

Washington State Auditor's Office
Financial Statements and Federal Single Audit Report

Grandview School District No. 200
Yakima County

Audit Period
September 1, 2010 through August 31, 2011

Report No. 1007801

Issue Date
May 29, 2012



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

May 29, 2012

Board of Directors
Grandview School District No. 200
Grandview, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Grandview School District No. 200's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Yakima County
September 1, 2010 through August 31, 2011**

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Federal Summary

Grandview School District No. 200 Yakima County September 1, 2010 through August 31, 2011

The results of our audit of Grandview School District No. 200 are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

FINANCIAL STATEMENTS

An unqualified opinion was issued on the financial statements.

Internal Control Over Financial Reporting:

- **Significant Deficiencies:** We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the District.

FEDERAL AWARDS

Internal Control Over Major Programs:

- **Significant Deficiencies:** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified no deficiencies that we consider to be material weaknesses.

We issued an unqualified opinion on the District's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
84.010	Title I Cluster, Part A
84.027	Special Education Cluster - Grants to States (IDEA, Part B)
84.173	Special Education Cluster - Preschool Grants (IDEA Preschool)
84.388	ARRA School Improvement Grants Cluster (Recovery Act)
84.389	ARRA - Title I Cluster, Part A (Recovery Act)
84.391	ARRA - Special Education Cluster, IDEA Part B (Recovery Act)
84.392	ARRA - Special Education Cluster, Preschool Grants (Recovery Act)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$300,000.

The District qualified as a low-risk auditee under OMB Circular A-133.

**Independent Auditor's Report on Internal
Control over Financial Reporting and on
Compliance and Other Matters in Accordance
with *Government Auditing Standards***

Grandview School District No. 200
Yakima County
September 1, 2010 through August 31, 2011

Board of Directors
Grandview School District No. 200
Grandview, Washington

We have audited the financial statements of Grandview School District No. 200, Yakima County, Washington, as of and for the year ended August 31, 2011, and have issued our report thereon dated April 30, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Board of Directors, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

April 30, 2012

**Independent Auditor's Report on Compliance
with Requirements That Could Have a Direct
and Material Effect on Each Major Program and
on Internal Control over Compliance in
Accordance with OMB Circular A-133**

**Grandview School District No. 200
Yakima County
September 1, 2010 through August 31, 2011**

Board of Directors
Grandview School District No. 200
Grandview, Washington

COMPLIANCE

We have audited the compliance of Grandview School District No. 200, Yakima County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011. The District's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011.

INTERNAL CONTROL OVER COMPLIANCE

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

This report is intended for the information of management, the Board of Directors, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

April 30, 2012

Independent Auditor's Report on Financial Statements

Grandview School District No. 200 Yakima County September 1, 2010 through August 31, 2011

Board of Directors
Grandview School District No. 200
Grandview, Washington

We have audited the accompanying financial statements of Grandview School District No. 200, Yakima County, Washington, as of and for the year ended August 31, 2011, as listed on page 9. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements using accounting practices prescribed by Washington State statutes and the *Accounting Manual for Public Schools in the State of Washington*, which demonstrates compliance with the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America. The differences between the regulatory basis of accounting and the accounting principles generally accepted in the United States of America are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Grandview School District No. 200, as of August 31, 2011, and the changes in financial position thereof for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of Long-Term Debt is also presented for purposes of additional analysis as required by the prescribed accounting manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The report is intended for the information and use of the governing body and management of the District. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

April 30, 2012

Financial Section

**Grandview School District No. 200
Yakima County
September 1, 2010 through August 31, 2011**

FINANCIAL STATEMENTS

Balance Sheet – Governmental Funds – 2011
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental
Funds – 2011
Statement of Fiduciary Net Assets – Fiduciary Funds – 2011
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds – 2011
Notes to Financial Statements – 2011

SUPPLEMENTARY INFORMATION

Schedule of Long-Term Debt – 2011
Schedule of Expenditures of Federal Awards – 2011
Notes to the Schedule of Expenditures of Federal Awards – 2011

Grandview School District No. 200

Balance Sheet

Governmental Funds

August 31, 2011

ASSETS:	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
Cash and Cash Equivalents	2,299,261.33	14,493.99	18,490.84	0.40	0.60	0.00	2,332,247.16
Minus Warrants Outstanding	-2,271,049.87	-6,921.64	0.00	0.00	0.00	0.00	-2,277,971.51
Taxes Receivable	559,860.45		821,444.57	0.00	0.00	0.00	1,381,305.02
Due From Other Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due From Other Governmental Units	406,817.34	0.00	0.00	0.00	0.00	0.00	406,817.34
Accounts Receivable	58,418.10	0.00	0.00	0.00	0.00	0.00	58,418.10
Interfund Loans Receivable	0.00			0.00			0.00
Accrued Interest Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	0.00					0.00
Prepaid Items	49,874.28	7,750.52		0.00	0.00	0.00	57,624.80
Investments	6,149,731.00	186,450.00	864,228.00	191,593.00	102,336.00	0.00	7,494,338.00
Investments/Cash With Trustee	0.00		0.00	0.00	0.00	0.00	0.00
Investments-Deferred	0.00			0.00			0.00
Compensation							
Self-Insurance Security	0.00						0.00
Deposit							
TOTAL ASSETS	7,252,912.63	201,772.87	1,704,163.41	191,593.40	102,336.60	0.00	9,452,778.91
LIABILITIES:							
Accounts Payable	459,190.36	9,171.62	0.00	0.00	0.00	0.00	468,361.98
Contracts Payable Current	0.00	0.00					0.00
Accrued Interest Payable			0.00				0.00
Accrued Salaries	4,716.79	0.00		0.00			4,716.79
Revenue Anticipation Notes Payable	0.00		0.00	0.00	0.00		0.00
Payroll Deductions and Taxes Payable	0.00	0.00		0.00			0.00
Due To Other Governmental Units	0.00	0.00		0.00	0.00	0.00	0.00
Deferred Compensation Payable	0.00			0.00			0.00
Estimated Employee Benefits Payable	0.00						0.00
Due To Other Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The accompanying notes are an integral part of this financial statement.

Grandview School District No. 200

Balance Sheet

Governmental Funds

August 31, 2011

LIABILITIES:	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
Interfund Loans Payable	0.00		0.00	0.00	0.00		0.00
Deposits	0.00	0.00		0.00			0.00
Matured Bonds Payable			0.00				0.00
Matured Bond Interest Payable			0.00				0.00
Arbitrage Rebate Payable	0.00		0.00	0.00			0.00
Deferred Revenue	571,929.90	16,391.01	821,444.57	0.00	0.00	0.00	1,409,765.48
TOTAL LIABILITIES	1,035,837.05	25,562.63	821,444.57	0.00	0.00	0.00	1,882,844.25
FUND BALANCE:							
Nonspendable Fund Balance	6,000.00	0.00	0.00	0.00	0.00	0.00	6,000.00
Restricted Fund Balance	696,664.40	0.00	0.00	0.00	0.00	0.00	696,664.40
Committed Fund Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assigned Fund Balance	1,972,971.40	176,210.24	882,718.84	191,593.40	102,336.60	0.00	3,325,830.48
Unassigned Fund Balance	3,541,439.78	0.00	0.00	0.00	0.00	0.00	3,541,439.78
TOTAL FUND BALANCE	6,217,075.58	176,210.24	882,718.84	191,593.40	102,336.60	0.00	7,569,934.66
TOTAL LIABILITIES AND FUND BALANCE	7,252,912.63	201,772.87	1,704,163.41	191,593.40	102,336.60	0.00	9,452,778.91

BALANCE

The accompanying notes are an integral part of this financial statement.

Grandview School District No. 200

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2011

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
REVENUES:							
Local	1,682,210.54	228,943.65	1,669,556.97	7,193.95	1,224.76		3,589,129.87
State	25,023,480.38		0.00	0.00	81,649.49		25,105,129.87
Federal	4,577,899.82		0.00	0.00	0.00		4,577,899.82
Federal Stimulus	1,883,378.43						1,883,378.43
Other	30,933.86			0.00	0.00	0.00	30,933.86
TOTAL REVENUES	33,197,903.03	228,943.65	1,669,556.97	7,193.95	82,874.25	0.00	35,186,471.85
EXPENDITURES:							
CURRENT:							
Regular Instruction	14,714,870.05						14,714,870.05
Federal Stimulus	1,782,142.19						1,782,142.19
Special Education	2,838,849.45						2,838,849.45
Vocational Education	1,074,542.73						1,074,542.73
Skills Center	0.00						0.00
Compensatory Programs	4,548,148.54						4,548,148.54
Other Instructional Programs	325,672.77						325,672.77
Community Services	59,362.91						59,362.91
Support Services	7,029,642.79						7,029,642.79
Student Activities/Other		217,695.29				0.00	217,695.29
CAPITAL OUTLAY:							
Sites				6,991.92			6,991.92
Building				43,208.86			43,208.86
Equipment				0.00			0.00
Energy				41,772.83			41,772.83
Transportation Equipment					109,197.86		109,197.86
Other	375,629.49						375,629.49
DEBT SERVICE:							
Principal	0.00		1,070,000.00	0.00	0.00		1,070,000.00
Interest and Other Charges	0.00		553,376.75	0.00	0.00		553,376.75
TOTAL EXPENDITURES	32,748,860.92	217,695.29	1,623,376.75	91,973.61	109,197.86	0.00	34,791,104.43
REVENUES OVER (UNDER) EXPENDITURES	449,042.11	11,248.36	46,180.22	-84,779.66	-26,323.61	0.00	395,367.42

The accompanying notes are an integral part of this financial statement.

Grandview School District No. 200

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2011

OTHER FINANCING SOURCES (USES) :	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
Bond Sales & Refunding Bond Sales	0.00		0.00	0.00	0.00		0.00
Long-Term Financing	0.00		0.00	0.00	0.00		0.00
Transfers In	0.00		0.00	100,000.00	50,000.00		150,000.00
Transfers Out (GL 536)	-150,000.00		0.00	0.00	0.00	0.00	-150,000.00
Other Financing Uses (GL 535)	0.00		0.00	0.00	0.00		0.00
Other	0.00		0.00	0.00	0.00		0.00
TOTAL OTHER FINANCING SOURCES (USES)	-150,000.00		0.00	100,000.00	50,000.00	0.00	0.00
EXCESS OF REVENUES/OTHER FINANCING SOURCES	299,042.11	11,248.36	46,180.22	15,220.34	23,676.39	0.00	395,367.42
OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES							
BEGINNING TOTAL FUND BALANCE	5,918,033.47	164,961.88	836,538.62	176,373.06	78,660.21	0.00	7,174,567.24
Prior Year(s) Corrections or Restatements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ENDING TOTAL FUND BALANCE	6,217,075.58	176,210.24	882,718.84	191,593.40	102,336.60	0.00	7,569,934.66

The accompanying notes are an integral part of this financial statement.

Grandview School District No. 200
Statement Of Fiduciary Net Assets
Fiduciary Funds

August 31, 2011

	Private		
	Purpose Trust	Other Trust	
ASSETS:			
Imprest Cash	0.00	0.00	
Cash On Hand	0.00	0.00	
Cash On Deposit with Cty Treas	0.00	0.00	
Minus Warrants Outstanding	0.00	0.00	
Due From Other Funds	0.00	0.00	
Accounts Receivable	0.00	0.00	
Accrued Interest Receivable	0.00	0.00	
Investments	0.00	0.00	
Investments/Cash With Trustee	0.00	0.00	
Other Assets	0.00	0.00	
Capital Assets, Land	0.00	0.00	
Capital Assets, Buildings	0.00	0.00	
Capital Assets, Equipment	0.00	0.00	
Accum Depreciation, Buildings	0.00	0.00	
Accum Depreciation, Equipment	0.00	0.00	
TOTAL ASSETS	0.00	0.00	
LIABILITIES:			
Accounts Payable	0.00	0.00	
Due To Other Funds	0.00	0.00	
TOTAL LIABILITIES	0.00	0.00	
NET ASSETS:			
Net assets held in trust for:			
Restricted for Other Items	0.00	0.00	
Restricted for Self Insurance		0.00	
Restricted for Uninsured Risks		0.00	
Nonspendable -- Trust Principal	0.00	0.00	
Committed to Other Purposes	0.00	0.00	
Assigned to Fund Purposes	0.00	0.00	
Unassigned Fund Balance	0.00	0.00	
TOTAL NET ASSETS	0.00	0.00	

The accompanying notes are an integral part of this financial statement.

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Year Ended August 31, 2011

	Private Purpose Trust	Other Trust
ADDITIONS:		
Contributions:		
Private Donations	0.00	0.00
Employer		0.00
Members		0.00
Other	0.00	0.00
TOTAL CONTRIBUTIONS	0.00	0.00
Investment Income:		
Net Appreciation (Depreciation) in Fair Value	0.00	0.00
Interest and Dividends	763.07	0.00
Less Investment Expenses	0.00	0.00
Net Investment Income	763.07	0.00
Other Additions:		
Rent or Lease Revenue	0.00	0.00
Total Other Additions	0.00	0.00
TOTAL ADDITIONS	763.07	0.00
DEDUCTIONS:		
Benefits		0.00
Refund of Contributions	0.00	0.00
Administrative Expenses	0.00	0.00
Scholarships	0.00	
Other	426,570.51	0.00
TOTAL DEDUCTIONS	426,570.51	0.00
Net Increase (Decrease)	-425,807.44	0.00
Net Assets--Beginning	425,807.44	0.00
Prior Year(s) Corrections or Restatements	0.00	0.00
NET ASSETS--ENDING	0.00	0.00

The accompanying notes are an integral part of this financial statement.

Grandview School District No. 200
NOTES TO FINANCIAL STATEMENTS
September 1, 2010 through August 31, 2011

The following notes are an integral part of the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Grandview School District is a municipal corporation organized pursuant to Title 28A Revised Code of Washington (RCW) for the purpose of providing public school services to students in grades K-12. Oversight responsibility for the district's operations is vested with the independently elected board of directors. Management of the district is appointed by and is accountable to the board of directors. Fiscal responsibility, including budget authority and the power to set fees, levy property taxes, and issue debt consistent with provisions of state statutes, also rests with the board of directors.

For financial reporting purposes, the Grandview School District includes all funds, account groups, and organizations that are controlled by or dependent on the district's board of directors. Control by or dependence on the district was determined on the basis of budget adoption, taxing authority, outstanding debt secured by the general credit of the district, obligation of the district to finance any deficits that may occur, or receipt of significant subsidies from the district.

B. Basis of Presentation - Fund Accounting

The Grandview School District presents governmental fund financial statements and related notes on the modified accrual basis of accounting as prescribed by generally accepted accounting principles (GAAP) and required by its regulatory agencies, the Office of Superintendent of Public Instruction and the State Auditor's Office. However, the district elects to not present district wide financial statements, and management's discussion and analysis, which are departures from GAAP. Long-term debt is reported on a required supplementary schedule. The accounts of the district are organized on the basis of funds each of which is considered a separate accounting entity. The regulatory agencies require all funds be presented as major funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. The various funds in the report are grouped into governmental funds as follows:

GOVERNMENTAL FUNDS

General Fund

This fund is used to account for all expendable financial resources, except those required to be accounted for in another fund. In keeping with the principle of as few funds as necessary, food services, maintenance, data processing, printing, and transportation activities are included in the fund.

Capital Projects Funds

These funds account for financial resources to be used for the construction and acquisition of major capital assets. The capital projects fund type consists of the Capital Projects Fund and the Transportation Vehicle Fund.

Capital Projects Fund - This fund is used to account for resources set aside for the acquisition and construction of capital assets.

Transportation Vehicle Fund - This fund is used to account for the purchase, major repair, rebuilding, and debt service expenditures related to pupil transportation equipment.

Debt Service Fund

This fund is used to account for the accumulation of resources for the payment of matured general long-term debt principal, interest, and related expenditures.

Special Revenue Funds

These funds account for the proceeds of specific revenue sources that are legally restricted for specific purposes. The Associated Student Body Program Fund (ASB Fund) is the only fund of this type. This fund is accounted for as a special revenue fund since the financial resources legally belong to the district.

FIDUCIARY FUNDS

Fiduciary funds that include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds, are used to account for assets held by the district in a trustee and agency capacity.

Private-Purpose Trust Fund.

This fund is used to account for resources legally held in trust where principal and income benefit individuals, private organizations, or other governments.

C. Basis of Accounting

The district's accounting policies, as reflected in the accompanying financial statements, conform to the *Accounting Manual for Public School Districts in the State of Washington*, issued jointly by the State Auditor and the Superintendent of Public Instruction, by the authority of RCW 43.09.200, RCW 28A.505.140, RCW 28A.505.010(1), and RCW 28A.505.020. This manual allows for a practice that differs from generally accepted accounting principles in the following manner:

- (1) District wide statements are not presented.
- (2) The financial statements do not report capital assets.
- (3) Debt is not reported on the face of the financial statements. It is reported on the notes to the financial statements and on the Schedules of Long-Term Debt. The Schedule

of Long-Term Debt is required supplemental information.

- (4) The original budget is not presented. This information is available through the Office of Superintendent of Public Instruction.
- (5) The Management Discussion and Analysis is not required.

The modified accrual basis of accounting is used for all governmental funds. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and the district considers all revenues available if they are collected within 60 days after year end to pay liabilities of the current period. Property taxes receivable are measurable but not available and are, therefore, not accrued. However, categorical program claims and inter-district billings are measurable and available and are, therefore, accrued.

Expenditures are recognized under the modified basis of accounting when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which are recorded when due. The fund liability is incurred when the goods or services have been received. For federal grants, the recognition of expenditures is dependent on the obligation date, (obligations means purchased order issued, contracts awarded, or goods and services received).

All governmental funds reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. This means that only current assets and current liabilities are included on their balance sheets.

D. Budgetary Data

General Budgetary Policies

Chapter 28A.505 RCW and Chapter 392-123 *Washington Administrative Code* (WAC) mandate school district budget policies and procedures. The board adopts the budget after a public hearing. An appropriation is a prerequisite to expenditure. Appropriations lapse at the end of the fiscal period.

Budgetary Basis of Accounting

For budget and accounting purposes, revenues and expenditures are accounted for on the modified accrual basis as prescribed in law for all governmental funds. Fund balance is budgeted as available resources and, under statute, may not be negative, unless the district enters into binding conditions with state oversight pursuant to RCW 28A.505.110.

Encumbrances

Encumbrance accounting is employed in governmental funds. Purchase orders, contracts, and commitments for the expenditure of moneys are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at the end of the fiscal year and may be re-encumbered the following year. Encumbrances in the amount of \$53,104.98 within the General Fund were re-encumbered on September 1, 2011.

E. Assets, Liabilities, and Fund Equity

All of the district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

All of the district's investments (except for investments of deferred compensation plans) during the year and at year end were insured or registered and held by the district or its agent in the district's name.

The district's year-end investments are as follows at August 31, 2011:

August 31, 2005	Number of Securities	Carrying Amount	Market Value
Certificates of Deposit or Other Time Deposits			
Repurchase Agreements			
Banker's Acceptance	-		
Obligations of the U.S. Government or its Subsidiary Corporations			
Investments Held by Broker-Dealers Under Reverse Repurchase Agreements: U.S. Government Securities U.S. Instrumentality			
State Treasurer's Investment Pool			
County Treasurer's Investment Pool		\$7,494,338	\$7,494,338
Total Investments		\$7,494,338	\$7,494,338

Inventory

Expendable supplies held for consumption are not inventoried. The cost of these supplies is recorded as an expenditure at the time the individual inventory items are purchased. Donated USDA commodity inventory is valued according to USDA price lists using the FIFO method and consists of expendable food supplies held for consumption.

F. Revenue and Expenditure Recognition

Debt Service

Principal and interest on general long-term debt is recognized only when due.

Property Taxes

Property tax revenues are collected as the result of special levies passed by the voters in the district. Taxes are levied on January 1. The taxpayer has the option of paying all taxes on April 30 or one-half then and one-half on October 31. Typically, slightly more

than half of the collections are made on the April 30 date. The October 31 collection is not available in time to cover liabilities for the fiscal period ended August 31. Therefore, the fall portion of property taxes is not accrued as revenue. Instead, the taxes due on October 31 are recorded as deferred revenue.

Compensated Absences

Employees earn sick leave at a rate of one day per month with a minimum of 10 days and a maximum of 12 days per year up to a maximum of one contract year.

Under the provisions of RCW 28A.400.210, sick leave accumulated by district employees is reimbursed at death or retirement at the rate of one (1) day for each four (4) days of accrued leave, limited to 180 accrued days. This chapter also provides for an annual buy-back of an amount up to maximum annual accumulation of twelve (12) days. For buy out purposes employees may accumulate such leave to a maximum of 192 days, including the annual accumulation, as of December 31 of each year.

Full-time, year-round employees earn vacation days that vary from 12 to 30 days depending upon length of service. Vested sick leave for employees eligible for retirement and unpaid vacation leave are recorded as liabilities in the Schedule of Long-Term Debt. These expenditures are recorded when paid, except termination sick leave that is accrued upon death or retirement. Vested sick leave was computed using the age required to retire method, which included employees older than 54 and had sick leave balances.

- G. Fund Balance – May contain nonspendable amounts, restrictions, commitments, or assignments.

Nonspendable fund balance amounts are those assets of the school district that are not in spendable format. These can be in the form of inventory items, or amounts that have been received that are legally or contractually required to be maintained intact.

Restrictions are legal restrictions placed on spending of the fund balance of a district based upon statute, WAC or other legal requirements beyond the discretion of the board of directors of the district. Examples include anticipated carryover or recovery of revenues previously received and restricted as to usage.

Commitments represent formal actions taken by the board of directors to commit funds for specific purposes. Funds that have been committed cannot be used for another purpose unless the board of directors takes a specific action to end the commitment. Assignments are used to set aside financial resources for specific purposes. These accounts reflect tentative management plans for future financial resource use such as the replacement of equipment or the assignment of resources for contingencies.

NOTE 2 - CAPITAL ASSETS

The district's capital assets are insured in the amount of \$117,094,897 for Fiscal year 2011. In the opinion of the district's insurance consultant, this amount is sufficient to adequately fund replacement of the district's assets.

NOTE 3 - PENSIONS

A. General Information

Substantially all Grandview School District full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by the Washington State Department of Retirement Systems (DRS): Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS). Participation in the programs was as follows:

Membership by retirement system program as of June 30, 2010:

<u>Program</u>	<u>Active Members</u>	<u>Inactive Members</u>	<u>Vested</u>	<u>Retired Members</u>
TRS	66,325	8,950		40,570
PERS	156,526	28,860		76,899
SERS	52,339	9,700		5,384

Certificated public employees are members of TRS. Non-certificated public employees are members of PERS (if Plan 1) or SERS.

Plan 1 under the TRS and PERS programs are defined benefit pension plans whose members joined the system on or before September 30, 1977. Plan 1 members are eligible to retire with full benefits after five years of credited service and attainment of age 60, after 25 years of credited service and attainment of age 55, or after 30 years of credited service.

Plan 2 under the TRS or SERS programs are defined benefit pension plans whose members joined on or after October 1, 1977 but before June 30, 1996 or August 31, 2000 for TRS or SERS programs, respectively. Members of TRS and SERS are eligible to retire with full benefits after five years of credited service and attainment of age 65 or after 20 years of credited service and attainment of age 55 with the benefit actuarially reduced from age 65.

Plan 3 under the TRS and SERS programs are defined benefit, defined contribution pension plans whose members joined on or after July 1, 1996 or September 1, 2000 for SERS and TRS, respectively. Members are eligible to retire with full benefits after five years of credited service and attainment of age 60 or after ten years of credited service and attainment of age 55 with the benefit actuarially reduced from age 65.

Average final compensation (AFC) of Plan 1 TRS and PERS members is the highest average salary during any two consecutive years. For Plan 2 and Plan 3 TRS and SERS members, it is the highest average salary during any five consecutive years.

The retirement allowance of Plan 1 TRS and PERS members is the AFC multiplied by 2 percent per year of service capped at 60 percent with a cost-of-living adjustment. For Plan 2 TRS and SERS members, it is the AFC multiplied by 2 percent per year of service with provision for a cost-of-living adjustment. For the defined benefit portion of Plan 3

TRS and SERS it is the AFC multiplied by 1 percent per year of service with a cost-of-living adjustment.

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2 and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon advice from the Office of the State Actuary. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at 6 percent and does not vary from year to year. The employer rate is the same for all plans in a system. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32 and 41.35 RCW for PERS, TRS and SERS respectively.

The district contribution represents its full liability under both systems, except that future rates may be adjusted to meet the system needs.

B. Contributions

Employee contribution rates as of September 1, 2010 through August 31, 2011:

Plan 1 TRS	6.00 %	Plan 1 PERS	6.00 %
Plan 2 TRS	3.36 %	Plan 2 SERS	3.15 %
Plan 3 TRS and SERS	5.00% (minimum), 15.00% (maximum)		

For Plan 3 TRS and SERS, rates adjusted based upon age may be chosen. The optional rates range begins at 5 percent and increase to a maximum of 15 percent.

Employer contribution rates as of September 1, 2010 through August 31, 2011:

Plan 1 TRS	6.14 %	Plan 1 PERS	7.07 %*
Plan 2 TRS	6.14 %	Plan 2 SERS	5.45 %
Plan 3 TRS	6.14 %	Plan 3 SERS	5.45 %

* Rate effective July 1, 2011 through August 31, 2011.. From September 1, 2010 through June 30, 2011, the rate was 5.31%.

Under current law the employer must contribute 100 percent of the employer-required contribution. Employer required contributions in dollars (Participant information for all plans is as of August 31):

<u>Plan</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>
Plan 1 TRS	\$ 52,307.49	\$ 65,333.54	\$104,136.63
Plan 2 TRS	\$163,214.79	\$133,720.63	\$176,581.63
Plan 3 TRS	\$581,871.49	\$565,777.86	\$744,271.12
Plan 1 PERS	\$ 19,506.36	\$ 21,852.97	\$ 36,130.14
Plan 2 SERS	\$124,510.75	\$115,207.08	\$161,895.01
Plan 3 SERS	\$134,154.75	\$137,655.08	\$194,736.88

Historical trend information showing TRS, PERS and SERS progress in accumulating sufficient assets to pay benefits when due is presented in the state of Washington's June 30, 2010, comprehensive annual financial report. Refer to this report for detailed trend information. It is available from:

State of Washington
Office of Financial Management
300 Insurance Building
PO BOX 43113
Olympia, WA 98504-3113

NOTE 4 – DEFERRED COMPENSATION PLAN

457 Plan – Deferred Compensation Plan

District employees have the option of participating in an IRC, Section 457, deferred compensation plan administered by a state retirement system or another governmental entity.

403(b) – Tax Sheltered Annuity (TSA)

The district offers a tax deferred annuity plan for its employees. The plan permits participants to defer a portion of their salary until future years under elective deferrals (employee contribution).

The district complies with IRS regulations that require school districts to have a written plan to include participating investment companies, types of investments, loans, transfers, and various requirements. The plan is administered by TSA Consulting Group, Inc.

The plan assets are assets of the SD employees, not the school district, and are therefore not reflected on these financial statements.

NOTE 5 - RISK MANAGEMENT

The Grandview School District is a member of the United Schools Insurance Program. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1985 when 29 school districts in the State of Washington joined together by signing a Joint Purchasing Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Current membership includes 151 full member school districts.

The pool allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Sexual abuse and school board legal liability coverage is on a “claims made basis.” All other coverages are on an “occurrence basis.” The pool provides the following forms of group purchased insurance coverage for its members: Property, general liability, automobile liability, school board legal liability, and crime.

The pool acquires insurance from Munich Reinsurance America, INC. Liability insurance is subject to a per-occurrence deductible of \$100,000. Members are responsible for the

first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$99,000. Insurance carriers cover insured losses over \$100,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$99,000 portion of the deductible. The pool also purchases a stop loss policy in the amount of \$1,275,000 as an additional layer of protection for its members.

Property insurance is subject to a per-occurrence deductible of \$25,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$24,000.

Boiler and machinery insurance is subject to a per-occurrence deductible of \$2,500. Members are responsible for the deductible amount of each claim.

Each new member now pays the pool an admittance fee. This amount covers the member's share of unrestricted reserves. Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 before terminating participation the following September 1. The Joint Purchasing Agreement is renewed automatically each year. Even after termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Joint Purchasing Agreement.

The pool is fully funded by its member participants. Claims are filed by members with Canfield & Associates, which has been contracted to perform pool administration, claims adjustment and loss prevention for the pool. Fees paid to the third party administrator under this arrangement for the year ended August 31, 2011 was \$2,317,810.

A Board of Directors of nine members is selected by the membership from six areas of the state on a staggered term basis and is responsible for conducting the business affairs of the pool. The Board of Directors has contracted with Canfield & Associates to perform day-to-day administration of the pool. This pool has no employees.

In Fiscal 2011 the district made payments totaling \$232,759.93 to the industrial insurance pool and zero to the unemployment insurance pool that is administered by Educational Service District No. 105 on behalf of several local school districts. These funds are operated for the district's benefit in-lieu-of the district having to make monthly premium payments to the state of Washington for unemployment and industrial insurance beneficiaries as they occur and minimizes the district's cost for the two programs.

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 carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three Fiscal Years.

NOTE 6 - LONG-TERM DEBT

Bonds payable at August 31, 2011, are comprised of the following individual issues:

Issue Name	Issue Date	Amount Amortized	Annual Installments	Final Maturity	Interest Rates	Amount Outstanding
General Obligation Bonds	7/1/2005	\$ 14,085,000	13	12/1/18	3.00% - 5.25%	\$ 11,675,000
Total General Obligation Bonds						\$ 11,675,000

The following is a summary of general obligation long-term debt transactions of the district for the year ended August 31, 2011.

Long-term Debt Payable at 9/1/2010	\$ 12,745,000.00
New Issues	
Debt Retired	\$ 1,070,000.00
Long-term Debt Payable at 8/31/2011	\$ 11,675,000.00

The following is a schedule of annual requirements to amortize long-term debt at August 31, 2011.

Year Ending August 31	Principal	Interest	Total
2012	\$ 1,140,000	\$ 512,975	\$ 1,652,975
2013	\$ 1,220,000	\$ 469,350	\$ 1,689,350
2014	\$ 1,300,000	\$ 423,350	\$ 1,723,350
2015	\$ 1,400,000	\$ 371,600	\$ 1,771,600
2016	\$ 1,475,000	\$ 306,725	\$ 1,781,725
2017-2019	\$ 5,140,000	\$ 417,900	\$ 5,557,900
TOTAL	\$ 11,675,000	\$ 2,501,900	\$ 14,176,900

At August 31, 2011, the district had \$882,718.84 available in the Debt Service Fund to service the general obligation bonds.

NOTE 7 - SUMMARY OF SIGNIFICANT CONTINGENCIES

Litigation

The Grandview School District has no known legal obligations which would materially impact the financial position of the district.

NOTE 8 - OTHER DISCLOSURES

The district is a member of the King County Director's Association (KCDA). KCDA is a purchasing cooperative designed to pool the member districts' purchasing power. The district's current equity as of December 31, 2010 was \$33,915.66 which is the accumulation of the annual assignment of KCDA's operating surplus based upon the percentage derived from KCDA's total sales to the district compared to all other districts applied against paid administrative fees. The district may withdraw from the joint venture and will receive its equity in 10 annual allocations of merchandise or 15 annual payments.

The Private Purpose Trust Fund balance has been transferred to the Yakima Valley Community Foundation (YVCF) as approved by the Board of Directors at their August 9, 2010, Board meeting. The agreement and transfer of funds with the YVCF occurred in October 2010. The School Board remains in control of the distribution of funds from the account. The Funds are not held by the Yakima County Treasurer; therefore the funds are not reported on the Financial Statements.

NOTE 9 - SUBSEQUENT EVENTS

The Grandview School District had a Special Education student request a Due Process hearing in 2010. The Administrative Law judge ruled in favor of the student and ordered the School District to sign a six year agreement to educate the Student for the following six years at an annual cost of \$240,042. The District is currently appealing this decision.

Grandview School District No. 200
 Schedule of Long-Term Debt
 For the Year Ended August 31, 2011

Description	Beginning Outstanding Debt September 1, 2010	Amount Issued/Increased	Amount Redeemed/Decreased	Ending Outstanding Debt August 31, 2011
Total Voted Bonds	12,745,000.00	0.00	1,070,000.00	11,675,000.00
Total Non-Voted Notes/Bonds	0.00	0.00	0.00	0.00
Qualified Zone Academy Bonds (QZAB)	0.00	0.00	0.00	0.00
Qualified School Construction Bonds (QSCB)	0.00	0.00	0.00	0.00
Other Long-Term Debt:				
Capital Leases	0.00	0.00	0.00	0.00
Contracts Payable (GL 603)	0.00	0.00	0.00	0.00
NonCancellable Operating Leases	0.00	0.00	0.00	0.00
Claims & Judgments	0.00	0.00	0.00	0.00
Compensated Absences	624,646.22	0.00	27,290.71	597,355.51
Other Long-Term Debt	0.00	0.00	0.00	0.00
Total Other Long-Term Debt	624,646.22	0.00	27,290.71	597,355.51
TOTAL LONG-TERM DEBT	13,369,646.22	0.00	1,097,290.71	12,272,355.51

Grandview School District #200
 Yakima County
 EIN: 91-6001612
**Schedule of Expenditure of Federal Awards
 For Fiscal Year Ending August 31, 2011**

Federal Agency Name	Pass Through Agency	Federal Program Title	CFDA Number	Other Identification Number	Pass Through Award	Direct Award	Total	Foot note Ref
Dept of Agriculture								
	WA OSPI	School Breakfast Program	10.553	N/A	278,813		278,813	2
	WA OSPI	Nat'l School Lunch Cash Assistance	10.555	N/A	1,059,244		1,059,244	2
	WA OSPI	Food Distribution Non Cash Assistance Food Commodities	10.555	N/A	68,976		68,976	3
	WA OSPI	Summer Food Service Program	10.559	N/A	53,274		53,274	2
	WA OSPI	Fresh Fruit & Vegetable Program	10.582	N/A	2,740		2,740	
	Office of State Treasurer	School & Roads Grants to State	10.665	N/A	78,920		78,920	4
Dept of Agriculture Subtotal					1,541,967	0	1,541,967	
Dept of Labor								
	Int for ED Leadership	Disability Employment Policy Development	17.720	OD-16519-07-75-4-11	8,000		8,000	4
Dept of Labor Subtotal					8,000	0	8,000	
Dept of Education								
	WA OSPI	Title 1 Grants to LEAs	84.010	200595, 250137, 250138	944,103		944,103	5
	WA OSPI	Migrant Ed - Basic State	84.011	280804, 290664	372,121		372,121	
	Prosser S. D.	Migrant Ed - Basic State	84.011	290662	4,568		4,568	
	WA OSPI	Special Ed - State Grants	84.027	303660, 329006	677,752		677,752	
	WA OSPI	Career and Technical Education	84.048	172068, 172369	15,382		15,382	
	WA OSPI	Special Ed - Preschool Grants	84.173	365361	26,964		26,964	
	Thorp Sch District	Funds for the Improvement of Education	84.215	N/A	2,990		2,990	
	YVFWC	21st Century Community Learning Center	84.287	N/A	20,500		20,500	
	WA OSPI	Educational Technology State Grants	84.318	721863, 731115, 731113, 731114	41,407		41,407	
	U of W	Early Awareness/Readiness	84.334	702198, 703230, 667791	180,573		180,573	
	WA OSPI	Title III	84.365	401271	185,907		185,907	
	WA OSPI	REAP, Teacher Principal Quality	84.367	520070	235,205		235,205	
	WA OSPI	ARRA TECH	84.386	724351, 727237, 727274, 734319	42,604		42,604	6
	WA OSPI	ARRA McKinney Vento Homeless	84-387	457285	2,935		2,935	
	WA OSPI	ARRA School Improvement	84.388	225008, 225011	1,098,876		1,098,876	6
	WA OSPI	ARRA Title I	84.389	240568	333,506		333,506	6
	WA OSPI	ARRA IDEA B	84.391	310477	401,934		401,934	6
	WA OSPI	ARRA Section 619 Preschool	84.392	370622	3,523		3,523	6
Dept of Education Subtotal					4,590,851	0	4,590,851	
Health/Human Servs Dept								
	DSHS	Medicaid-Medical Assist Program	93.778	0765-19187	292,542		292,542	4
	ESD 105	Substance Abuse Block Grant	93.959	9000000014	22,100		22,100	
Health/Human Services Dept Subtotal					314,642	0	314,642	
Total Federal Awards Expended					\$ 6,455,459	\$ -	\$ 6,455,459	

The Notes to the Schedule of Expenditures of Federal Awards is an integral part of this statement.

Grandview School District No. 200
Schedule of Expenditures of Federal Awards
For the Year Ending August 31, 2011

NOTES TO THE SCHEDULE

NOTE 1 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.

NOTE 2 – UNIT COST CONTRACTS

Under certain programs, the district receives a fixed amount for the activity, regardless of the district's expenditures. Expenditures for these programs are listed as the amount received from the grantor.

NOTE 3 – NONCASH AWARDS

Food Commodities - The amount of food commodities reported on the schedule is the market value of commodities used by the School District during the current year. The value is determined by the USDA.

NOTE 4 – UNRESTRICTED EXPENDITURES

Administrative Match and Federal Forest Yield are recorded at the amount of revenue received. These expenditures are unrestricted and are not tracked separately.

NOTE 5 – SCHOOLWIDE PROGRAMS

The District operates a "schoolwide program" in three elementary buildings and the middle school. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limit services to certain targeted students. The following federal program amounts were expended by the District in its schoolwide programs: Title I (84.010) - \$821,038.

NOTE 6 – AMERICAN RECOVERY AND INVESTMENT ACT (ARRA)

The funding for this program was provided by the American Recovery and Reinvestment Act (ARRA) of 2009.



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

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Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Performance Audit
Director of Special Investigations
Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
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Public Records Officer
Main number
Toll-free Citizen Hotline

Brian Sonntag, CGFM
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