets and special items.

**Step 8 - Complete Notes to Financial Statements** – A new pronouncement has been issued by GASB (Statement No. 38), which should be followed when preparing footnotes under the new reporting model. The AICPA, GFOA, and other publishers have prepared disclosure checklists and samples that are great tools to assist preparers in identifying common disclosure requirements.

**Step 9 – Draft Management’s Discussion and Analysis** and, if preparing a comprehensive annual financial report (CAFR), the transmittal letter and statistical section – The MD&A should only include required discussions that are relevant and applicable. Nonrequired information should not be presented in the MD&A. Regarding the MD&A:

- The MD&A is categorized as required supplementary information (RSI). It is part of minimum external financial reporting. It is limited to 8 topics.
- It is prepared by the business administrator.
- Compare current year’s results with the prior year and provide analysis and explanations. The MD&A is the only place governments need report comparative information. Look beyond percentage changes to *why* changes occurred.
- Focus on government-wide and major fund and items that are significant.
- Charts, graphs, and tables are encouraged.
- Introduce and explain the new statements.
- Present condensed, government-wide comparative data. 14 items are required.
- Explain significant differences shown on the budgetary comparison schedules and discuss ending results that were unanticipated. Again, be sure to state *why* variances occurred.
- Describe significant capital asset and long-term liability activity.
- Describe *known* facts, decisions, or conditions.

**Step 10 – Celebrate** – Reread the report and make sure balances agree among statements, notes, and other information. Prepare the table of contents and number the pages. Its time celebrate. You did it!

## **GASB 34 Implementation Resources**

Updated March 2003

### **New Standards**

- GASB Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*
- GASB Interpretation 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*
- Statement No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*
- Statement No. 38, *Certain Financial Statement Note Disclosures*
- Statement No. 39, *Determining Whether Certain Organizations Are Component Units*
- Statement No. 40, *Deposit and Investment Risk Disclosures*
- Exposure Draft, *Budgetary Comparison Schedules—Perspective Differences*
- Exposure Draft, *Accounting and Reporting for Impairment of Capital Assets and for Insurance Recoveries*
- Exposure Draft, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*

### **Helpful Internet Sites**

- [www.gasb.org](http://www.gasb.org)
- [www.sso.org/nasact](http://www.sso.org/nasact) (National Association of State Auditors, Comptrollers, and Treasurers)
- [www.aicpa.org](http://www.aicpa.org)
- [www.gfoa.org](http://www.gfoa.org)
- [www.sao.state.ut.us](http://www.sao.state.ut.us) (Utah State Auditor’s Office)
- [www.uasbo.k12.ut.us](http://www.uasbo.k12.ut.us)

### **Publications, Guides and Other Resources**

#### **GASB:**

- *Guide to Implementation of GASB Statement 34 on Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (April 2000, 1<sup>st</sup> GASB 34 Q&A 34)
- *Guide to Implementation of GASB Statement 34 and Related Pronouncements* (December 2001, 2<sup>nd</sup> GASB Q&A 34)
- *Codification of Governmental Accounting and Financial Reporting Standards*
- *What You Should Know about Your School District’s Finances: A Guide to Financial Statements*
- *The Quick Guide to School District Financial Statements*

GFOA:

- Technical Bulletin, *The GASB's New Financial Reporting Model: An Overview for Finance Officers*
- *Governmental Accounting, Auditing, and Financial Reporting* (2001 edition) and *Update Supplement*
- *An Elected Official's Guide to the New Governmental Financial Reporting Model*

ASBO:

- *GASB Statement No. 34 Implementation Recommendations for School Districts*

AICPA:

- *Audits of State and Local Governments* (GASB 34 Edition, issued September 1, 2002)
- *Understanding and Implementing GASB's New Financial Reporting Model: A Question and Answer Guide for Preparers and Auditors of State and Local Government Financial Statements*

Other:

- Reports of other school districts
- Utah State Auditor's Office

**Training** (GASB, AGA, GFOA, AICPA, Utah State Auditor's Office)

- GASB CPE Course "The New Financial Reporting Model—A Review of GASB Statement No. 34"

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Fund Financial Statements

Reconciliation  
Schedules

Government-Wide Financial Statements

Governmental funds:

*Balance sheet*

*Statement of revenues, expenditures,  
and changes in fund balances*

*Budgetary comparison*

Proprietary funds:

**Statements of fund net assets:**

**Enterprise funds**

**Internal service funds**

**Statements of revenues, expenses,  
and changes in fund net assets:**

**Enterprise funds**

**Internal service funds**

**Statements of fund cash flows**

Fiduciary funds:

**Statement of fiduciary net assets**

**Statement of changes in fiduciary  
net assets (trust funds)**

Statement of net assets:

**Governmental activities**

**Business-type activities**

**Discretely presented component units**

Statement of activities:

**Governmental activities**

**Business-type activities**

**Discretely presented component units**

Notes to Financial Statements

Key:

*Italics: Current financial resources measurement focus and modified-accrual basis of accounting*

**Bold: Economic resources measurement focus and full-accrual basis of accounting**

Note: If budgetary basis differs from GAAP, then the budgetary comparison must be RSI

**SAMPLE SCHOOL DISTRICT**  
**Statement of Activities**  
Year Ended June 30, 2002

We will focus on what it takes to classify revenue and report it by function.

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental activities:</b>					
Instructional services	\$ 251,680,733	\$ 2,274,969	\$ 55,521,189	\$ 202,663	\$ (193,681,912)
Supporting services:					
Students	14,713,477	-	4,385,200	-	(10,328,277)
Instructional staff	14,980,312	-	5,108,090	-	(9,872,222)
District administration	2,415,728	-	8,457	-	(2,407,271)
School administration	19,738,935	-	248,853	-	(19,490,082)
Business	2,646,948	-	-	-	(2,646,948)
Operation and maintenance of facilities	32,615,467	-	175,486	-	(32,439,981)
Transportation	8,072,368	225,323	1,861,795	-	(5,985,250)
Central	4,357,735	-	283	-	(4,357,452)
School lunch services	15,424,737	5,219,315	10,416,874	-	211,452
Non-instructional services	10,076,793	171,279	3,665,261	-	(6,240,253)
Interest on long-term liabilities	424	-	-	-	(424)
Total school district	<u>\$ 376,723,657</u>	<u>\$ 7,890,886</u>	<u>\$ 81,391,488</u>	<u>\$ 202,663</u>	<u>\$ (287,238,620)</u>
		<b>General revenues:</b>			
		Property taxes levied for:			
					60,309,189
					2,111,231
					43,746,666
					187,412,786
					2,444,143
					175,048
					4,893,146
					<u>301,092,209</u>
					13,853,589
					<u>218,450,029</u>
					<u>\$ 232,303,618</u>

Governmental Funds					Proprietary Funds		Fiduciary Funds			
General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	<b>Permanent Funds (New)</b>	Enterprise Funds	Internal Service Funds	<b>Private Purpose Trust Funds (New)</b>	Pension ( <i>and Other Employee Benefits</i> ) Trust Funds	Investment Trust Funds	Agency Funds

General	Non K-12 School Lunch Foundation ATEC	Debt Service	Capital Projects			Industrial Insurance Graphics and Printing Warehouse				Student Activities
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Foundation is a 501(c)(3) nonprofit organization. Reported as a blended component unit.

ALPINE SCHOOL DISTRICT  
 GASB 34 Analysis of Funds - Major vs. Nonmajor  
 June 30, 2002

**Step 2**

Elements	Assets		Liabilities		Revenues		Expenditures/Expenses		Qualifies as a Major Fund	
	Rule		Rule		Rule		Rule			
	10%	Amount	10%	Amount	10%	Amount	10%	Amount		
Governmental Funds:										
General fund		90,604,159	49.3%	64,959,309	61.2%	206,850,985	80.4%	202,744,607	72.1%	<b>Always</b>
Special Revenue Funds:										
Non K-12		1,768,560	1.0%	1,654,225	1.6%	3,028,161	1.2%	2,997,550	1.1%	<b>No</b>
Alpine Foundation		1,812,824	1.0%	-	0.0%	989,675	0.4%	2,092,250	0.7%	<b>No</b>
School lunch		2,789,783	1.5%	303,432	0.3%	10,340,380	4.0%	10,774,098	3.8%	<b>No</b>
Alpine Transition & Employment Center		253,166	0.1%	7,037	0.0%	933,013	0.4%	921,730	0.3%	<b>No</b>
Debt service fund		30,121,019	16.4%	27,585,156	26.0%	21,420,792	8.3%	20,860,562	7.4%	<b>Yes</b>
Capital projects fund		56,429,588	30.7%	11,594,473	10.9%	13,629,229	5.3%	40,846,429	14.5%	<b>Yes</b>
Total governmental funds		<u>183,779,099</u>		<u>106,103,632</u>		<u>257,192,235</u>		<u>281,237,226</u>		
10% of total governmental funds		<u>18,377,910</u>		<u>10,610,363</u>		<u>25,719,224</u>		<u>28,123,723</u>		

Exclude other financing sources.

Exclude other financing uses.

To qualify as a major fund, only one element has to exceed the 10% test.

The District has no enterprise funds and therefore the 5% rule is not applicable.

Yellow Highlight signifies that the element has exceeded the applicable rule.

Note: The major fund reporting requirements do not apply to internal service funds and fiduciary funds. As a result, the following funds were not analyzed:

- Industrial Insurance Fund (Internal Service Fund)
- Graphics and Printing (Internal Service Fund)
- Warehousing Services Internal Service Fund)
- Student Activities (Fiduciary Fund)

**ALPINE SCHOOL DISTRICT**  
**Capital Assets**

**Step 3a**

Capital asset activity for the year ended June 30, 2002 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 28,083,717	\$ 2,365,483	\$ -	\$ 30,449,200
Construction in progress	128,941	22,057,133	(167,781)	22,018,293
Water stock	855,648	-	-	855,648
Total capital assets, not being depreciated	29,068,306	24,422,616	(167,781)	53,323,141
Capital assets, being depreciated:				
Buildings and improvements	288,977,279	167,781	(5,775)	289,139,285
Furniture and equipment	15,371,207	4,330,368	(1,373,109)	18,328,466
Total capital assets, being depreciated	304,348,486	4,498,149	(1,378,884)	307,467,751
Accumulated depreciation for:				
Buildings and improvements	(108,987,942)	(7,261,119)	-	(116,249,061)
Furniture and equipment	(9,296,557)	(1,696,251)	1,304,078	(9,688,730)
Total accumulated depreciation	(118,284,499)	(8,957,370)	1,304,078	(125,937,791)
Total capital assets, being depreciated, net	186,063,987	(4,459,221)	(74,806)	181,529,960
Governmental activities capital assets, net	<u>\$ 215,132,293</u>	<u>\$ 19,963,395</u>	<u>\$ (242,587)</u>	<u>\$ 234,853,101</u>

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

<b>Governmental activities:</b>	
Instructional services	\$ 5,911,692
Supporting services:	
District administration	171,853
School administration	368,819
Business	3,265
Operation and maintenance of facilities	714,442
Transportation	1,258,516
Central	6,402
School lunch services	497,517
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	<u>24,864</u>
Total depreciation expense, governmental activities	<u>\$ 8,957,370</u>

**ALPINE SCHOOL DISTRICT**  
**Long-term Liabilities**

**Step 3b**

Long-term liability activity for the year ended June 30, 2002 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 159,795,000	\$ 40,000,000	\$ (11,395,000)	\$ 188,400,000	\$ 14,095,000
Deferred amounts for issuance premium	293,130	902,435	(104,170)	1,091,395	-
Deferred amounts on refunding	(176,427)	-	176,427	-	-
Total bonds payable, net	159,911,703	40,902,435	(11,322,743)	189,491,395	14,095,000
Obligations under capital leases	2,242,017	1,228,434	(1,776,451)	1,694,000	1,140,327
Arbitrage rebate payable	328,216	-	(179,762)	148,454	-
Accrued vacation	1,433,865	1,358,176	(1,290,479)	1,501,562	1,351,406
Early retirement payable	4,749,769	3,324,227	(1,934,020)	6,139,976	2,487,914
Total governmental activity long-term liabilities	<u>\$ 168,665,570</u>	<u>\$ 46,813,272</u>	<u>\$ (16,503,455)</u>	<u>\$ 198,975,387</u>	<u>\$ 19,074,647</u>

**ALPINE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2002

	<b>Major Funds</b>			<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>		
<b>Assets:</b>					
Cash and investments	\$ 37,027,056	\$ 3,072,693	\$ 50,487,504	\$ 3,961,521	\$ 94,548,774
Receivables:					
Property taxes	33,134,512	27,048,326	5,721,255	1,055,380	66,959,473
Other governments	19,543,077	-	1,104	1,597,838	21,142,019
Other receivables	134,073	-	-	-	134,073
Due from other funds	765,441	-	-	9,594	775,035
Advances to other funds	-	-	219,725	-	219,725
Total assets	<u>\$ 90,604,159</u>	<u>\$ 30,121,019</u>	<u>\$ 56,429,588</u>	<u>\$ 6,624,333</u>	<u>\$ 183,779,099</u>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,260,305	\$ -	\$ 5,469,974	\$ 225,328	\$ 6,955,607
Accrued salaries	19,554,634	-	-	-	19,554,634
Due to other funds	9,594	-	-	-	9,594
Deferred revenue:					
Property taxes	33,881,898	27,585,156	5,854,876	1,080,101	68,402,031
Other governments	10,111,694	-	269,623	459,966	10,841,283
Local sources	141,184	-	-	199,299	340,483
Total liabilities	<u>64,959,309</u>	<u>27,585,156</u>	<u>11,594,473</u>	<u>1,964,694</u>	<u>106,103,632</u>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Encumbrances	64,864	-	203,822	-	268,686
Advances	-	-	219,725	-	219,725
Debt service	-	2,535,863	-	-	2,535,863
Construction commitments	-	-	25,140,795	-	25,140,795
<b>Unreserved:</b>					
<b>Designated for:</b>					
Undistributed reserve	10,300,000	-	-	-	10,300,000
Health and accident insurance	3,254,129	-	-	-	3,254,129
Micron development	-	-	660,498	-	660,498
Schools	-	-	-	1,665,201	1,665,201
Arbitrage rebate	-	-	148,454	-	148,454
Vacation	1,460,280	-	-	30,437	1,490,717
Early retirement health care	3,706,546	-	-	-	3,706,546
Early retirement	6,139,976	-	-	-	6,139,976
<b>Undesignated, reported in:</b>					
General fund	719,055	-	-	-	719,055
Capital projects fund	-	-	18,461,821	-	18,461,821
Special revenue funds	-	-	-	2,964,001	2,964,001
Total fund balances	<u>25,644,850</u>	<u>2,535,863</u>	<u>44,835,115</u>	<u>4,659,639</u>	<u>77,675,467</u>
Total liabilities and fund balances	<u>\$ 90,604,159</u>	<u>\$ 30,121,019</u>	<u>\$ 56,429,588</u>	<u>\$ 6,624,333</u>	<u>\$ 183,779,099</u>

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

**ALPINE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2002

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
<b>Revenues:</b>					
Property taxes	\$ 29,338,209	\$ 21,072,982	\$ 5,245,239	\$ 970,411	\$ 56,626,841
Earnings on investments	2,104,769	347,810	1,751,527	142,685	4,346,791
School lunch sales	-	-	-	4,939,712	4,939,712
Other local sources	2,673,628	-	289,955	1,497,240	4,460,823
State aid	164,238,708	-	6,342,508	2,963,534	173,544,750
Federal aid	8,495,671	-	-	4,777,647	13,273,318
Total revenues	<u>206,850,985</u>	<u>21,420,792</u>	<u>13,629,229</u>	<u>15,291,229</u>	<u>257,192,235</u>
<b>Expenditures:</b>					
Current:					
Instructional services	144,150,018	-	-	5,866,732	150,016,750
Supporting services:					
Students	6,004,583	-	-	-	6,004,583
Instructional staff	10,162,189	-	-	-	10,162,189
District administration	728,555	-	-	-	728,555
School administration	12,475,213	-	-	-	12,475,213
Business	1,308,441	-	-	-	1,308,441
Operation and maintenance					
of facilities	17,420,501	-	-	144,798	17,565,299
Transportation	6,836,127	-	-	-	6,836,127
Central	3,658,980	-	-	-	3,658,980
School lunch services	-	-	-	10,774,098	10,774,098
Capital outlay	-	-	40,846,429	-	40,846,429
Debt service:					
Principal retirement	-	11,395,000	-	-	11,395,000
Interest and fiscal charges	-	9,465,562	-	-	9,465,562
Total expenditures	<u>202,744,607</u>	<u>20,860,562</u>	<u>40,846,429</u>	<u>16,785,628</u>	<u>281,237,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,106,378</u>	<u>560,230</u>	<u>(27,217,200)</u>	<u>(1,494,399)</u>	<u>(24,044,991)</u>
<b>Other financing sources (uses):</b>					
Transfers	(130,000)	-	-	130,000	-
Bond proceeds	-	-	40,000,000	-	40,000,000
Bond premium	-	-	902,435	-	902,435
Athletic equipment capital lease	-	-	-	1,228,434	1,228,434
Sale of capital assets	-	-	209,497	-	209,497
Total other financing sources (uses)	<u>(130,000)</u>	<u>-</u>	<u>41,111,932</u>	<u>1,358,434</u>	<u>42,340,366</u>
Net change in fund balances	3,976,378	560,230	13,894,732	(135,965)	18,295,375
<b>Fund balances - beginning</b>	<u>21,668,472</u>	<u>1,975,633</u>	<u>30,940,383</u>	<u>4,795,604</u>	<u>59,380,092</u>
<b>Fund balances - ending</b>	<u>\$ 25,644,850</u>	<u>\$ 2,535,863</u>	<u>\$ 44,835,115</u>	<u>\$ 4,659,639</u>	<u>\$ 77,675,467</u>

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

**ALPINE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 28,386,537	\$ 28,628,083	\$ 29,338,209	\$ 710,126
Earnings on investments	3,000,000	2,085,611	2,104,769	19,158
Other local sources	2,498,749	2,634,611	2,673,628	39,017
State aid	164,975,774	167,999,062	164,238,708	(3,760,354)
Federal aid	7,379,425	8,955,230	8,495,671	(459,559)
Total revenues	<u>206,240,485</u>	<u>210,302,597</u>	<u>206,850,985</u>	<u>(3,451,612)</u>
<b>Expenditures:</b>				
Current:				
Instructional services	145,318,433	149,482,655	144,150,018	5,332,637
Supporting services:				
Students	6,103,551	6,055,345	6,004,583	50,762
Instructional staff	10,524,006	10,463,092	10,162,189	300,903
District administration	856,284	857,182	728,555	128,627
School administration	12,827,570	12,722,600	12,475,213	247,387
Business	1,281,126	1,326,046	1,308,441	17,605
Operation and maintenance of facilities	18,666,754	19,060,336	17,420,501	1,639,835
Transportation	6,545,881	7,173,398	6,836,127	337,271
Central	3,823,880	3,910,662	3,658,980	251,682
Total expenditures	<u>205,947,485</u>	<u>211,051,316</u>	<u>202,744,607</u>	<u>8,306,709</u>
Excess of revenues over expenditures	<u>293,000</u>	<u>(748,719)</u>	<u>4,106,378</u>	<u>4,855,097</u>
<b>Other financing sources (uses):</b>				
Transfer out	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>
Net change in fund balances	163,000	(878,719)	3,976,378	4,855,097
<b>Fund balances - beginning</b>	<u>17,156,809</u>	<u>21,668,472</u>	<u>21,668,472</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 17,319,809</u>	<u>\$ 20,789,753</u>	<u>\$ 25,644,850</u>	<u>\$ 4,855,097</u>

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

**ALPINE SCHOOL DISTRICT**  
**Statements of Fund Net Assets**  
**Proprietary Funds**  
June 30, 2002 and 2001

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>2002</b>	<b>2001</b>
<b>Assets:</b>		
Current assets:		
Cash and investments	\$ 1,140,589	\$ 1,129,484
Inventories	749,035	666,171
Total current assets	<u>1,889,624</u>	<u>1,795,655</u>
Capital assets:		
Land	15,701	15,701
Buildings	1,019,785	1,019,785
Equipment	447,859	447,859
Accumulated depreciation	<u>(405,872)</u>	<u>(381,008)</u>
Net capital assets	<u>1,077,473</u>	<u>1,102,337</u>
Total assets	<u>2,967,097</u>	<u>2,897,992</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	127,064	281,829
Accrued vacation	<u>10,845</u>	<u>13,597</u>
Total current liabilities	<u>137,909</u>	<u>295,426</u>
Noncurrent liabilities:		
Advances from other funds	<u>109,252</u>	<u>132,812</u>
Total liabilities	247,161	428,238
<b>Net assets:</b>		
Invested in capital assets, net of related debt	968,221	969,525
Unrestricted	<u>1,751,715</u>	<u>1,500,229</u>
Total net assets	<u>\$ 2,719,936</u>	<u>\$ 2,469,754</u>

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

**ALPINE SCHOOL DISTRICT**  
**Statements of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
Years Ended June 30, 2002 and 2001

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>2002</b>	<b>2001</b>
<b>Operating revenues:</b>		
Charges for services	\$ 1,027,654	\$ 946,221
<b>Operating expenses:</b>		
Salaries	333,294	301,973
Employee benefits	137,620	128,881
Medical fees	167,024	244,341
Compensation claim payments	6,030	161,591
Insurance	26,399	23,191
Purchased services	37,469	99,920
Supplies and materials	77,281	78,155
Depreciation	24,864	50,561
Total operating expenses	809,981	1,088,613
Operating income (loss)	217,673	(142,392)
<b>Nonoperating income:</b>		
Earnings on investments	25,478	48,703
State aid	15,000	17,000
Interest on loans	(7,969)	-
Total nonoperating income	32,509	65,703
Income (loss) before transfers	250,182	(76,689)
<b>Transfer in</b>	-	100,000
Change in net assets	250,182	23,311
<b>Total net assets - beginning</b>	2,469,754	2,446,443
<b>Total net assets - ending</b>	\$ 2,719,936	\$ 2,469,754

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

**ALPINE SCHOOL DISTRICT**  
**Statements of Fund Cash Flows**  
**Proprietary Funds**  
Years Ended June 30, 2002 and 2001

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>2002</b>	<b>2001</b>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 1,027,654	\$ 946,221
Payments to suppliers	(243,604)	(83,344)
Payments for medical fees and insurance claims	(308,228)	(266,268)
Payments to employees	(473,666)	(436,079)
Net cash provided by operating activities	<u>2,156</u>	<u>160,530</u>
<b>Cash flows from noncapital financing activities:</b>		
Receipt of state aid	<u>15,000</u>	<u>17,000</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal on advances	(23,560)	-
Interest on advances	(7,969)	-
Acquisition of capital assets	-	(249,514)
Transfer in to purchase equipment	-	100,000
Borrowing of amount due to other funds	-	132,812
Net cash used by capital and related financing activities	<u>(31,529)</u>	<u>(16,702)</u>
<b>Cash flows from investing activities:</b>		
Interest received	<u>25,478</u>	<u>48,703</u>
Net increase in cash and cash equivalents	11,105	209,531
<b>Cash and cash equivalents - beginning</b>	<u>1,129,484</u>	<u>919,953</u>
<b>Cash and cash equivalents - ending</b>	<u>\$ 1,140,589</u>	<u>\$ 1,129,484</u>
Displayed on statements of fund net assets as:		
Cash and investments	<u>\$ 1,140,589</u>	<u>\$ 1,129,484</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 217,673	\$ (142,392)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	24,864	50,561
Loss on disposal of capital assets	-	23,488
(Increase) decrease in inventory	(82,864)	62,680
Increase (decrease) in accounts payable	(154,765)	171,418
Decrease in accrued payable	(2,752)	(5,225)
Total adjustments	<u>(215,517)</u>	<u>302,922</u>
Net cash provided by operating activities	<u>\$ 2,156</u>	<u>\$ 160,530</u>
<b>Noncash investing, capital, and financing activities:</b>	none	none

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

**ALPINE SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Agency Fund**  
June 30, 2002

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	<u>Student Activities Fund</u>
<b>Assets:</b>	
Cash and investments	\$ 7,260,152
<b>Liabilities</b>	
Due to other funds	\$ 765,441
Due to student groups	6,384,238
Advance from other funds	110,473
Total liabilities	<u>\$ 7,260,152</u>

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

**ALPINE SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
June 30, 2002

	<b>Special Revenue</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>School Lunch</b>	<b>Non K-12 Programs</b>	<b>Alpine Transition &amp; Employment Center</b>	<b>Alpine School District Foundation</b>	
<b>Assets:</b>					
Cash and investments	\$ 1,748,732	\$ 255,507	\$ 154,052	\$ 1,803,230	\$ 3,961,521
Receivables:					
Property taxes	-	1,055,380	-	-	1,055,380
Other governments	1,041,051	457,673	99,114	-	1,597,838
Due from other funds	-	-	-	9,594	9,594
Total assets	<u>\$ 2,789,783</u>	<u>\$ 1,768,560</u>	<u>\$ 253,166</u>	<u>\$ 1,812,824</u>	<u>\$ 6,624,333</u>
<b>Liabilities:</b>					
Accounts payable	\$ 211,416	\$ 6,875	\$ 7,037	\$ -	\$ 225,328
Deferred revenue:					
Property taxes	-	1,080,101	-	-	1,080,101
Other governments	-	459,966	-	-	459,966
Local sources	92,016	107,283	-	-	199,299
Total liabilities	<u>303,432</u>	<u>1,654,225</u>	<u>7,037</u>	<u>-</u>	<u>1,964,694</u>
<b>Fund balances:</b>					
Unreserved:					
Designated for schools	-	-	-	1,665,201	1,665,201
Designated for compensated absences	11,707	-	18,730	-	30,437
Undesignated	2,474,644	114,335	227,399	147,623	2,964,001
Total fund balances	<u>2,486,351</u>	<u>114,335</u>	<u>246,129</u>	<u>1,812,824</u>	<u>4,659,639</u>
Total liabilities and fund balances	<u>\$ 2,789,783</u>	<u>\$ 1,768,560</u>	<u>\$ 253,166</u>	<u>\$ 1,812,824</u>	<u>\$ 6,624,333</u>

**ALPINE SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
Year Ended June 30, 2002

	<u>Special Revenue</u>				<b>Total Nonmajor Governmental Funds</b>
	<b>School Lunch</b>	<b>Non K-12 Programs</b>	<b>Alpine Transition &amp; Employment Center</b>	<b>Alpine School District Foundation</b>	
<b>Revenues:</b>					
Property tax	\$ -	\$ 970,411	\$ -	\$ -	\$ 970,411
Student fees	-	197,243	-	-	197,243
Lunch sales	4,939,712	-	-	-	4,939,712
Earnings on investments	79,721	25,404	1,566	35,994	142,685
Other local revenues	-	67,591	278,725	953,681	1,299,997
State aid	1,564,965	1,398,569	-	-	2,963,534
Federal aid	3,755,982	368,943	652,722	-	4,777,647
Total revenues	<u>10,340,380</u>	<u>3,028,161</u>	<u>933,013</u>	<u>989,675</u>	<u>15,291,229</u>
<b>Expenditures:</b>					
Current:					
Instructional services	-	2,852,752	921,730	2,092,250	5,866,732
Supporting services:					
Operation and maintenance of facilities	-	144,798	-	-	144,798
School lunch services	10,774,098	-	-	-	10,774,098
Total expenditures	<u>10,774,098</u>	<u>2,997,550</u>	<u>921,730</u>	<u>2,092,250</u>	<u>16,785,628</u>
Excess of revenues over expenditures	(433,718)	30,611	11,283	(1,102,575)	(1,494,399)
<b>Other financing sources:</b>					
Transfer in	-	-	130,000	-	130,000
Athletic equipment capital lease	-	-	-	1,228,434	1,228,434
Net change in fund balances	(433,718)	30,611	141,283	125,859	(135,965)
<b>Fund balances - beginning</b>	<u>2,920,069</u>	<u>83,724</u>	<u>104,846</u>	<u>1,686,965</u>	<u>4,795,604</u>
<b>Fund balances - ending</b>	<u>\$ 2,486,351</u>	<u>\$ 114,335</u>	<u>\$ 246,129</u>	<u>\$ 1,812,824</u>	<u>\$ 4,659,639</u>

**ALPINE SCHOOL DISTRICT**  
**Conversion Entries**  
Year Ended June 30, 2002

**Step 5a**

Introduction

Accounts reported in the governmental funds and the internal service funds are converted and consolidated for presentation as governmental activities in the government-wide financial statements.

1. Identify beginning balances of governmental full-accrual accounts
2. Convert data in the governmental funds from modified-accrual basis of accounting to the full-accrual basis of accounting
3. Incorporate data from internal service funds into governmental activities
4. Eliminate certain interfund balances and activities

**1. BEGINNING BALANCES**

	<u>Dr.</u>	<u>(Cr.)</u>
a. Capital assets		
LAND	28,068,016	
CONSTRUCTION IN PROGRESS	128,941	
BUILDINGS AND IMPROVEMENTS	287,957,494	
FURNITURE AND EQUIPMENT	14,923,349	
WATER STOCK	855,648	
ACCUMULATED DEPRECIATION		(117,903,492)
NET ASSETS		(214,029,956)

*To record June 30, 2001 governmental fund capital asset balances and related accumulated*

b. Long-term liabilities

NET ASSETS	171,135,058	
DEFERRED CHARGE - BOND ISSUANCE COSTS	291,388	
DEFERRED CHARGE - REFUNDING	176,427	
GENERAL OBLIGATION BONDS		(159,795,000)
ACCRUED INTEREST PAYABLE (General obligation bonds)		(2,587,910)
ACCRUED VACATION PAYABLE		(1,420,268)
EARLY RETIREMENT PAYABLE		(4,749,769)
BOND PREMIUM		(293,130)
OBLIGATIONS UNDER CAPITAL LEASES		(2,242,017)
ARBITRAGE REBATE PAYABLE		(328,216)
ACCRUED INTEREST PAYABLE (Obligations under capital leases)		(186,563)

*To record June 30, 2001 general long-term liabilities and related accrued interest balances.*

c. Property taxes

Deferred revenue - property taxes	1,856,390	
NET ASSETS		(1,856,390)

*To recognize property tax revenue when earned (claim to resources established) rather than when "available."*

d. USDA Commodities

USDA INVENTORIES	372,657	
NET ASSETS		(372,657)

*To record June 30, 2001 commodities inventory. Alpine will recognize donated commodities as federal revenue when received using the consumption method in the governmental funds in 2003.*

**ALPINE SCHOOL DISTRICT**  
**Conversion Entries**  
Year Ended June 30, 2002

**Step 5a**

		<u>Dr.</u>	<u>(Cr.)</u>
<b>2. CONVERT TO ACCRUAL BASIS</b>			
e. Capital asset additions	LAND	2,365,483	
	CONSTRUCTION IN PROGRESS	22,057,133	
	BUILDINGS AND IMPROVEMENTS	162,006	
	FURNITURE AND EQUIPMENT	4,330,367	
	CONSTRUCTION IN PROGRESS		(167,781)
	Expenditures - Capital outlay		(28,747,208)
<i>To capitalize current year acquisitions and construction of capital assets that were recorded as expenditures in the governmental funds.</i>			
f. Current depreciation	Expenditures - instructional services	5,911,692	
	Expenditures - district administration services	171,853	
	Expenditures - school administration services	368,819	
	Expenditures - business services	3,265	
	Expenditures - operation and maintenance of facilities services	714,442	
	Expenditures - transportation services	1,258,516	
	Expenditures - central services	6,402	
	Expenditures - school lunch services	497,517	
	ACCUMULATED DEPRECIATION		(8,932,506)
<i>To record current year depreciation expense by function.</i>			
g. New capital lease	Other financing sources - computer capital lease	1,228,434	
	OBLIGATIONS UNDER CAPITAL LEASES		(1,228,434)
<i>To record new capital lease as a long-term liability.</i>			
h. Capital lease payments	OBLIGATIONS UNDER CAPITAL LEASES	1,776,451	
	Expenditures - capital outlay		(1,776,451)
<i>To record capital lease principal payments as a reduction of the lease liability.</i>			
i. Capital asset deletions	ACCUMULATED DEPRECIATION	1,304,078	
	Other financing sources - sale of capital assets	209,497	
	Expenditures - instructional services		(140,466)
	FURNITURE AND EQUIPMENT		(1,373,109)
<i>To record disposals of furniture and equipment during the year.</i>			
j. New bond	Other financing sources - bond proceeds	40,000,000	
	Other financing sources - bond premium	902,435	
	Expenditures - capital outlay		(251,807)
	DEFERRED CHARGE - BOND ISSUANCE COSTS	251,807	
	GENERAL OBLIGATION BONDS (issuance of bonds)		(40,000,000)
	BOND PREMIUM		(902,435)
<i>To record bond issued and related issuance costs and premium.</i>			

**ALPINE SCHOOL DISTRICT**  
**Conversion Entries**  
Year Ended June 30, 2002

**Step 5a**

		<u>Dr.</u>	<u>(Cr.)</u>
<b>2. CONVERT TO ACCRUAL BASIS (Continued)</b>			
k. Debt payments	GENERAL OBLIGATION BOND	11,395,000	
	Expenditures - Principal retirement		(11,395,000)
<i>To record bond principal payment as a reduction of the bond liability.</i>			
i. Current amortization	Expenditures - capital outlay	52,296	
	DEFERRED CHARGE - BOND ISSUANCE COST		(52,296)
	Expenditures - interest and fiscal charges	176,427	
	DEFERRED CHARGE - REFUNDING		(176,427)
	BOND PREMIUM	104,170	
	Expenditures - interest and fiscal charges		(104,170)
<i>To record current amortization of bond issuance and refunding costs and bond premium.</i>			
m. Interest payable adjustment	Expenditures - interest and fiscal charges	69,869	
	ACCRUED INTEREST PAYABLE (Obligation under capital leases)	125,217	
	ACCRUED INTEREST PAYABLE (General obligation bonds)		(195,086)
<i>To adjust interest payable accounts to June 30, 2002 balances.</i>			
n. Property tax adjustment	Deferred revenue - property taxes	472,796	
	Revenues - property taxes		(472,796)
<i>To recognize current deferrals of property taxes as revenue.</i>			
o. Compensated absences adjustment	Expenditures - school administration services	51,180	
	Expenditures - operation and maintenance of facilities services	19,269	
	ACCRUED VACATION PAYABLE		(70,449)
<i>To adjust compensated absence liability to June 30, 2002 balance.</i>			
p. Early retirement adjustment	Expenditures - instructional services	875,171	
	Expenditures - school administration services	515,036	
	EARLY RETIREMENT PAYABLE		(1,390,207)
<i>To adjust early retirement liability to June 30, 2002 balance.</i>			
q. USDA Commodities	Expenditures - school lunch services	690,187	
	USDA INVENTORIES	91,636	
	Revenues - federal aid		(781,823)
<i>To recognize commodities when goods are received, and expended when goods are used. Alpine will recognize donated commodities as federal revenue when received using the consumption method in the governmental funds in 2003.</i>			

**ALPINE SCHOOL DISTRICT**  
**Conversion Entries**  
Year Ended June 30, 2002

**Step 5a**

**2. CONVERT TO ACCRUAL BASIS (Continued)**

r. Arbitrage  
rebate  
adjustment

	<u>Dr.</u>	<u>(Cr.)</u>
Revenues - earnings on investments		(179,762)
ARBITRAGE REBATE PAYABLE	179,762	
ARBITRAGE REBATE PAYABLE	-	
Expenditures - capital outlay		-

*To record payment of arbitrage rebate and adjust rebate payable to June 30, 2002 balance.*

**3. INTERNAL SERVICE FUNDS**

s. Add internal  
service funds

	<u>Dr.</u>	<u>(Cr.)</u>
Cash and investments	1,140,589	
Inventories	749,035	
LAND	15,701	
BUILDINGS AND IMPROVEMENTS	1,019,785	
FURNITURE AND EQUIPMENT	447,859	
ACCUMULATED DEPRECIATION		(405,872)
Accounts payable		(127,064)
Advances from other funds		(109,252)
ACCRUED VACATION PAYABLE		(10,845)
NET ASSETS		(2,469,754)
Revenues - earnings on investments		(25,478)
Revenues - state aid		(15,000)
Expenditures - interest and fiscal charges	7,969	
Expenditures - instructional services		(130,604)
Expenditures - district administration		(87,069)

*To add the June 30, 2002 assets and liabilities and current net activities of the internal service funds. The District's internal service funds only serve governmental funds. Only the current operating income (loss) is allocated to functions served to avoid duplication. Nonoperating items are also added. The net asset amount is the June 30, 2001 total net asset balance of the internal service funds.*

**4. ELIMINATIONS AND RECLASSIFICATIONS**

t. Interfund  
balances

	<u>Dr.</u>	<u>(Cr.)</u>
Due to other funds	9,594	
Advances from other funds	109,252	
Due from student activities agency fund	765,441	
Advances to student activities agency fund	110,473	
Due from other funds		(775,035)
Advances to other funds		(219,725)

*To eliminate interfund balances that remain outstanding between certain governmental funds and reclass receivables from student activities agency fund at June 30, 2002.*

u. Indirect  
costs

Revenues - other local sources	658,856	
Expenditures - school lunch services		(658,856)

*To reverse general fund indirect costs charged to school lunch.*

**ALPINE SCHOOL DISTRICT**  
**TRIAL BALANCE - GOVERNMENTAL ACCOUNTS**

**Step 5b**

Account	Trial Balance		Adjustments		Total	Statement of	Statement of
	Dr. (Cr.)		Dr. (Cr.)		Dr. (Cr.)	Activities	Net Assets
						Dr. (Cr.)	Dr. (Cr.)
<b>ASSETS</b>							
Cash and cash equivalents	94,548,774	s.	1,140,589		95,689,363		95,689,363
Due from other governments	21,142,019				21,142,019		21,142,019
Due from student activities agency fund		t.	765,441		765,441		765,441
Due from other funds	775,035	t.	(775,035)		-		-
Advances to other funds	219,725	t.	110,473		110,473		110,473
		t.	(219,725)				
Property taxes receivable	66,959,473				66,959,473		66,959,473
Other receivables	134,073				134,073		134,073
Inventories		s.	749,035		749,035		749,035
USDA INVENTORIES		d.	372,657		464,293		464,293
		q.	91,636				
DEFERRED CHARGE - BOND ISSUANCE COSTS		b.	291,388		490,899		490,899
		j.	251,807				
		l.	(52,296)				
DEFERRED CHARGE - REFUNDING		b.	176,427		-		-
		l.	(176,427)				
LAND		a.	28,068,016		30,449,200		30,449,200
		e.	2,365,483				
		s.	15,701				
CONSTRUCTION IN PROGRESS		a.	128,941		22,018,293		22,018,293
		e.	22,057,133				
		e.	(167,781)				
BUILDINGS AND IMPROVEMENTS		a.	287,957,494		289,139,285		289,139,285
		e.	162,006				
		s.	1,019,785				
FURNITURE AND EQUIPMENT		a.	14,923,349		18,328,466		18,328,466
		e.	4,330,367				
		i.	(1,373,109)				
		s.	447,859				
WATER STOCK		a.	855,648		855,648		855,648
ACCUMULATED DEPRECIATION		a.	(117,903,492)		(125,937,792)		(125,937,792)
		f.	(8,932,506)				
		i.	1,304,078				
		s.	(405,872)				
<b>LIABILITIES</b>							
Accounts payable	(6,955,607)	s.	(127,064)		(7,082,671)		(7,082,671)
ACCRUED INTEREST PAYABLE		b.	(2,587,910)		(2,844,342)		(2,844,342)
		b.	(186,563)				
		m.	125,217				
		m.	(195,086)				
Advances from other funds		s.	(109,252)		-		-
		t.	109,252				
Accrued salaries	(19,554,634)				(19,554,634)		(19,554,634)
ACCRUED VACATION PAYABLE		b.	(1,420,268)		(1,501,562)		(1,501,562)
		o.	(70,449)				
		s.	(10,845)				
EARLY RETIREMENT PAYABLE		b.	(4,749,769)		(6,139,976)		(6,139,976)
		p.	(1,390,207)				
ARBITRAGE REBATE PAYABLE		b.	(328,216)		(148,454)		(148,454)
		r.	-				
		r.	-				
		r.	179,762				
Due to other funds	(9,594)	t.	9,594		-		-
Deferred revenue - local sources	(340,483)				(340,483)		(340,483)
Deferred revenue - property taxes	(68,402,031)	c.	1,856,390		(66,072,845)		(66,072,845)
		n.	472,796				
Deferred revenue - other governments	(10,841,283)				(10,841,283)		(10,841,283)
BOND PREMIUM		b.	(293,130)		(1,091,395)		(1,091,395)
		j.	(902,435)				
		l.	104,170				

**ALPINE SCHOOL DISTRICT**  
**TRIAL BALANCE - GOVERNMENTAL ACCOUNTS**

**Step 5b**

Account	Trial Balance	Adjustments		Total	Statement of Activities	Statement of Net Assets
	Dr. (Cr.)	Dr. (Cr.)		Dr. (Cr.)	Dr. (Cr.)	Dr. (Cr.)
GENERAL OBLIGATION BONDS		b.	(159,795,000)	(188,400,000)		(188,400,000)
		j.	(40,000,000)			
		k.	11,395,000			
OBLIGATIONS UNDER CAPITAL LEASES		b.	(2,242,017)	(1,694,000)		
		g.	(1,228,434)			
		h.	1,776,451			(1,694,000)
<b>NET ASSETS - BEGINNING</b>	(59,380,092)	a.	(214,029,956)	(106,973,791)		(106,973,791)
		b.	171,135,058			
		c.	(1,856,390)			
		d.	(372,657)			
		s.	(2,469,754)			
<b>REVENUES</b>						
Property taxes	(56,626,841)	n.	(472,796)	(57,099,637)	(57,099,637)	
Earnings on investments	(4,346,791)	r.	(179,762)	(4,552,031)	(4,552,031)	
		s.	(25,478)			
School lunch sales	(4,939,712)			(4,939,712)	(4,939,712)	
Other local sources	(4,460,823)	u.	658,856	(3,801,967)	(3,801,967)	
State aid	(173,544,750)	s.	(15,000)	(173,559,750)	(173,559,750)	
Federal aid	(13,273,318)	q.	(781,823)	(14,055,141)	(14,055,141)	
<b>EXPENDITURES/ EXPENSES</b>						
Instructional services	150,016,750	f.	5,911,692	156,532,543	156,532,543	
		i.	(140,466)			
		p.	875,171			
		s.	(130,604)			
Students services	6,004,583			6,004,583	6,004,583	
Instructional staff services	10,162,189			10,162,189	10,162,189	
District administration services	728,555	f.	171,853	813,339	813,339	
		s.	(87,069)			
School administration services	12,475,213	f.	368,819	13,410,248	13,410,248	
		o.	51,180			
		p.	515,036			
Business services	1,308,441	f.	3,265	1,311,706	1,311,706	
Operation and maintenance of facilities services	17,565,299	f.	714,442	18,299,010	18,299,010	
		o.	19,269			
Transportation services	6,836,127	f.	1,258,516	8,094,643	8,094,643	
Central services	3,658,980	f.	6,402	3,665,382	3,665,382	
School lunch services	10,774,098	f.	497,517	11,302,946	11,302,946	
		q.	690,187			
		u.	(658,856)			
Capital outlay	40,846,429	e.	(28,747,208)	10,123,259	10,123,259	
		h.	(1,776,451)			
		j.	(251,807)			
		l.	52,296			
		r.	-			
Principal retirement	11,395,000	k.	(11,395,000)	-	-	
Interest and fiscal charges	9,465,562	l.	176,427	9,615,657	9,615,657	
		l.	(104,170)			
		m.	69,869			
		s.	7,969			
<b>OTHER FINANCING SOURCES/USES</b>						
Transfers	-			-	-	
Bond proceeds	(40,000,000)	j.	40,000,000	-	-	
Bond premium	(902,435)	j.	902,435	-	-	
Computer capital lease	(1,228,434)	g.	1,228,434	-	-	
Sale of capital assets	(209,497)	i.	209,497	-	-	
<b>CHANGE IN NET ASSETS</b>	-		-	-	(8,672,733)	8,672,733

ALPINE SCHOOL DISTRICT  
 Calculation of Net Asset Balances  
 June 30, 2002

Step 6a

	Restricted Net Assets					Unrestricted	Invested in Capital Assets Net of Related Debt	Total	
	School Lunch	Non K-12 Programs	ATEC	Foundation	Capital Projects				Debt Service
Fund Balances (from Balance Sheets of Governmental Funds):									
General fund						25,644,850.00		25,644,850	
School Lunch	2,486,351							2,486,351	
Non K-12 Programs		114,335						114,335	
ATEC			246,129					246,129	
Foundation				1,812,824				1,812,824	
Capital Projects					44,835,115			44,835,115	
Debt Service						2,535,863		2,535,863	
								<u>77,675,467</u>	
Adjustments (from Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets):									
Capital assets, net of depreciation							233,775,628	233,775,628	
Deferred revenue, net		39,915			215,748	866,778	1,206,745.00	2,329,186	
Accrued interest on bonds and capital leases					(61,346)	(2,782,996)		(2,844,342)	
Bond issuance costs, net							490,899.00	490,899	
Commodities inventories	464,293							464,293	
Internal service funds							1,642,463.00	2,719,936	
Long-term liabilities, governmental funds					(148,454)		(9,324,693.00)	(198,964,542)	
Reclassifications:									
Debt related to unspent proceeds					(30,236,089)		30,236,089	-	
Net assets (to Statement of Net Assets)	<u>2,950,644</u>	<u>154,250</u>	<u>246,129</u>	<u>1,812,824</u>	<u>14,604,974</u>	<u>619,645</u>	<u>19,660,264.00</u>	<u>75,597,795</u>	<u>115,646,525</u>

Note: This spreadsheet is used to reconcile **fund balances-governmental funds** to **net assets-governmental activities**. Not included with financial report.

**ALPINE SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
June 30, 2002

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**Total fund balances for governmental funds** \$ 77,675,467

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	\$ 30,433,498	
Construction in progress	22,018,294	
Water stock	855,648	
Buildings and improvements, net of \$116,249,061 accumulated depreciation	172,082,332	
Furniture and equipment, net of \$9,688,730 accumulated depreciation	8,385,856	233,775,628

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 2,329,186

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 is \$2,782,996 and accrued interest for obligations under capital leases is \$61,346. (2,844,342)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$567,366 and accumulated amortization is \$76,467. 490,899

Federal commodities are distributed to the District to be used in the school lunch program. Governmental funds are uniquely concerned with the flows of financial resources and, therefore, the receipt of commodities is not reported in the governmental funds. Commodities held at year-end are: 464,293

Internal service funds are used by management to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets at year-end are: 2,719,936

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	(188,400,000)	
Unamortized premiums	(1,091,395)	
Obligations under capital leases	(1,694,000)	
Arbitrage rebate payable	(148,454)	
Accrued vacation	(1,490,717)	
Early retirement payable	(6,139,976)	(198,964,542)

**Total net assets of governmental activities** \$ 115,646,525

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

**ALPINE 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, 2002

**Net change in fund balances-total governmental funds** \$ 18,295,375

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 a 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 capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 28,747,208	
Loss on disposal of capital assets	140,466	
Proceeds from sales of capital assets	(209,497)	
Depreciation expense	<u>(8,932,506)</u>	19,745,671

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement 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	(1,228,434)	
Interest expense - capital leases	125,217	
Principal payments of capital leases	<u>1,776,451</u>	673,234

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as : 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	(40,000,000)	
Bond premium	(902,435)	
Bond issuance costs	75,380	
Repayment of bond principal	11,395,000	
Interest expense - general obligation bonds	(195,086)	
Amortization of bond issuance costs	(52,296)	
Amortization of bond premium	<u>104,170</u>	(29,575,267)

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year.

472,796

The receipt of commodities is not reported as revenue in governmental funds but is reflected in the statement of activities. Commodities held by the District increased by:

91,636

In the statement of activities, certain operating expenses - compensated absences (vacations), special terminatic benefits (early retirement) and claims (arbitrage rebates) - 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 vacation increased by \$70,449, early retirement payable increased by \$1,390,207, and arbitrage rebate payable decreased by \$179,762.

(1,280,894)

Internal service funds are used by the District to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The net revenue of the internal service funds is reported with governmental activities.

250,182

**Change in net assets of governmental activities**

\$ 8,672,733

**ALPINE SCHOOL DISTRICT**  
**Statement of Net Assets**  
June 30, 2002

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 95,689,363
Receivables:	
Property taxes	66,959,473
Other governments	21,142,019
Other	1,009,987
Inventories	1,213,328
Bond issuance costs, net	490,899
Capital assets:	
Land, construction in progress, and water stock	53,323,141
Other capital assets, net of depreciation	181,529,960
Total assets	421,358,170
<b>Liabilities:</b>	
Accounts payable	7,082,671
Accrued interest	2,844,342
Accrued salaries	19,554,634
Deferred revenue:	
Property taxes	66,072,845
Other governments	10,841,283
Local sources	340,483
Noncurrent liabilities:	
Due within one year	19,074,647
Due in more than one year	179,900,740
Total liabilities	305,711,645
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	75,597,795
Restricted for:	
School lunch	2,950,644
Non K-12 programs	154,250
Alpine Transition & Employment Center	246,129
Foundation	1,812,824
Debt service	619,645
Capital projects	14,604,974
Unrestricted	19,660,264
Total net assets	\$ 115,646,525

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

**ALPINE SCHOOL DISTRICT**  
**Statement of Activities**  
Year Ended June 30, 2002

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
<b>Governmental activities:</b>					
Instructional services	\$ 166,655,802	\$ 807,365	\$ 44,061,486	\$ 6,309,586	\$ (115,477,365)
Supporting services:					
Students	6,004,583	-	1,813,422	-	(4,191,161)
Instructional staff	10,162,189	21,612	1,228,051	-	(8,912,526)
District administration	813,339	-	-	-	(813,339)
School administration	13,410,248	-	65,402	-	(13,344,846)
Business	1,311,706	-	66,675	-	(1,245,031)
Operation and maintenance of facilities	18,299,010	-	561,221	-	(17,737,789)
Transportation	8,094,643	473,471	5,734,614	-	(1,886,558)
Central	3,665,382	-	117,628	-	(3,547,754)
School lunch services	11,302,946	4,939,712	6,102,770	-	(260,464)
Interest on long-term liabilities	9,615,657	-	-	-	(9,615,657)
Total school district	<u>\$ 249,335,505</u>	<u>\$ 6,242,160</u>	<u>\$ 59,751,269</u>	<u>\$ 6,309,586</u>	<u>(177,032,490)</u>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					28,781,793
Transportation					801,369
Recreation					978,514
Debt service					21,248,927
Capital outlay					5,289,034
Federal and state aid not restricted to specific purposes					121,554,036
Earnings on investments					4,552,031
Miscellaneous					2,499,519
Total general revenues					<u>185,705,223</u>
Change in net assets					8,672,733
<b>Net assets - beginning</b>					<u>106,973,792</u>
<b>Net assets - ending</b>					<u>\$ 115,646,525</u>

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



ALPINE SCHOOL DISTRICT  
 Year Ended June 30, 2002  
 Program-Specific Operating Grant Revenue - Alloc

Step 7c

	6991-6997	7360-7367	7404-7652	9015	Total Before Indirect Allocation	Indirect Allocation	Total Program Revenue by Function				
Local Effort	-	-	27,150.29	628,041.82							
Charges for services	-	-	-	473,470.91							
<b>Program Revenue</b>	<b>45,290.19</b>	<b>3,971,619.75</b>	<b>4,117,482.20</b>	<b>4,995,776.00</b>	<b>53,648,499.34</b>		53,648,499.00				
Social Security and Retirement	-	-	-	-							
<b>Total Revenue</b>	<b>45,290.19</b>	<b>3,971,619.75</b>	<b>4,144,632.49</b>	<b>6,097,288.73</b>							
<b>Expenditures:</b>											
Instructional services 1000 3300	4,005,470.77	38,377.47	38,377.47	2,889,674.55	2,889,674.55	3,467,038.05	-	<b>44,061,486.12</b>	44,061,486.00		
Supporting services:											
Students 2100	278,775.16	-	-	232,066.64	232,066.64	214,692.25	213,285.86	-	<b>1,813,422.22</b>	1,813,422.00	
Instructional staff 2200	125,239.58	-	-	4,919.34	4,919.34	338,565.68	336,347.83	-	<b>1,228,051.35</b>	1,228,051.00	
District administration 2300	-	-	-	-	-	-	-	-	-	-	
School administration 2400	-	-	-	-	-	-	-	-	<b>65,401.79</b>	65,402.00	
Business 2500	15,682.02	-	-	-	-	-	-	-	<b>44,196.20</b>	22,478.89	
Operation and maintenance of facilities 2600	-	-	-	4,461.00	4,461.00	3,600.00	3,576.42	-	<b>262,064.96</b>	299,155.81	
Transportation 2700	-	-	-	738,838.28	738,838.28	-	-	6,097,288.73	<b>5,734,614.28</b>	5,734,614.00	
Central 2800	38,396.31	6,912.72	6,912.72	8,343.16	8,343.16	1,718.09	1,706.84	-	<b>55,529.19</b>	62,098.53	
Indirect to be allocated	176,851.50	-	-	93,316.78	93,316.78	96,157.10	95,527.20	-	<b>383,733.24</b>	(383,733.24)	
<b>Total Expenditures</b>	<b>4,640,415.35</b>	45,290.19	<b>45,290.19</b>	3,971,619.75	<b>3,971,619.75</b>	4,144,632.49	<b>4,117,482.20</b>	6,097,288.73	<b>4,995,776.00</b>	-	53,648,499.00
Proof	-	-	-	-	-	-	-	-	-	-	-

Indirect Cost Allocation from AFR Schedule J

Business	2500	1,307,656	0.058579
Maintenance of Plant	2600	17,402,675	0.779593
Staff and Data Processing	2800	3,612,434	0.161827
Other	2900	-	-
		<u>22,322,765</u>	<u>1.000000</u>