



Kenosha Unified School District



Comprehensive Annual Financial Report



For the Fiscal Year
Ended June 30, 2011



*“Our task is to empower each and every child to contribute, compete and collaborate in the 21st century. Without adequate resources, we will be unable to fulfill our vision that **Every Child Matters.**”*

Dr. Michele Hancock
Superintendent of Schools



**Kenosha Unified
School District**

maximizing the brilliance of children

Every Child Matters

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Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

Introductory Section

Management Letter	1
School Board and Administration	16
Organizational Charts	17

Financial Section

Independent Auditors' Report	20
Management Discussion and Analysis	22

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Assets	31
Statement of Activities	32

Fund Financial Statements

Balance Sheet-Governmental Funds	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	34
Reconciliation of Statement Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Net Assets-Proprietary Funds	36
Statement of Revenues, Expenses and Changes in Net Assets- Proprietary Fund	37
Statement of Cash Flows - Proprietary Fund	38
Statement of Net Assets - Fiduciary Funds	39
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	40

Notes to the Basic Financial Statements

Required Notes That Correspond to Basic Financial Statements	41
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Required Supplementary Information

Budgetary Comparison Schedule for the Total General Fund	64
Notes to Required Supplementary Information on Budgetary Accounting and Control	65

Other Supplementary Information

Combining Balance Sheet - Nonmajor Governmental Funds	66
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	67
Comparative Balance Sheets - Total General Fund	68
Comparative Statements of Revenues, Expenditures, and Changes In Fund Balance-Budget and Actual - Total General Fund	69
Comparative Balance Sheets-Special Revenue Trust Fund	70
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual - Special Revenue Trust Fund	71
Comparative Balance Sheets - Debt Service Fund	72
Comparative Statements of Revenues, Expenditures, and Changes Fund Balance, Budget and Actual - Debt Service Fund	73
Comparative Balance Sheets - Capital Projects Fund	74
Comparative Statements of Revenues, Expenditures, and Changes Fund Balance, Budget and Actual - Capital Projects Fund	75
Comparative Balance Sheets - Head Start Fund	76
Comparative Statements of Revenues, Expenditures, and Changes Fund Balance, Budget and Actual - Head Start Fund	77
Comparative Balance Sheets - Community Services Fund	78
Comparative Statements of Revenues, Expenditures, and Changes Fund Balance, Budget and Actual - Community Services Fund	79

Statistical Section (Unaudited)

Required Notes for Statistical Section	80
Historical Comparison:	
Net Assets by Component	81
Change in Net Assets (Combined Governmental and Business-type Activities)	82
Fund Balances – Governmental Funds	83
Statement of Revenues, Expenditures and Changes in Fund Balances	84
Assessed and Estimated Actual Value of Taxable Property	85
Equalized Property Tax Rates – All Overlapping Governments (per \$1000)	86
Principal Taxpayers in District	87
Property Tax Levies and Collections	88
Outstanding General Obligation Direct Debt as a Percentage of Equalized value on a Per Capita Basis	89
Calculation of Direct and Indirect Debt	90
Direct Debt Ratios and Per Capita Data	91
Ratio of Annual Debt Service to Total Governmental Expenditures	92
Major Employers in District	93
Population Data	94
Available Demographic Data	95
Staffing History	96
Government-Wide Revenues	97
Government-Wide Expenses	98
Historical and Projected Student Enrollment (K-12)	99
Facilities	100
Insurance Coverage	102

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Introduction



**Kenosha Unified
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maximizing the brilliance of children

Every Child Matters

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December 2011

Members of the Board of Education
Citizens of the Kenosha Unified School District No. 1

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Kenosha Unified School District No. 1 for the year ended June 30, 2011. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported as a whole and of its various funds. This report is a complete disclosure of all financial activities of the District.

This report is prepared in conformance with generally accepted accounting principles (GAAP) for governments as promulgated by the Government Account Standards Board (GASB). This report is also consistent with legal reporting requirements of the State of Wisconsin. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, and the Board of Education.

The Management Discussion and Analysis also provides analysis of some key data presented in the basic financial statements.

The comprehensive annual financial report is presented in three sections:

1. The **INTRODUCTORY SECTION** contains the Table of Contents and this Letter of Transmittal. The letter of transmittal includes a list of principal officers and the organizational chart. The introductory section is not audited.
2. The **FINANCIAL SECTION** begins with the independent auditor's report. This section includes the management's discussion and analysis, basic financial statements, notes to the basic financial statements, combining and individual fund statements, and required budgetary supplemental information. All reports of the financial section are audited.
3. The **STATISTICAL SECTION**, which is not audited, includes selected financial, demographic, and economic data, generally presented on a multi-year basis. This section also includes all disclosures, not contained elsewhere in the CAFR, to comply with the Securities and Exchange Commission continuing disclosure requirements for general obligation debt issues.

THE REPORTING ENTITY

The legal name of the district is the Kenosha School District No. 1, however, the name commonly used by the district is the Kenosha Unified School District. The School District was established in 1967 and is located in eastern Kenosha County. The District includes the City of Kenosha, the Town of Somers, and the Village of Pleasant Prairie.

The District is an independent entity governed by an elected seven member School Board. The Board has the power and duty to set budgets, certify tax levies, issue debt, and perform other tasks necessary to the operation of the District. The District is subject to the general oversight of the Wisconsin Department of Public Instruction. This oversight generally includes an approval process that reviews compliance to standards enacted by legislative mandate.

The District serves a general population of approximately 162,001 in an area of about 85 square miles. The District operates 23 elementary schools (grades PK-5), 6 middle schools (grade 6-8), and 5 high schools (grades 9-12), 6 charter schools, 1 alternative school, and 14 non-school-site early education schools. In addition to providing a PK-12 education for students, the District operates a school food service program and a community service program that includes three athletic fields.

The district office is housed in a separate facility. At the end of the 2010-2011 school year, the District served 23,122 pupils in its regular education program. This is an increase of 103 students from the 2009-2010 year.

The School District enjoys a favorable economic environment and local indicators point to continued growth. Residential development continues in the District at a pace that is both constant and diverse. Although the District is primarily residential, significant commercial development has taken place during the past few years.

MANAGEMENT SYSTEMS AND CONTROLS

Kenosha Unified is committed to developing, maintaining, and improving effective management systems and controls. The District makes conscientious efforts to employ highly qualified employees through active recruitment and thorough reference evaluations. Further, operations are annually evaluated to assure they function effectively and provide appropriate levels of supervision and segregation of duties.

Budget Adoption

Budgetary control is decentralized to managers of each budgetary location. Overall administrative responsibility rests with the Assistant Superintendent of Business Services under the direction of the Superintendent and consistent with School Board policy. Board policy allows for limited re-appropriation of budgets within a budgetary location by authority of budgetary location managers. Re-appropriation of budget amounts between and among operating units requires authorization of the Director of Finance. School Board approval is required to change appropriations at the function level. Wisconsin statutes require that any budget change authorized by the School Board must be approved by a 2/3 vote of the total board. The change is not effective until published in the district's official newspaper, within 10 days of the Board action.

The budget process starts each year in November. Starting in November, operating budget managers prepare requests for the upcoming year. The Business Office compiles requests and tentative recommendations, consistent with the strategic plan and annual goals. The School Board adopts the interim budget in July and submits a recommended tentative property tax levy to the annual meeting of electors. The original budget is adopted in October following an official enrollment count, adjustment of estimates made in the interim budget and certification of general state aid.

Cash Management and Investments

The goal of financial management in any school system is to make the most productive use of financial resources in the operations of the school district. The District has developed a cash flow projection schedule that predicts, with reasonable accuracy, the timing and amounts of cash receipts and disbursements.

A primary consideration in any program of cash management and investment must be the safeguarding of public funds from potential loss. Board policy establishes investment parameters and follows state statutes. Allowable investments include: (1) time deposits, (2) insured, collateralized or guaranteed bonds or securities, (3) other government bonds or securities or (4) commercial paper rated at least second or above.

Other cash management alternatives are participation in the Wisconsin Investment Series Cooperative (WISC) or the State of Wisconsin Local Government Pooled Investment Fund (LGIP). Administration provides the school board with a quarterly report on investments and earnings.

Risk Management

Kenosha Unified School District No. 1 maintains a risk management program that includes a comprehensive insurance program specifically designed to meet school district needs, casualty and benefit insurance consultation, active safety committees oriented to identification and avoidance of risk, and periodic review of contracts and policies to assure regulatory compliance and adherence to legal constructs. The Assistant Superintendent of Business Services oversees risk management for the District.

Independent Audit

Kenosha Unified's policy and state law requires an annual audit of the financial statements of the District by an independent certified public accountant. Compliance with this request has occurred and the auditor's opinion is included in this report.

Our external auditor reviews our internal control and operational procedures. This consists of a survey of the School District from an overview position and includes, but is not limited to, a tour of facilities, discussions with management and other key personnel and the completion of an internal control questionnaire. The purpose of this review is to provide us with a general sense of the operating environment. During the system "walk-through" we review in depth the features for apparent system weaknesses, compensating secondary controls and determination of possible system modifications to improve efficiency.

Financial Reporting

This is the eleventh year the Kenosha Unified School District No. 1 has prepared the Comprehensive Annual Financial Report (CAFR). Kenosha Unified has been required to implement GASB Statement 34 for its fiscal year beginning after June 15, 2002. GASB 34 creates the following financial statements that had not previously been published:

- Statement of net assets to report all assets and liabilities of the district as a whole.
- Statement of activities to report all revenues and expenses of the district as a whole.
- Budgetary comparison statements to inform readers of changes in the budget during the fiscal year as well as compare year-end results with the final budget.

ACCOMPLISHMENTS

Kenosha Unified School District No. 1 (KUSD) takes pride in its comprehensive instructional, co-curricular, and support programs. The District offers a variety of choice and charter schools as well as magnet programs; including an advance technologies high school academy, an accelerated learning middle school and a nationally recognized theatre arts program. Many of the District's schools have adopted comprehensive school reform (CSR) models.

Professional development for staff is provided on a regular and scheduled basis. Plans are being developed to provide for an increased number of e-technology or online capabilities. Professional development opportunities in KUSD, based upon its Transformation Plan, are focused on the improvement of classroom instruction. All offerings are aligned with District direction and initiatives. KUSD personnel also engage in collaborative staff development efforts such as mentoring and coaching activities, study groups, action research projects, distance learning courses, and numerous job-embedded staff development learning opportunities. In addition, KUSD non-certified staff have taken advantage of technology training and other training specific to their work groups.

Transformation Plan

In February 2011 a committee comprised of volunteers representing constituencies of the school district finalized a framework for a Transformation Plan to guide the District for the next three (3) years. The Vision of the District is "Maximizing the brilliance of children", with the Mission being "To assure every child experiences high quality, personalized learning success."

The Values outlined in the Transformation Plan include "Blended Personalized Learning, Multi-Dimensional Life and Career Skills, and Relevant Global Knowledge." The Goals established by the committee call for the District to "Improve student achievement, Expand collaborative partnerships with families, community, and industry, and secure resources (time, people, finances, operating processes) to support learning. In addition, the framework includes strategies and action steps for each goal that was identified.

The Federal Elementary/Secondary Education Act, No Child Left Behind (NCLB) Act requires that districts and schools make adequate yearly progress (AYP) toward state-established benchmarks in four areas: test participation, reading proficiency, math proficiency, and the other academic indicator: attendance or high school graduation. Overall, for the 2010/2011 school year, KUSD achieved satisfactory status.

Student Achievement

- The Wisconsin Knowledge and Concepts Examination (WKCE) is given to all Wisconsin public school students in November of each year. The exam assesses students based on the Wisconsin Model Academic Standards (WMAS) and the Assessment Frameworks, which are concepts and skills students need to know at the beginning of the school year. Students in grades 3, 5, 6, and 7 are tested in the content areas of reading and mathematics, while 4th, 8th, and 10th grade students respond to questions in language arts, science, social studies, and writing in addition to reading and mathematics. Highlights of KUSD results are as follows comparing November 2009 to November 2010:

Reading

- Grade 3: The district % of students proficient/advanced increased from 75.6% - 79.1%.
- Grade 4: The district % of students proficient/advanced decreased from 82.2% to 79.6%.
- Grade 5: The district % of students proficient/advanced increased from 78.9% to 83.7%.
- Grade 6: The district % of students proficient/advanced increased from 83.4% to 85.6%.

- Grade 7: The district % of students proficient/advanced decreased slightly from 86.1% to 86.0%.
- Grade 8: The district % of students proficient/advanced decreased slightly from 84.7% to 84.6%.
- Grade 10: The district % of students proficient/advanced decreased from 71.1% to 70.4%.

Math

- Grade 3: The district % of students proficient/advanced decreased from 74.9% to 72.6%.
 - Grade 4: The district % of students proficient/advanced was consistent 80.4%.
 - Grade 5: The district % of students proficient/advanced increased from 80.5 to 82.5%.
 - Grade 6: The district % of students proficient/advanced decreased from 81.1 to 80.1%.
 - Grade 7: The district % of students proficient/advanced decreased from 82.9% to 80.4%.
 - Grade 8: The district % of students proficient/advanced decreased from 80.7 to 78.6%.
 - Grade 10: The district % of students proficient/advanced increased from 60.2% to 62.6%.
- For the four-year cycle (Class of 2011), KUSD achieved an overall graduation rate of 79.4%, a decrease of -1.7% over last year's rate of 81.1% when *excluding* "ITED" (Iowa Tests of Educational Development) graduates, and 83.7% when *including* "ITED" graduates, a decrease of -0.9% when compared to last year's rate of 84.6%. As in previous years, African American and Hispanic students graduated at a rate lower than their Caucasian counterparts, both when *excluding* "ITED" graduates and *including* them.
 - African American Females reported an increase of +8.2% when *including* "ITED" graduates, with Hispanic Females reporting a slight increase of 1.0% when *including* ITED graduates.
 - 2010-11 Science Olympiad state competitors and medal winners.
 - The Advanced Placement program continues to grow and become more and more successful.
 - Student course participation has grown by over 10 percent, and student exam participation has improved by almost 20 percent in 2010-11.
 - The Advanced Placement program in KUSD has grown with the addition of several new courses and three newly trained teachers. KUSD now offers AP courses at six high schools (including Kenosha eSchool). Students have increased opportunities to choose courses that are of interest to them and will help them become college ready. In addition, students who are successful on AP exams will earn college credit and/or placement at most universities around the nation and the world.
 - A Bradford High School student was a Scholastic Silver Key recipient.
 - A Bullen Middle School student participated in Wisconsin State Middle School Honors Band.
 - In 2010-11, 109 KUSD students were named as AP Scholars, including one student who received AP National Scholar recognition.
 - In 2010-11, 252 students participated in off-level testing that was available through the NUMATS program. There were eight students that scored above the ninetieth percentile on either the EXPLORE, ACT, or SAT. Since these students participate between two and five years earlier than most students, this is a tremendous accomplishment.
 - Indian Trail High School junior received second place in the Congressional Art Convent for the First Congressional District in Wisconsin.

- LakeView Skills USA and the Remotely Operated Vehicle Club have competed well at the state level with second place and fourth place finishes, respectively.
- Lance Middle School eighth grade Symphonic Band took first place at the Music in the Parks Festival at Cedar Point.
- A Lance Middle School first chair flutist participated in Wisconsin All State Middle Level Honors Band.
- Lance Middle School had a student finish first nationally in Computer Technology along with multiple regional and state place winners.
- Lance Middle School Orchestra selected and performed at the Wisconsin State Music Association Convention.
- A Lincoln Middle School first chair tuba player participated in the Wisconsin State Honors Band.
- Lincoln Jazz won their division in Music in the Parks last May, and a trombone player won an outstanding improvisational soloist award.
- The show *Lovers* received an All-State Award at the Wisconsin State Theatre Festival. A Mahone Middle School student participated in WSMA Honors Band.
- A Mahone Middle School student participated in WSMA Honors Orchestra.
- KUSD students received “Math Contest” and “Math Counts” awards in 2010-11.
- Multiple athletes have qualified for the state championships. Sports included: girls’ tennis, girls’ golf, cross country (boys and girls), and diving. Most recently Bradford Football won the state championship game for the first time in school history.
- The only league sports that elementary program’s offer is through the CLC programs.
- Presented a workshop with the Tremper Golden Strings at the Midwest International Band and Orchestra Convention in Chicago.
- KUSD students received Rotary International vocational awards.
- The social studies WKCE scores are highest among the core academic areas.
- Students who attend Community Learning Centers (CLC) attend schools at higher rates than non-CLC students.
- Teachers reported that students were reported to have been more prepared for class as a result of their CLC participation.
- Tremper High School Career Technical Student organizations of DECA and FBLA have multiple state finishes, and students received Business Achievement Awards and had 22 students finish the National Financial Capability Challenge in the top 20 percent nationally.
- Two Bradford High School students were Scholastic Gold Key recipients.
- Two Lance Middle School students were selected to perform with the Wisconsin Middle Level Honors Orchestra.

- Two students have illustrations published in a children's book, *Tommy's World*, by Dr. Alan Beaulieu.
- Two students receive the George Taylor Economics Essay Scholarship each year.
- Two students received outstanding acting awards at the State Theatre Festival.
- Using cohort class of 2010, students who participated in 1 semester of high school band or orchestra had a 97 percent graduation rate.
- LakeView Technology Academy won the Minnesota North Star Regional Robotics Competition and went on to the National Competition and placed 8th in world completion of 376 robotics teams.
- An expansion of eSchool to grades 6-8 has begun. A full course of study is now available for students to participate in full-time virtual classes at the middle school level.
- Five high schools are participating in the Safe and Supportive School Grant. This grant allows these schools to respond to student and community safety issues utilizing researched based best practices. Partnered with the Kenosha County Division of Family Services to develop and implement a plan to reduce truancy, police contact, and suspension and expulsion of minority students within KUSD.

Partnerships

- Community and professional involvement continue to be a high priority for the entire staff of KUSD. Numerous staff are members of civic/service groups such as Kiwanis; Rotary International; and Lion's Clubs. Other memberships include: Kenosha City Planning Commission; Kenosha Community Block Grant (CDBG) Commission; Kenosha Literacy Council Board of Directors; Leadership Kenosha Steering Committee; Emerging Technologies Committee for Consortium of School Networking (COSN); Gateway Technical College Technology Advisory Committee; S.E. Wisconsin Job Service Board of Directors; Kenosha Achievement Center Board; Child Death Review Committee; Department of Public Instruction Committee on Trauma Informed Care; Administrative Review Committee with County; CORE Committee Healthy People Committee; and the Board of Directors of Viterbo College.
- Kenosha Unified School District works in partnership with a number of different organizations such as the University of Wisconsin-Parkside; Carthage College; Gateway Technical College; Professional Services Group; Kenosha County Health Department; Kenosha Achievement Center; Boys and Girls Club; Early Intervention Program; Society Assets; Division of Vocational Rehabilitation; Kenosha Health and Family Services; Shalom Center; UW Parkside; Goodwill Industries; Easter Seals; Kenosha County Juvenile Detention Facility; Kenosha Community Health Center: "Seal a Smile" program in 16 elementary schools and five middle schools and Paideia Charter School; LULAC: Walk for Kids fundraiser; Kenosha, Pleasant Prairie and Somers Police Departments; KUSD Community Gardens Committee (a partnership with Gateway Technical College and the Harbor Market; Member of CESA #1—TAG (Talented and Gifted) Committee; National Afterschool Association; Member of City of Kenosha Arts Commission; Wisconsin Afterschool Association; Wisconsin Afterschool Network; Wisconsin Community Education Association.

Partnerships – Specific Programs

- 2010-11 partnership with Keep Kenosha Beautiful (a subcommittee of the Kenosha Parks Department).
- 2nd Saturday.
- Applebee's—Flapjack fundraising event.
- Big Read Committee Member (teacher consultant: library media)—partnership with all local colleges, many businesses, as well as KPL to develop and present the month-long Big Read Community Read project (March 2012).
- Boys and Girls Club of Kenosha; Constantly working with the club to impact opportunities for students; Strong partner for afterschool programs.
- Boys and Girls Club of Kenosha and Kenosha Public Museum for the YEA Program.
- Boys and Girls Club of Kenosha and the University of Wisconsin—Extension—Annual Lights On Event (October 20).
- Career Extravaganza was hosted by SISTAS. It provided an opportunity for middle and high school students to attend an event to learn about different careers. All presenters were African American or Hispanic American, and students visited each table to get more insight as to education and other steps necessary to get started in a particular field. There was a doctor, lawyer, coach, police officer, etc.
- Carthage College; Collaboration for China-U.S. partnership; Continuing education courses.
- Carthage Connection.
- Collaborated with 15 local childcare agencies to provide KUSD Early Education at those locations.
- Collaborated with Kenosha Community Health Center and other dentists and physicians to ensure that children in the Early Education program receive a physical and dental exam within the school year.
- Collaborating with poet Dasha Kelly connecting literacy to the performing arts.
- Community mentoring events. Students participate in a variety of opportunities to volunteer at different events in the community—from the Holiday House during Christmas to the bowling activity for students with special needs.
- Coordinating Council of the Twenty-First Century Teacher Preparation Initiative (University of Wisconsin—Parkside).
- Creation of a community committee addressing services provided for children under the age of 5.
- Currently working with the Boys and Girls Club to enhance their tutoring program for older students.
- Director of Early Education serves on the Gateway Technical College Advisory Committee to the Early Education program.

- Empty Bowls project with the Shalom Center.
- Expose Kenosha and Carolyn's Coffee and Secret Garden for student art exhibit and student music performances in the community.
- Gateway Technical College; Career and Technical Education; Gateway Technical College supports LakeView Technology Academy's science fair; Partnership on Spanish and ESL courses.
- LULAC representation on the LAP redesign team meetings.
- Maintenance of 15 collaborative centers for the Early Education Community Approach.
- Moving three major district-wide festivals to Indian Trail High School and Academy to relieve some of the pressure on the Bradford facilities and provide better service to the community.
- Partnered with Dr. John Stewig from Carthage College and Mr. David Diaz to hold student workshops for the entire student population at Edward Bain School of Language and Art (continued partnerships in the spring).
- Partnered with the University of Wisconsin—Parkside—bringing Mr. Wing Huie to classrooms and teacher professional development using his work as a diversity and social justice.
- Partnering with the Office of Student Engagement and Equity to provide information and assistance to students and families in various mentor groups (BROTHAS, SISTAS, HERMANAS, and HERMANOS) related to college readiness and opportunities in KUSD (Advanced Placement, Youth Options, etc.).
- Partners with several business and community members to host the KUSD Spelling Bee.
- Partners with several business and community members to host the 2010-11 CESA #1 Regional Spelling Bee.
- Pathways Design Team member (University of Wisconsin—Parkside)—Educator Preparation Program.
- Pursuing a STEM partnership via the southeastern Wisconsin SySTEM Now group.
- Substantially increased the number of scholarship instruments available to low SES families.
- University of Wisconsin—Extension—partner for volunteer programs.
- University of Wisconsin—Parkside; Chiwaukee Academy and DELTA Academy; Collaboration with Korea-U.S. partnership.
- University of Wisconsin—Whitewater and Madison—collaborative project to obtain grant to train LMTs for future positions.
- Working with University of Wisconsin—Madison—in addressing diversity concerns in KUSD's music program.

Presentation / Publications / Innovative Leadership / Recognition

Our staff have made presentations at a variety of workshops and conferences, and have been recognized in a number of different ways:

- Outstanding Administrator Award from the Racine/Kenosha Literacy Council.
- Outstanding Recipient 2010 Governor's Service Recognition—Service Learning Program.
- Implementation of Expeditionary Learning model at Frank and Wilson – with Teaching and Learning and Title I leadership.
- Implementation of Extended-Year Calendar at Frank and Wilson – with all ESC Departments.
- Education and Technology Program Conference in Dayton, OH, topic: "How to Integrate Electronics Technology in your Elementary Classroom".
- Academic publication: LakeView Tech Robotics Program.
- Art staff received an award of recognition and a monetary award received for a national book exhibition held at the Harold Washington Library in Chicago.
- Bradford High School theatre students at the International Thespian Festival featured on the September cover of *Dramatics Magazine*.
- Certified SENG (Social Emotional Needs of the Gifted) trainer and available through the Wisconsin SENG trainers database list to any school or district in the state.
- Development of a communication plan for early education that includes communication to principals, KUSD staff, and parents.
- Development of a family involvement plan that incorporates current practice, research, and community resources.
- Development of a technology plan that will identify best practices and tools at the preschool level and include possible funding sources.
- Fine arts teacher featured in an article entitled "Music Education at EBSOLA: Where Diversity is Normal" in DePaul University's fall 2011 publication, *Con Brio*.
- High school choir teacher serves on the board of directors and is scholarship chairperson for the Wisconsin Choral Director's Association.
- Jazz All-Stars appearance at the Mahone Foundation Jazz Festival.
- KUSD representative and liaison for the NUMATS (Northwestern University Midwest Academic Talent Search) Program.
- KUSD representative to College Board for the Advanced Placement Program.
- KUSD representative to the International Baccalaureate program.
- KUSD representative to the Wisconsin Department of Public Instruction for the Youth Options Program.

- Utilization of Ken Chapman’s instruction – “Observing and Analyzing Teaching” offered by the Office of Professional Development.
- Use of Leadership Practices Inventory with principals to identify and strengthen leadership behaviors.
- Development of shared leadership and authentic collaboration within Elementary Principals’ group.
- Participation in innovation design work with CESA 1 to develop models of blended personalized learning, potential grant writing.
- The KUSD theatre arts program was selected by Disney to present *Tarzan*. This is a musical that will be presented January 20 through 22 and 27 through 29 at Bradford High School.
- Learning Forward Academy 2013 Member.
- Mahone fine arts teacher is the State Middle School Repertoire and Standards committee chair.
- Mentor Programs/Kenosha Area Business Alliance—speaker.
- Moved early education from a program (silo) approach to an integrated program.
- National Board Certified Teacher—Generalist—Early Childhood.
- PDP Team reviewer (through the Wisconsin Department of Public Instruction) for new educators both in KUSD and throughout the state.
- PULSE Project (Key Partners Meetings).
- September issue *Avenue Q: School Edition* was featured in several pictures. A Bradford High School student was pictured at a mime workshop.
- Statewide 21st Century Community Learning Center Conference—presenter.
- Statewide Wisconsin Community Education Association Conference—presenter.
- Teacher consultant: instructional technology and coordinator of Library Media and Instructional Technology will present at WASDA’s SLATE conference in December on behalf of the TOSA grant.
- Teacher consultant: library media presented at WEMTA conference last year and scheduled a session for this year as well.
- Teacher consultant: library media was named as AASL learning for life coordinator for the Wisconsin Educational Technology and Media Association.
- Teacher consultant: library media was named as president to the Kenosha Public Library Board (KUSD board representative).
- Trained to teach Leadership Training Courses through the National Interscholastic Athletic Administrators Association—may now teach classes at the state and national level in courses having to do with athletic administration.
- Wisconsin Professional Learning Communities Train the Trainer.
- Wisconsin Science Education Leaders Association.

- The 24th Annual Kenosha County Red Ribbon Campaign was launched at Roosevelt Elementary School where a second grade student submitted the 2011 award winning slogan “To Be Drug-Free, It takes Responsibility.” Student activities and education focused on problem solving and making good decisions.
- The Mary Frost Ashley Foundation and the Education Foundation of Kenosha award provided the opportunity for the District to continue the “Back to School – A Celebration of Family and Community” event. This year approximately 10,000 individuals attended and appreciated this free event that offered resources from community agencies, school supplies, food, and entertainment.
- The Office of Community School Relations has developed a Community Resource Room that can be utilized for small parent/community discussions, support with computer use, and other resources.
- The Carthage Student Microgravity Team has partnered with the District, to provide interactive parent child-learning experiences.
- Law enforcement continues to play an integral part of parent education programs. The City of Kenosha Police Department’s Crime Prevention Specialist and the Kenosha County Sheriff’s Department Deputy Friendly provide informative parent programs on safety, Internet safety, or cyber bullying, etc.
- The District’s parent education program has broadened opportunities for Spanish speaking families. There has been an additional monthly parent program developed at Urban Outreach Center and ESL classes have been extended to three schools.
- All of KUSD’s secondary principals participated in the Leadership Practices Inventory. This is a researched – based leadership development program. The principal at the eSchool was named President of the Wisconsin eSchool Network, Inc. Board of Directors.

Financial

- During the past year KUSD implemented zero-based budgeting.
- 2010-11—received \$17,845 in grant funding from Learn and Serve America and WI DPI for teaching STEM and creativity through sustainable service learning.
- Applied for the Mr. Holland’s Opus Instrument grant.
- Awarded the Wisconsin Technology Initiative Lighthouse Grant through the TOSA Foundation that implemented interactive technology in targeted 24 high school classrooms at the comprehensive high schools.
- Financial support of homeless program, Phoenix Project, Title III, CLC teacher tutoring, nonpublic school teacher, and parent programs.
- Over \$5 million in Title I grant funding to support 24 schools.
- Over \$500,000 in Title I carryover funds assisted Title I schools in meeting the minimum standard for classroom technology.
- Successful allocation of Title I ARRA funding to provide technology, professional development, and parent programming.

Technology Initiatives

- Technology initiatives have included an enterprise class wireless environment in 24 KUSD buildings (mostly Cy Pres buildings).
- iPads for the Early Childhood program and Speech Therapists, in addition to the incorporation of My Big Campus for communication, planning and research among District Departments and staff.
- Washington Middle School and Indian Trail Academy are involved in a 1:1 laptop project. Every student receives a laptop and completes course work through technology-based instruction.
- Jeffery School and Carthage College wrote a joint grant integrating Promethean Board technology into the instruction of mathematics.
- KUSD has also partnered with STEM7 marketing network to establish relationships between the business community and KUSD to promote Science, Technology, Engineering and Math with our schools, and with the Wisconsin eSchool network.
- LakeView Academy has been recognized as Wisconsin's Project Lead the Way School (2009) and will be featured in the Wisconsin PLTW December's issue of "PLSW Highlights".
- Student digital portfolios at Indian Trail High School in collaboration with local businesses.

LOOKING AHEAD

In March 2010, the School Board approved the new superintendent, Dr. Michele Hancock. Dr. Hancock replaced Dr. Joe Mangi. Dr. Mangi retired as the Bradford High School principal in 2005 and has served as Superintendent of Schools from 2007 – 2010.

As Dr. Hancock met with students, administrative staff, teachers, business representatives and others, the common theme was that they want us, as a district, to move forward. They want students prepared for the 21st century, to be competitive in the global economy and to make the world a better place. Another of her initiatives is to revamp the way Unified budgeting is done and how it's presented to the public.

Dr. Hancock reorganized the District's management structure under a "leadership council". She reviewed the resumes of each administrator, assigning responsibilities based on their strengths. She believes that shared governance in leading the District is an essential part of her philosophy, that everyone has a responsibility in educating students.

Initiatives

- Transformation Plan Goals: Improve student achievement; Expand collaborative partnerships with families, community, and industry; Secure resources (time, people, finances, and operating processes) to support learning.
- Academic Showcase.

- Administrator Academy.
- Common Core/UbD.
- Cultural Competency: Beyond Diversity.
- Differentiation: Inclusion (special education); ELL; Co-teaching; Gifted and talented.
- District-wide roll out of SmartMusic Practice and Assessment software.
- E-book options and Nook pilot at high schools.
- Inquiry-based learning: Problem-based learning; Inquiry circles; Service learning; Experiential learning; Expeditionary learning.
- Instructional coaches.
- Instructional Framework.
- Interactive technology—whiteboards and student response systems.
- iPad program development with administration, teachers, students, and departments (Speech, Early Childhood, Library Media, etc.).
- Literacy: Guided Reading; Disciplinary Literacy; STEM Literacy; Visual Literacy.
- MAP Testing.
- Multiage classrooms.
- My Big Campus (on-line collaborative learning environment).
- Rewriting the elementary library media curriculum to include quarterly assessment across the district.
- STEM integration of science, technology, and math.
- Teacher leadership.
- 21st Century Skills: Technology; Information/Media literacy; Four Cs: Creativity and innovation, Critical thinking and problem solving, Communication and collaboration, Life and career skills; Assessment/Grading; Numeracy, Guided Math.
- Workshop model; Reading workshop; Writing workshop.
- Renewal of Brompton Charter to include expansion to middle school grades and relocation to Vernon wing- with Facilities and Finance Departments, Vernon and Brompton staff and families.
- Implementation of MAP testing – with Educational Accountability, Information Services, Instructional Technology and Teaching and Learning staff to provide “benchmarking” assessment.

Concerns

Although the District's educational program is in good condition, the following challenges for its financial future have been identified:

- The Kenosha Unified School District faces a number of challenges during the next few years: decreasing state funding; collective bargaining agreements through June 2012 and June 2013; fixed operating expenses; decrease in per pupil funding; limited revenue sources; and declining property values.
- In January, 2011, Superintendent of Schools Dr. Michele Hancock secured the firm of Crowe Horwath, LLP to perform a financial and process assessment review of KUSD. This review did not constitute an audit, but an evaluation used by the leadership of the District to identify key areas for improvement. Of primary concern was the identification of a Structural Deficit. The report indicated the District's expenses are growing more rapidly than revenues and will result in reducing fund balance. The assessment recommended that to achieve budget sustainability, the District must increase revenues, decrease expenditures, or both.
- KUSD had to unexpectedly use some of its fund balance at the end of the 2010-2011 school year, and will have to once again use some of its fund balance at the end of the 2011-2012 school year. This will bring its fund balance down to 3.63% of budget, or \$8,568,393. In light of these events, Moody's Investors Service has downgraded KUSD's General Obligation (GO) rating to A1 from Aa3, in addition to assigning a negative outlook.
- KUSD challenges include Tax base valuation declines in 2010 and 2011, consecutive operating deficits result in diminished reserved levels, and limited near-term expenditure flexibility due to contractual commitments combined with state aid reductions.
- KUSD has received some compensation as part of its litigation in relation to seeking rescission of the CDO transaction as well as compensation for other damages.
- KUSD closed two buildings to achieve cost savings this year (Columbus and Jefferson Annex), and may have to close more in the coming year(s).

ACKNOWLEDGEMENTS

We express our appreciation to Kenosha Unified School District's dedicated staff, and Schenck, S.C., Certified Public Accountants, for their assistance preparing the report.

Respectfully submitted,



Dr. Michele Hancock
Superintendent of Schools



Tina M. Schmitz
Chief Financial Officer

KENOSHA UNIFIED SCHOOL DISTRICT SCHOOL BOARD AND ADMINISTRATION

MEMBERS OF THE BOARD OF EDUCATION

Mary Snyder	President
JoAnn Taube	Vice President
Carl Bryan	Treasurer
Pam Stevens	Clerk
David Gallo	Member
Robert Nuzzo	Member
Rebecca Stevens	Member

ADMINISTRATION

Dr. Michele Hancock	Superintendent of Schools
Sheronda Glass	Assistant Superintendent of Business Services
Anderson Lattimore	Assistant Superintendent of Educational Accountability
Karen Davis	Assistant Superintendent of Elementary School Leadership
Daniel Tenuta	Assistant Superintendent of Secondary School Leadership
Vickie Brown-Gurley	Assistant Superintendent of Teaching and Learning
Gary Vaillancourt	Chief Communications Officer
Tina Schmitz	Chief Financial Officer (July 1, 2011)
Patrick Finnemore	Director of Facilities
Teresa Osborne-Short	Director of Human Resources (August 15, 2011)
Susan Valeri	Director of Special Education and Student Support

REPORT PREPARED BY

Tina M. Schmitz
Chief Financial Officer

Our Vision: “*Maximizing the brilliance of children.*”

Our Mission: “*To assure every child experiences high quality, personalized learning success.*”

DISTRICT LEADERSHIP COUNCIL 7-1-10 to 1-31-11

Superintendent of Schools
Dr. Michele Hancock

Executive Assistant
Kathleen DeLabio

17

Chief Financial Officer
William Johnston

Assistant Superintendent of Business Services
Sheronda Glass

Assistant Superintendent of Educational Accountability
Anderson Lattimore

Assistant Superintendent of Teaching and Learning
Vickie Brown-Gurley

Assistant Superintendent of Elementary School Leadership
Karen Davis

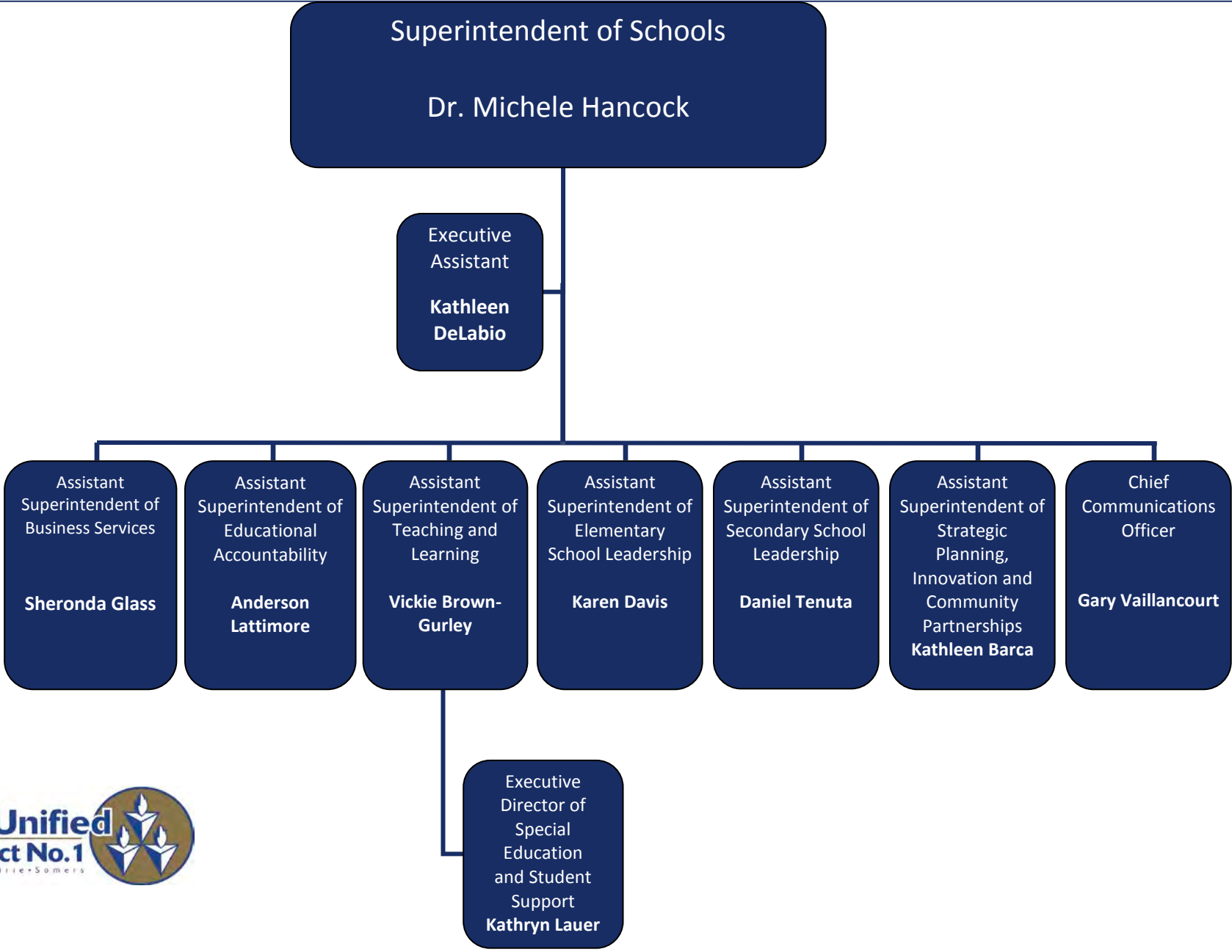
Assistant Superintendent of Secondary School Leadership
Daniel Tenuta

Assistant Superintendent of Strategic Planning, Innovation and Community Partnerships
Kathleen Barca

Chief Communications Officer
Gary Vaillancourt

Executive Director of Special Education and Student Support
Kathryn Lauer





DISTRICT LEADERSHIP COUNCIL as of 7-1-11

Superintendent of Schools

Dr. Michele Hancock

Executive Assistant

Kathleen DeLabio

Assistant Superintendent of Business Services

Sheronda Glass

**Chief Financial Officer
Tina Schmitz**

Assistant Superintendent of Educational Accountability

Anderson Lattimore

**Director of Human Resources
Teresa Osborne-Short**

Assistant Superintendent of Teaching and Learning

Vickie Brown-Gurley

**Director of Special Education
Susan Valeri**

Assistant Superintendent of Elementary School Leadership

Karen Davis

Assistant Superintendent of Secondary School Leadership

Daniel Tenuta

Chief Communications Officer

Gary Vaillancourt



**Kenosha Unified
School District**

maximizing the brilliance of children

Every Child Matters

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Financial Section

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INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS

To the Board of Education
Kenosha Unified School District No. 1
Kenosha County, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha Unified School District No. 1 ("District"), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's financial statements and, in our report dated November 29, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1(d), the District has implemented GASB Statement No 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended June 30, 2011. The District changed the financial reporting of the activities of the Special Education program from being reported as a special revenue fund do being included as part of the General Fund effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the general fund, and notes to required supplementary information on budgetary accounting and control on pages 3 through 11 and 45 through 46, respectively, be presented to supplement the basic financial statements. Such information, although not part of the financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The financial information listed in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Certified Public Accountants

Fond du Lac, Wisconsin
December 2, 2011

Management's Discussion and Analysis For the Year Ended June 30, 2011

The discussion and analysis of the Kenosha Unified School District's financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on school district financial performance as a whole. Eleventh

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded liabilities at the close of the fiscal year by \$3.1 million (*net assets*). Of this amount, \$46 million represents amounts invested in capital assets, net of related debt, \$.7 million is restricted for debt, capital projects or technology and \$.5 million is restricted for food service. This results in an unrestricted assets balance of (\$44.1) million.
- Net assets for the most recent fiscal year decreased \$17.1 million over the prior year. The change includes a decrease of \$17.2 million in governmental activities and an increase of \$69 thousand in business-type activities.
- The District's total long-term liabilities increased by \$5.5 million
- Total capital assets increased by \$11.3 million, primarily as a result of major expenditures for the expansion of Indian Trail Academy.
- In governmental funds, total fund balance decreased by \$23.6 million due to capital projects. The fund balance in the General Fund experienced a net decrease from operations of \$6.8 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was approximately \$12.3 million dollars.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other supplementary information is provided for the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are the *statement of net assets* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business type activities*.

- The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *statement of activities* presents information showing how the District's net assets changed during the year. This statement reports the cost of government functions and how those functions were financed in the fiscal year.

Management's Discussion and Analysis For the Year Ended June 30, 2011

Fund Financial Statements

The District also produces *fund financial statements*. A fund is a grouping of related accounts, which is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a district's near-term financing requirements.

The District has three kinds of funds: *governmental*, *proprietary* and *fiduciary*. *Governmental funds* include the District's five regular funds (general, debt service, special revenue trust, Head Start and community service) and individual capital project funds as needed. The District has one *proprietary* fund, the food service fund and three *fiduciary funds*, an agency fund for student and parent organizations, a retiree health insurance fund used to provide for premiums the District has obligated itself related to prior service of retired employees, and a trust fund for scholarships.

There are two fund financial statements, the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* (operating statement). Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* for the general fund, debt service fund and the capital projects fund as these are considered to be major funds. Data for the special revenue trust fund, community service fund and Head Start fund is combined into a single, aggregated column. Data for each of these individual non-major funds is provided separately as supplementary information.

A reconciliation to facilitate the comparison of the Statement of Net Assets to the Governmental Funds Balance Sheet is presented at the bottom of the governmental funds statement. A separate statement to reconcile the Statement of Activities to the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds is also presented.

The proprietary fund statements for the District's food service program are prepared on the same basis of accounting and measurement focus as the government-wide financial statements. In addition, the District provides a *statement of cash flows* for the proprietary funds.

The District serves as a trustee, or *fiduciary*, for student and parent organizations, a retiree insurance fund and a trust fund for scholarships. The assets of these organizations do not directly benefit the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

The District adopts an annual appropriation budget for its governmental funds. Budgetary comparison statements have been provided to demonstrate budget compliance.

Notes to the Financial Statements

The *notes to the financial statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

Management's Discussion and Analysis For the Year Ended June 30, 2011

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net assets for the year ended June 30, 2011 compared to 2010. The District's combined net assets decreased by \$17,133,292 to \$3,106,031.

Table 1
Condensed Statement of Net Assets
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total %
	2010	2011	2010	2011	2010	2011	2010-2011
Current and other assets	\$ 109,396	\$ 84,206	\$ 4,777	\$ 642	\$ 114,173	\$ 84,848	-25.7%
Capital assets	\$ 161,419	\$ 172,735	\$ 1,036	\$ 1,082	\$ 162,455	\$ 173,817	7.0%
Total assets	\$ 270,815	\$ 256,940	\$ 5,813	\$ 1,724	\$ 276,628	\$ 258,665	-6.5%
Long-term debt outstanding	\$ 176,370	\$ 181,210	\$ -	\$ -	\$ 176,370	\$ 181,210	2.7%
Other liabilities	\$ 75,671	\$ 74,188	\$ 122	\$ 161	\$ 75,793	\$ 74,349	-1.9%
Total liabilities	\$ 252,041	\$ 255,398	\$ 122	\$ 161	\$ 252,163	\$ 255,559	1.3%
Net assets							
Invested in capital assets, net of related debt	\$ 61,419	\$ 44,894	\$ 1,036	\$ 1,082	\$ 62,455	\$ 45,976	-26.4%
Restricted	\$ 1,161	\$ 761	\$ 355	\$ 481	\$ 1,516	\$ 1,242	-18.1%
Unrestricted	\$ (43,732)	\$ (44,112)	\$ -	\$ -	\$ (43,732)	\$ (44,112)	0.9%
Total net assets	\$ 18,848	\$ 1,543	\$ 1,391	\$ 1,563	\$ 20,239	\$ 3,106	-84.7%

Note: may be rounding differences.

The largest portion of the District's net assets is its investment in capital assets (e. g. land, buildings, and equipment); less related outstanding debt used to acquire those assets. These assets are used to provide services to students and consequently are not available for future spending.

Restricted net assets account for 40% of total net assets. The District is required by state statute to have available in the debt service fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally on or about January 20th). The restricted net assets of governmental activities are entirely comprised of amounts restricted for debt service payments. Unrestricted net assets for the District decreased \$.38 million dollars to (\$44.1) million.

Table 2 provides summarized operating results and their impact on net assets. The District relies primarily on property taxes (31.9%), state sources (49.4%) and operating grants and contributions (13.9%) to fund District activities. There were only minor variations between years within the sources of revenue.

Program revenues, in the form of charges for services and operating grants and contributions, decreased \$3,339,959 for governmental activities reflecting a decrease in federal and state grants.

Management's Discussion and Analysis For the Year Ended June 30, 2011

Program revenues increased \$420,183 for business type activities due mostly to increased federal funds.

Overall, expenses increased 4.9% primarily due to salaries and benefits.

Table 2
Changes in Net Assets from Operating Results
(in thousands of dollars)

	Governmental		Business-type		Total		Total % Change
	Activities		Activities		School District		
	2010	2011	2010	2011	2010	2011	2010-2011
Revenues							
Program revenues							
Charges for services	\$ 1,556	\$ 1,492	\$ 2,981	\$ 2,982	\$ 4,537	\$ 4,474	-1.4%
Operating grants & contributions	\$ 39,339	\$ 36,064	\$ 4,937	\$ 5,355	\$ 44,276	\$ 41,420	-6.5%
General revenues							
Property taxes	\$ 87,564	\$ 94,976		\$ -	\$ 87,564	\$ 94,976	8.5%
State formula aid	\$ 143,411	\$ 147,240		\$ -	\$ 143,411	\$ 147,240	2.7%
Other	\$ 6,782	\$ 9,793		\$ -	\$ 6,782	\$ 9,793	44.4%
Total revenues	\$ 278,652	\$ 289,564	\$ 7,918	\$ 8,338	\$ 286,570	\$ 297,902	4.0%
Expenses							
Instruction	\$ 187,048	\$ 196,614	\$ -	\$ -	\$ 187,048	\$ 196,614	5.1%
Pupil & instructional services	\$ 33,203	\$ 35,249	\$ -	\$ -	\$ 33,203	\$ 35,249	6.2%
Administration and business	\$ 21,692	\$ 23,805	\$ -	\$ -	\$ 21,692	\$ 23,805	9.7%
Maintenance and operations	\$ 24,652	\$ 26,493	\$ -	\$ -	\$ 24,652	\$ 26,493	7.5%
Transportation	\$ 7,030	\$ 7,052	\$ -	\$ -	\$ 7,030	\$ 7,052	0.3%
Community service	\$ 1,382	\$ 1,459	\$ -	\$ -	\$ 1,382	\$ 1,459	5.6%
Pymt to WRS for past service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Interest on debt	\$ 7,926	\$ 7,005	\$ -	\$ -	\$ 7,926	\$ 7,005	-11.6%
Other	\$ 8,412	\$ 9,090	\$ 8,841	\$ 8,270	\$ 17,253	\$ 17,360	0.6%
Total expenses	\$ 291,345	\$ 306,767	\$ 8,841	\$ 8,270	\$ 300,186	\$ 315,037	4.9%
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Increase (decrease) in net assets	\$ (12,693)	\$ (17,202)	\$ (923)	\$ 68	\$ (13,616)	\$ (17,135)	

Note: may be rounding differences

Management's Discussion and Analysis For the Year Ended June 30, 2011

Governmental Activities

Table 3 presents the cost of the eight major District activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

The cost of all governmental activities this year was \$306,766,780. Individuals who directly participated or benefited from a program offering paid \$1,491,544 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$36,064,252. The net cost of governmental activities (\$269,210,985) was financed by general revenues of the District.

The District relies primarily on property taxes and general state aid to fund governmental activities. School funding regulations restrict the amount by which these two revenue sources, in combination, may be increased. This restriction, called revenue limit, is intended to help hold down increases in property taxes throughout the state. The 2010-2011 District equalized property value of \$8,931,500,985 represents a 6.09% decrease over the previous year and the total tax mill rate is \$10.60 and represents a 15.5% increase over the previous year.

General state aid is paid according to a formula taking into consideration district spending and property values as compared to spending and property values for the state as a whole. The District's property values are growing slower than the state average. This year, the District's share of general state aid increased by \$11,419,748.

Table 3
Net Cost of Governmental Activities
(in thousands of dollars)

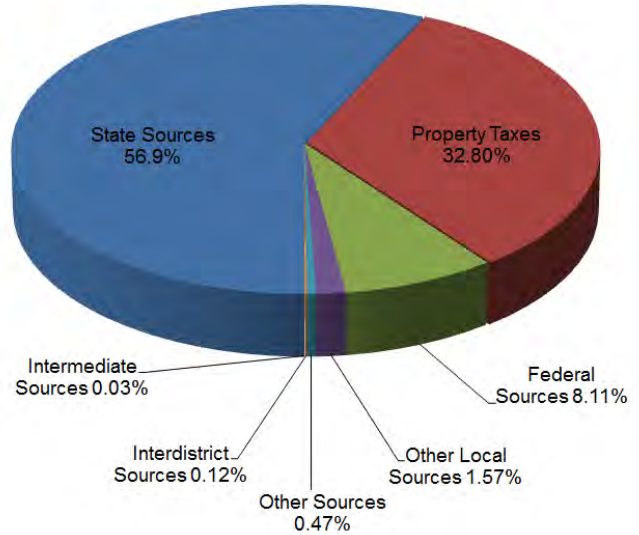
	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2010	2011	2010-2011	2010	2011	2010-2011
Instruction	\$ 187,048	\$ 196,614	5.1%	\$ 152,006	\$ 163,808	7.8%
Pupil & instructional services	\$ 33,203	\$ 35,249	6.2%	\$ 27,851	\$ 31,022	11.4%
Administration and business	\$ 21,692	\$ 23,805	9.7%	\$ 21,692	\$ 23,805	9.7%
Maintenance and operations	\$ 24,652	\$ 26,493	7.5%	\$ 24,652	\$ 26,493	7.5%
Transportation	\$ 7,030	\$ 7,052	0.3%	\$ 6,747	\$ 6,777	0.4%
Community service	\$ 1,382	\$ 1,459	5.6%	\$ 1,162	\$ 1,211	4.2%
Interest on debt	\$ 7,926	\$ 7,005	-11.6%	\$ 7,926	\$ 7,005	-11.6%
Other	\$ 8,412	\$ 9,090	8.1%	\$ 8,412	\$ 9,090	8.1%
Total	\$ 291,345	\$ 306,767	5.3%	\$ 250,448	\$ 269,211	7.5%

Note: totals may not add due to rounding.

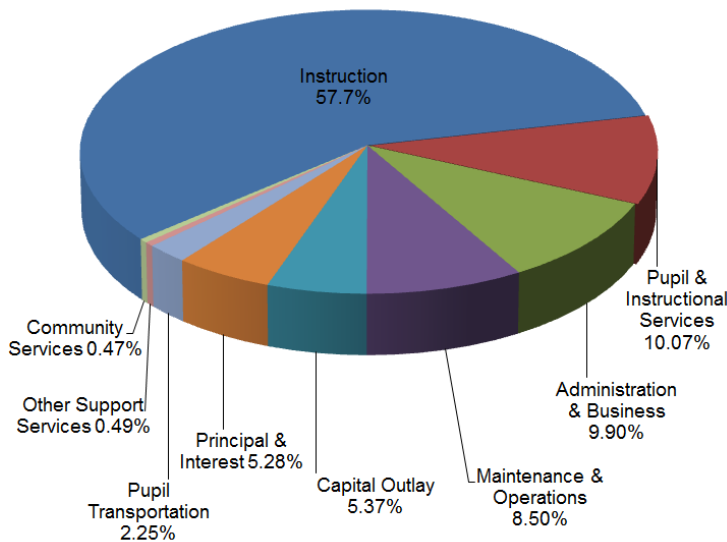
Management's Discussion and Analysis
For the Year Ended June 30, 2011

GOVERNMENTAL REVENUES BY TYPE

Governmental Revenues by Type	
State Sources	\$ 164,778,840
Property Taxes	\$ 94,975,748
Federal Sources	\$ 23,485,542
Other Local Sources	\$ 4,547,089
Other Sources	\$ 1,361,022
Interdistrict Sources	\$ 337,698
Intermediate Sources	\$ 78,481
Total Revenues	\$ 289,564,420



GOVERNMENTAL EXPENDITURES BY TYPE



Governmental Expenditures by Type	
Instruction	\$ 180,661,138
Pupil & Instructional Services	\$ 31,539,272
Administration & Business	\$ 31,007,907
Maintenance & Operations	\$ 26,629,938
Capital Outlay	\$ 16,808,215
Principal & Interest	\$ 16,526,963
Pupil Transportation	\$ 7,051,879
Other Support Services	\$ 1,523,872
Community Services	\$ 1,458,807
Total Expenses	\$ 313,207,991

Management's Discussion and Analysis For the Year Ended June 30, 2011

BUSINESS-TYPE ACTIVITIES

Revenues for the District's business-type activities (food service program) were \$8,337,679 comprised of charges for services (35.8%) and federal and state reimbursements (64.2%). Expenses of \$8,270,063 resulted in operating income of \$67,616 for the year. Major expenses include food and supply purchases (60.8%) and labor/benefits (39.2%). The District raises school lunch prices to provide for inflationary cost increases.

FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS

The District completed the year with fund balance of \$22,473,046 down from last year's ending fund balance of \$46,116,617 due to the following:

- The general fund had a decrease in fund balance of \$6,823,710 primarily due to higher expenses in salaries and benefits.
- The debt service fund had a decrease of \$400,642. The fund balance of the debt service fund will fluctuate each year, based on bond activity.
- The capital project fund had a decrease of \$16,326,446. This decrease is a result of the Indian Trail construction.

GENERAL FUND BUDGETARY HIGHLIGHTS

- The district adopts an interim budget in July for the year (beginning July 1st). Consistent with current state statutes and regulations an *original* budget is adopted in October, following a determination of the official enrollment and the certification of general state aids.
- The total Third Friday enrollment for school year 2010-2011 was 23,122, an increase of 102 students from the 2009-2010 school year.
- The Third Friday membership count for the 2010-2011 school year, as measured on September 17, 2010, was 22,523, an increase of 97 full time student equivalents from the final Third Friday count for the 2009-2010 school year.
- With the continued expansion of the four year-old (4K) Kindergarten program, 7 additional teaching staff (6.49 FTE) and 3 supporting teaching positions were added to the Early Childhood program.
- The 2010-2011 budget included an increase of 76.27 FTE in staffing including 30.33 grant funded positions, 3 school administrators, a Research Analyst, Chief Communications Officer, and 6 teaching and learning teacher consultant positions that were reclassified as Curriculum Coordinators.
- Early in the 2005-2006 budget process, the Board of Education approved a policy allocating \$1 million of the General fund budget to begin restoring the fund balance. This policy was reaffirmed by the Board in the formal adoption of the 2010-2011 budget, however this was not achieved. Due to higher salaries and benefits that what was budgeted, the District has a loss of \$6.8m in fund balance.

Management's Discussion and Analysis
For the Year Ended June 30, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011, the District had invested \$273,053,988 in capital assets, including buildings, sites, library books, and equipment (See Table 4). Total accumulated depreciation on these assets total \$99,236,964. Capital Asset acquisitions for governmental activities totaled \$16,808,215. The District recognized depreciation expense of \$5,462,955 for governmental activities and \$63,615 for the food service program. Detailed information about capital assets can be found in Note 4-B to the financial statements.

Table 4
Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total % Change 2010-2011
	2010	2011	2010	2011	2010	2011	
Land	\$ 8,694	\$ 8,694	\$ -	\$ -	\$ 8,694	\$ 8,694	0.0%
Construction in progress	\$ 38,216	\$ 54,762	\$ -	\$ -	\$ 38,216	\$ 54,762	14.3%
Site improvements	\$ 6,192	\$ 6,208	\$ -	\$ -	\$ 6,192	\$ 6,208	0.3%
Buildings & building improvements	\$ 156,329	\$ 156,429	\$ -	\$ -	\$ 156,329	\$ 156,429	0.1%
Equipment & furniture	\$ 44,428	\$ 44,543	\$ 2,411	\$ 2,418	\$ 46,839	\$ 46,961	0.3%
Accumulated depreciation	\$ (92,438)	\$ (97,901)	\$ (1,375)	\$ (1,336)	\$ (93,813)	\$ (99,237)	5.8%
Total	\$ 161,419	\$ 172,735	\$ 1,036	\$ 1,082	\$ 162,456	\$ 173,817	7.0%

Note: totals may not add due to rounding.

Long-Term Debt

At year-end the District had \$133,273,000 in general obligation bonds and \$58,963,848 other long-term debt outstanding – an increase of 2.9% from last year (see Table 5).

Table 5
Outstanding Long-Term Obligations
(in thousands of dollars)

	Total School District		Total Percentage Change 2010-2011
	2010	2011	
General obligation debt	\$ 142,205	\$ 133,273	-6.3%
Other	\$ 44,538	\$ 58,964	32.4%
Total	\$ 186,743	\$ 192,237	2.9%

Management's Discussion and Analysis For the Year Ended June 30, 2011

Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that will impact the District's financial status in the future are:

- Wisconsin has experienced several consecutive years of reductions in K-12 education funding. The 2011 Wisconsin Act 32 decreases general school aids by \$749 million over the biennium. As a result of the 2011-13 state budget school districts experienced a 5.5% revenue limit cut. This has had a significant impact on the District in that coupled with these decreases, the district has not been able to fully utilize certain provisions that the state has offered the K-12 districts; specifically, the employee contribution to the Wisconsin Retirement System (WRS), and additional employee contributions to health insurance. As of the writing of this report, some employee groups have agreed to provide and/or increase their contributions to their retirement and health insurance costs, while others have not.
- In July 2010, KUSD Board voted to not pay the \$28 million loan from a European bank until it settles its ongoing lawsuit. Officials from Depfa Bank requested School Board members to repay the loan the District took out in 2006 as part of its participation in a collateralized debt obligation investment program. Board officials ignored the request saying it does not have a legal obligation to repay the money and voted unanimously to pull the appropriation from the District's 2010-11 preliminary budget. Like the previous year, the \$28 million appropriation is also excluded from the District's 2011-12 budget adopted October 25, 2011.
- In October 2011, KUSD received a partial settlement of \$6.3m from the CDO lawsuit. The Securities and Exchange Commission took action against the Royal Bank of Canada Capital Markets LLC for its misconduct in the sale of unsuitable investments to five Wisconsin school districts, including the District, and its inadequate disclosures regarding the risks associated with those investments. Legal action continues in this suit. In the meantime, the proceeds received to date remain in an interest bearing trust account which will be used to pay down the \$9.5m State Trust Fund loan.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tina Schmitz, Chief Financial Officer, (262-359-5921), Kenosha Unified School District, 3600 52nd Street, Kenosha, WI 53144.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Net Assets
As of June 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 43,271,866	\$ -	\$ 43,271,866
Receivables:			
Taxes	20,188,842	-	20,188,842
Accounts	4,892,959	-	4,892,959
Due from other governments	11,035,526	792,173	11,827,699
Internal balances	294,014	(294,014)	-
Inventories and prepaid items	4,522,438	143,820	4,666,258
Total current assets	84,205,645	641,979	84,847,624
Noncurrent assets:			
Land	8,693,976	-	8,693,976
Construction in progress	54,761,783	-	54,761,783
Site improvements	6,208,343	-	6,208,343
Buildings and building improvements	156,428,590	-	156,428,590
Furniture and equipment	44,543,281	2,418,015	46,961,296
Less: Accumulated depreciation	(97,901,329)	(1,335,634)	(99,236,963)
Total noncurrent assets	172,734,644	1,082,381	173,817,025
Total assets	256,940,289	1,724,360	258,664,649
Liabilities			
Current liabilities:			
Accounts payable	3,458,527	10,127	3,468,654
Short-term notes payable	35,000,000	-	35,000,000
Accrued Liabilities			
Payroll, payroll taxes, insurance	22,979,795	-	22,979,795
Interest	1,719,430	-	1,719,430
Unearned revenue	2,902	150,988	153,890
Current portion of long-term obligations	11,027,222	-	11,027,222
Total current liabilities	74,187,876	161,115	74,348,991
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	181,209,626	-	181,209,626
Total non-current liabilities	181,209,626	-	181,209,626
Total liabilities	255,397,502	161,115	255,558,617
Net Assets			
Invested in capital assets, net of related debt	44,893,759	1,082,381	45,976,140
Restricted for:			
Debt service	760,673	-	760,673
Food service	-	480,864	480,864
Unrestricted (deficit)	(44,111,645)	-	(44,111,645)
Total net assets	1,542,787	1,563,245	3,106,032
Total liabilities and net assets	\$ 256,940,289	\$ 1,724,360	\$ 258,664,649

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Activities
For the Year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Government Activities	Business-Type Activities	Total
Governmental activities:						
Instruction:						
Regular instruction	\$ 140,462,442	\$ 1,116,948	\$ 16,599,291	\$ (122,746,203)		\$ (122,746,203)
Vocational instruction	6,421,161	51,363	236,774	(6,133,024)		(6,133,024)
Special education instruction	40,384,182	-	14,503,060	(25,881,122)		(25,881,122)
Other instruction	9,346,671	75,330	223,583	(9,047,758)		(9,047,758)
Total Instruction	196,614,457	1,243,641	31,562,708	(163,808,107)		(163,808,107)
Support services:						
Pupil services	16,746,876	-	2,230,342	(14,516,534)		(14,516,534)
Instructional staff services	18,501,731	-	1,996,473	(16,505,257)		(16,505,257)
General administration services	1,686,226	-	-	(1,686,226)		(1,686,226)
School administration services	15,829,548	-	-	(15,829,548)		(15,829,548)
Business services	6,289,675	-	-	(6,289,675)		(6,289,675)
Operations & maintenance of plant	26,492,746	-	-	(26,492,746)		(26,492,746)
Pupil transportation services	7,051,879	-	274,728	(6,777,151)		(6,777,151)
Central services	6,998,019	-	-	(6,998,019)		(6,998,019)
Insurance	568,192	-	-	(568,192)		(568,192)
Other support services	1,523,872	-	-	(1,523,872)		(1,523,872)
Community services	1,458,807	247,903	-	(1,210,904)		(1,210,904)
Interest and fiscal charges	7,004,753	-	-	(7,004,753)		(7,004,753)
Total Support Services	110,152,324	247,903	4,501,544	(105,402,877)		(105,402,878)
Total governmental activities	306,766,780	1,491,544	36,064,252	(269,210,984)		(269,210,985)
Business-type activities:						
School food service program	8,270,063	2,982,190	5,355,489		67,616	67,616
Total school district	\$ 315,036,843	\$ 4,473,734	\$ 41,419,741	(269,210,984)	67,616	(269,143,369)
General revenues:						
Taxes						
Property taxes, levied for general purposes				79,471,094		79,471,094
Property taxes, levied for debt services				13,520,354		13,520,354
Property taxes, levied for community services				1,984,300		1,984,300
State and federal aids not restricted to specific functions						
General				147,239,655		147,239,655
Other				5,354,915		5,354,915
Interest and investment earnings				1,350,956	1,454	1,352,410
Miscellaneous				3,087,350		3,087,350
Total general revenues				252,008,624	1,454	252,010,078
Change in net assets				(17,202,361)	69,070	(17,133,292)
Net assets - beginning of year (restated)				18,745,147	1,494,174	20,239,321
Net assets - end of year				\$ 1,542,786	\$ 1,563,245	\$ 3,106,031

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Balance Sheet
Governmental Funds
As of June 30, 2011

	Total General Fund	Debt Service Fund	Capital Projects Fund	Other Gov't Funds	Total Gov't Funds
Assets					
Cash and investments	\$ 37,574,314	\$ 760,673	\$ 4,310,104	\$ 626,775	\$ 43,271,866
Receivables:					
Taxes	20,188,842	-	-	-	20,188,842
Accounts	4,862,041	-	-	30,918	4,892,959
Due from other funds	1,122,749	-	-	-	1,122,749
Due from other governments	10,186,397	-	-	849,129	11,035,526
Inventories and prepaid items	4,522,438	-	-	-	4,522,438
Total assets	78,456,781	760,673	4,310,104	1,506,822	85,034,380

Liabilities and Fund Balances

Liabilities:

Short-term notes payable	35,000,000	-	-	-	35,000,000
Accounts payable	3,372,724	-	65,409	20,394	3,458,527
Accrued Liabilities					
Payroll, payroll taxes, insurance	22,979,795	-	-	-	22,979,795
Interest	291,375	-	-	-	291,375
Deferred revenue	2,902	-	-	-	2,902
Due to other funds	-	-	-	828,735	828,735
Total liabilities	61,646,796	-	65,409	849,129	62,561,334

Fund Balances:

Nonspendable	4,522,438	-	-	-	4,522,438
Restricted for capital projects	-	-	4,244,695	-	4,244,695
Restricted for debt service	-	760,673	-	-	760,673
Assigned	-	-	-	657,693	657,693
Unassigned	12,287,547	-	-	-	12,287,547
Total fund balances	16,809,985	760,673	4,244,695	657,693	22,473,046
Total liabilities and fund balances	\$ 78,456,781	\$ 760,673	\$ 4,310,104	\$ 1,506,822	

Total net assets reported for governmental activities in the statement of net assets are different from the amount reported above as total governmental funds fund balance because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net assets:

Governmental capital asset	270,635,973	
Governmental accumulated depreciation	(97,901,329)	172,734,644

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net assets that are not reported in the funds balance sheet are:

General obligation debt	(133,273,000)	
Accrued interest on general obligation debt	(1,428,055)	
Accrued OPEB obligation	(55,423,991)	
Compensated absences	(3,539,857)	(193,664,903)

Total net assets - governmental activities

\$ 1,542,787

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Total General Fund	Debt Service Fund	Capital Projects Fund	Other Gov't Funds	Total Gov't Funds
Revenues:					
Property taxes	\$ 79,471,094	\$ 13,520,354	\$ -	\$ 1,984,300	\$ 94,975,748
Other local sources	2,967,868	1,111,765	219,553	247,903	4,547,089
Interdistrict sources	337,698	-	-	-	337,698
Intermediate sources	78,481	-	-	-	78,481
State sources	164,778,840	-	-	-	164,778,840
Federal sources	21,437,910	-	-	2,047,632	23,485,542
Other sources	1,361,022	-	-	-	1,361,022
Total revenues	270,432,913	14,632,119	219,553	4,279,835	289,564,420
Expenditures:					
Current:					
Instruction:					
Regular instruction	128,271,217	-	-	-	128,271,217
Vocational instruction	5,905,185	-	-	-	5,905,185
Special instruction	36,553,564	-	-	1,280,212	37,833,776
Other instruction	8,650,960	-	-	-	8,650,960
Total instruction	179,380,926	-	-	1,280,212	180,661,138
Support Services					
Pupil services	15,380,280	-	-	213,576	15,593,856
Instructional staff services	16,023,414	-	-	59,194	16,082,608
General administration services	1,667,468	-	-	-	1,667,468
Building administration services	15,468,744	-	-	227,497	15,696,241
Business services	5,116,159	-	-	1,133,322	6,249,481
Operations and maintenance	26,492,746	-	-	-	26,492,746
Pupil transportation	7,051,879	-	-	-	7,051,879
Central services	6,826,525	-	-	-	6,826,525
Insurance	568,192	-	-	-	568,192
Community service	-	-	-	1,458,807	1,458,807
Other support services	1,523,872	-	-	-	1,523,872
Total support services	96,119,279	-	-	3,092,396	99,211,675
Debt Service:					
Principal	-	8,913,000	-	-	8,913,000
Interest and fiscal charges	508,277	7,105,686	-	-	7,613,963
Total debt service	508,277	16,018,686	-	-	16,526,963
Capital Outlay:					
Capital outlay	262,216	-	16,545,999	-	16,808,215
Total expenditures	276,270,698	16,018,686	16,545,999	4,372,608	313,207,991
Excess (deficiency) of revenues over expenditures	(5,837,785)	(1,386,567)	(16,326,446)	(92,773)	(23,643,571)
Other Financing Sources (Uses):					
Net transfers from/(to)	(985,925)	985,925	-	-	-
Long-term debt issued	-	9,500,000	-	-	9,500,000
Payments on debt refinancing	-	(9,500,000)	-	-	(9,500,000)
Total other financing sources (uses)	(985,925)	985,925	-	-	-
NET CHANGE IN FUND BALANCES	(6,823,710)	(400,642)	(16,326,446)	(92,773)	(23,643,571)
Fund balances - beginning of year	23,633,695	1,161,315	20,571,141	750,466	46,116,617
Fund balances - end of year	\$ 16,809,985	\$ 760,673	\$ 4,244,695	\$ 657,693	\$ 22,473,046

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Reconciliation of Statement Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds **\$ (23,643,571)**

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay reported in governmental fund statements	16,808,215	
Depreciation expense reported in the statement of activities	<u>(5,462,955)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		11,345,260

Some existing loans were refinanced during the year.

The amount of the loan is reported in the governmental funds as a source of financing. In the statement of net assets however, loans are not reported as a financing source, but rather constitute a long-term liability. The amount of loans reported in the governmental funds statement is:

<u>(9,500,000)</u>	(9,500,000)
--------------------	-------------

Certain employee benefits are reported in the government funds when amounts are due. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased by:

(14,426,259)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:	18,432,000
---	------------

In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues.

The amount of interest paid during the current period	7,105,686	
The amount of interest accrued during the current period	<u>(7,195,896)</u>	
Interest paid is greater (less) than interest accrued by		90,210

Bond premium amortization reported in Statement of Activities 500,000

Change in Net Assets - Governmental Activities **\$ (17,202,361)**

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Net Assets
Proprietary Fund
As of June 30, 2011
(With Summarized Financial Information as of June 30, 2010)

	Food Service Fund	
	2011	2010
Assets		
Current Assets:		
Due from other governments	\$ 792,173	\$ 706,915
Accounts receivable	-	53
Inventories and prepaid items	143,820	186,600
Total current assets	935,993	893,568
Noncurrent Assets:		
Furniture and equipment	2,418,015	2,411,241
Less accumulated depreciation	(1,335,634)	(1,272,019)
Total non-current assets	1,082,381	1,139,222
Total assets	2,018,374	2,032,790
Liabilities		
Current Liabilities:		
Due to other funds	294,014	416,205
Accounts payable	10,127	139
Unearned revenue	150,988	122,271
Total liabilities	455,129	538,615
Net Assets		
Invested in capital assets	1,082,381	1,139,222
Restricted for food service	480,864	354,953
Total net assets	1,563,245	1,494,175
Total liabilities and net assets	\$ 2,018,374	\$ 2,032,790

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2011
(With Summarized Financial Information for the Year Ended June 30, 2010)

	Food Service Fund	
	2011	2010⁽¹⁾
Revenues:		
Operating revenue		
Food sales	\$ 2,982,190	\$ 2,980,464
State sources	139,790	131,682
Federal sources	4,771,868	4,392,233
Federal commodities	443,831	413,116
Total operating revenues	8,337,679	7,917,495
Operating Expenses:		
Salaries and wages	2,170,942	2,023,505
Employer paid benefits	1,071,645	1,020,516
Purchased services	162,734	1,337,028
Supplies, food and materials	4,801,127	4,266,832
Depreciation	63,615	90,253
Total operating expenses	8,270,063	8,738,133
Operating income (loss)	67,616	(820,639)
Non-operating revenues:		
Investment earnings	1,454	-
Total non-operating revenues	1,454	-
Change in net assets	69,070	(820,639)
Net Assets - beginning of year	1,494,174	2,314,813
Net Assets - end of year	\$ 1,563,245	\$ 1,494,174

⁽¹⁾ 2010 restated to reflect correction to depreciation expense.

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2011
(With Summarized Financial Information for the Year Ended June 30, 2010)

	Food Service Fund	
	2011	2010
Cash Flows from Operating Activities		
Cash received from user charges	\$ 3,010,960	\$ 2,980,693
Cash received from other government payments	4,826,400	4,409,690
Cash payments to employees for services	(3,242,587)	(3,044,021)
Cash payments for utilities and other purchased services	(162,734)	(1,337,028)
Cash payments to suppliers for goods and services	(4,426,719)	(3,814,882)
Cash payments for other operating expenses	-	(3,406)
Net cash provided (used) by operating activities	5,320	(808,954)
 Cash Flows from Capital and Related Financing Activities		
Cash payments for acquisition of capital assets	(6,774)	(72,047)
Net cash used by capital and related financing activities	(6,774)	(72,047)
 Cash Flows from Investing Activities		
Interest received	1,454	-
Net cash provided by investing activities	1,454	-
 Net increase (decrease) in cash and cash equivalents	(1,454)	(881,001)
 Cash and cash equivalents - beginning of year	-	881,001
Cash and cash equivalents - end of year	\$ -	\$ -
 Reconciliation of change of net assets to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 67,616	\$ (820,639)
Adjustments to reconcile change of net assets to net cash provided (used) by operating activities:		
Depreciation	63,615	90,253
Changes in assets and liabilities:		
due from other governments	(85,258)	(527,341)
due to (from) other funds	(122,191)	416,205
accounts receivable	53	229
accounts payable	9,989	35
inventories and prepaid items	42,779	35,710
unearned revenue	28,717	(3,406)
Net cash provided (used) by operating activities	\$ 5,320	\$ (808,954)
 Noncash Noncapital Financing Activities		
During the year the District received commodities from the US Department of Agriculture in the amount of:	\$ 443,831	\$ 413,116

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Net Assets
Fiduciary Funds
As of June 30, 2011

	Retiree Health Ins	Private Purpose Trusts	Agency Fund
Assets			
Cash and investments	\$ 2,329,886	\$ 243,311	\$ 1,289,539
Assets held in trust for OPEB	4,432,418	-	-
Total assets	6,762,304	243,311	1,289,539
Liabilities			
Accounts payable	-	-	-
Notes payable	27,649,483	-	-
Accounts payable	-	-	-
Due to student groups	-	-	1,289,539
Total liabilities	27,649,483	-	1,289,539
Net assets (deficit)			
Held in trust	(20,887,179)	243,311	-
Total liabilities net assets (deficit)	\$ 6,762,304	\$ 243,311	\$ 1,289,539

The Notes to the Basic Financial Statements are in integral part of this statement.

KENOSHA UNIFIED SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

	Retiree Health Ins	Private Purpose Trusts
ADDITIONS		
Employer contributions	\$ 4,989,695	\$ -
Interest income	35,745	2,248
Total additions	5,025,440	2,248
DEDUCTIONS		
Trust fund distributions	3,825,721	2,100
Change in net assets	1,199,719	148
Net Assets (deficit)--beginning of year	(22,086,898)	243,163
Net Assets (deficit)--end of year	\$ (20,887,179)	\$ 243,311

The Notes to the Basic Financial Statements are in integral part of this statement.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Kenosha Unified School District No. 1 (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

Note 1(a) - Reporting Entity

The Kenosha Unified School District No. 1 is organized as a common school district governed by an elected seven-member school board. The District operates grades pre-kindergarten through grade 12, Head Start, and several adult education and recreation programs. The District is comprised of three municipal taxing districts (Kenosha, Pleasant Prairie, and Somers).

The accompanying financial statements present the activities of the Kenosha Unified School District No. 1 under GASB Statement 14 criteria. The school district is not a component unit of another reporting entity nor does it have any component units.

Note 1(b) - Basis of Presentation

Government-Wide Statements

The statement of net assets and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the district's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. The District reports on the following funds:

Major Governmental Funds:

Total General Fund. This is the District's primary operating fund. It accounts for all financial activity that is not required to be accounted for in another fund. This includes the General Fund (Fund 10), and the Special Education Fund (Fund 27) which accounts for activities associated with providing educational programs for students with disabilities. Sources include financial aid received from the state and federal government and payments from other school districts. Excess expenditures of Fund 27 are financed with a transfer from Fund 10.

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended. The District changed the financial reporting of the Special Education program from being reported as a special revenue fund to being included as part of the General Fund.

Debt Service Fund. This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

Capital Projects Fund. This fund accounts for the resources restricted for the acquisition or construction of specific capital projects or items.

Non-Major Governmental Funds:

Special Revenue Trust Fund. This fund is used to account for trust funds that can be used for district operations. The source of such funds is gifts and donations from private parties.

Head Start Fund. This fund is used to account for the federal Head Start program.

Community Service Fund. This fund is used to account for activities such as adult education, community recreation programs such as evening swimming pool operation and softball leagues, elderly food service programs, non-special education preschool, day care services, and other programs which are not elementary and secondary educational programs but have the primary function of serving the community.

The District operates one enterprise fund, the *Food Service Fund*. This fund accounts for the activities of the District's food service, generally school breakfast, lunch and snack programs.

The District accounts for assets held as an agent for various student and parent organizations in a fiduciary agency fund.

The District accounts for assets that are accumulated to finance retiree health insurance benefits in the fiduciary fund – retiree health insurance trust.

The District accounts for assets that are accumulated to finance scholarships in the fiduciary fund – private purpose trust.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 1(c) - Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues from exchange transactions are recorded when earned and expenses from exchange transactions are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments. Compensated absences are recognized as fund liabilities when they are due. General capital asset acquisitions are reported as expenditures in governmental funds. General long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Reports for the District's food service fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

Note 1(d) - Assets and Liabilities

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of several funds is allocated based on average investment balances.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with original maturities of three months or less from date of acquisition are considered to be cash equivalents.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Property Tax Levy

Under Wisconsin law, personal property taxes and first and second installments real estate taxes are collected by city, town, and village treasurers who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. Third installments real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village and school districts before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before October 31 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31st, and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2010 tax levy is used to finance operations of the District's fiscal year ended June 30, 2011. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

These non-liquid assets (inventories and prepaid items) of governmental fund types are offset by nonspendable fund balance accounts to signify that a portion of fund balance is not available for other subsequent expenditures.

Due to / Due from Other Funds

The amounts reported on the statement of net assets for due to and due from other funds represents amounts due between different fund types (governmental activities and business-type activities). Eliminations have been made for amounts due to and due from within the same fund type. See Note 5(d) for a detailed description of the individual interfund balances as of June 30, 2011.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Capital Assets

Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$5,000	Straight-line	50 years
Building improvements	\$5,000	Straight-line	20-25 years
Site improvements	\$5,000	Straight-line	10-20 years
Furniture & equipment*	\$5,000	Straight-line	5 to 15 years
Computer & related technology*	\$5,000	Straight-line	4-10 years
Library books*	\$5,000	Straight-line	7 years

* For these categories, the District recognizes similar group purchases exceeding \$5,000 under the capitalization threshold for the year.

Vested Employee Benefits

Compensated Absences. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Generally, sick leave can be accumulated up to a maximum of 95 to 120 days depending on the employment agreement. Accumulated sick time may not be taken in compensation but, upon retirement for certain collective bargaining groups, the employee is granted a payout equal to 50% of cumulative sick days times their daily rate. The District accrues that sick leave which it deems probable of payout for employee retirement. Only sick leave relating to employees qualifying for retirement is accrued.

The entire compensated absence liability is reported on the government-wide financial statements. The estimated liabilities include required salary-related payments.

For governmental fund financial statements only, the matured compensated absences payable to currently terminating employees are reported as a liability.

Retirement Plans. District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when paid.

Post-Employment Benefits. The District provides varying amounts of health insurance to eligible retired employees until age 65, based on the employment agreement in existence at the date of their retirement. The benefit is offered to all employees who retire from the District on or after attaining age 55 (age 58 under a certain employment agreement) with at least fifteen years of service. The District will

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

cover the cost of a single premium or a family premium based on the applicable employment agreement.

The District conducted an actuarial valuation study to determine the Unfunded Frozen Actuarial Accrued Liability and annual required contribution for the post-retirement healthcare and life insurance plans on the basis of GASB 45. See Note 5(f) for more detail.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Net Assets and Fund Equity

District-wide and Proprietary Fund Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – Amount of net assets that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – Net assets that are neither classified as restricted nor as investment in capital assets, net of related debt.

Governmental Fund Financial Statements

For the year ended June 30, 2011 the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which fund balance amounts can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance – Amounts that are constrained by specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.
- Assigned fund balance – Amounts that are constrained for specific purposes by action of District management. The Board of Education has authorized the Superintendent to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

- Unassigned fund balance – Amounts that are available for any purpose. Unassigned amounts are only reported in the General Fund.

The District has adopted a fund balance spend down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Summarized Information

The basic financial statements include certain prior-year summarized information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2011 from which the summarized information was derived.

Note 2 - Explanation of certain differences between governmental fund statements and government-wide statements

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Note 2(a) - Explanation of differences between governmental funds statement of revenues, expenditures and changes in fund balances and the statement of activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into three broad categories. The amounts shown in the columns on the following page represent:

1. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported below recognize the change in vested employee benefits.
2. Capital related differences include: 1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and 2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.
3. Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net assets.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 2(a) – Detailed Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes In Fund Balance and the Statement of Activities.

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital Assets		Long-term Debt Transactions	Statement of Activities Total
			Acquisitions	Depreciation		
Revenues and Other Sources						
Property taxes	\$ 94,975,748	\$ -	\$ -	\$ -	\$ -	\$ 94,975,748
Other local sources:						
Interest and investment earnings	19,638	-	-	-	-	19,638
Miscellaneous	380,496	-	-	-	-	380,496
Charges for services	4,009,278	-	-	-	-	4,009,278
Interdistrict sources	337,698	-	-	-	-	337,698
Intermediate sources (general state and federal aids)	78,481	-	-	-	-	78,481
State sources:						
General state aid	147,239,655	-	-	-	-	147,239,655
Operating grants and contributions	17,676,862	-	-	-	-	17,676,862
Federal sources (operating grants and contributions)	23,485,542	-	-	-	-	23,485,542
Other revenue sources:						
Operating grants and contributions	1,361,022	-	-	-	-	1,361,022
Total revenues	<u>289,564,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,564,420</u>
Expenditures						
Regular Instruction	128,271,217	8,646,869	-	3,544,356	-	140,462,442
Vocational Instruction	5,905,185	398,073	-	117,903	-	6,421,161
Special Instruction	37,833,776	2,550,406	-	-	-	40,384,182
Other Instruction	8,650,960	583,168	-	112,543	-	9,346,671
Pupil Services	15,593,856	1,051,195	-	101,825	-	16,746,876
Instructional Staff Services	16,082,608	1,084,142	-	1,334,981	-	18,501,731
General Administration Services	1,667,468	-	-	18,758	-	1,686,226
School Administration Services	15,696,241	112,405	-	20,901	-	15,829,548
Business Services	6,249,481	-	-	40,194	-	6,289,675
Operations & Maintenance	26,492,746	-	-	-	-	26,492,746
Pupil Transportation	7,051,879	-	-	-	-	7,051,879
Central Services	6,826,525	-	-	171,494	-	6,998,019
Insurance	568,192	-	-	-	-	568,192
Community Service	1,458,807	-	-	-	-	1,458,807
Principal	8,913,000	-	-	-	(8,913,000)	-
Interest and fiscal charges	7,613,963	-	-	-	(609,210)	7,004,753
Other Support Services	1,523,872	-	-	-	-	1,523,872
Capital outlay	16,808,215	-	(16,808,215)	-	-	-
Total expenditures/expenses	<u>313,207,991</u>	<u>14,426,259</u>	<u>(16,808,215)</u>	<u>5,462,955</u>	<u>(9,522,210)</u>	<u>306,766,780</u>
Other Financing Source/Uses - Changes in Net Assets						
Debt proceeds	9,500,000	-	-	-	(9,500,000)	-
Payments on debt refinancing	(9,500,000)	-	-	-	9,500,000	-
Total Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change for Year Ended June 30, 2011	<u>\$ (23,643,571)</u>	<u>\$ (14,426,259)</u>	<u>\$ 16,808,215</u>	<u>\$ (5,462,955)</u>	<u>\$ 9,522,210</u>	<u>\$ (17,202,361)</u>

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 3 - Stewardship and compliance; violations of finance related legal/contractual provisions

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2011, except for the item disclosed in Footnote 5(f).

Note 4 - Detailed disclosures regarding assets and revenues

Note 4(a) - Cash and Investments

Deposit and Investment Risks

Cash and Investments

The debt service and capital service fund accounts for their transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the agency fund uses separate and distinct accounts. All other funds share in common bank and investment accounts.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following: time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool. Investments in the private-purpose trust fund and employee benefit trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

The carrying amount of the District's cash and investments totaled \$51,567,021 on June 30, 2011 as summarized below:

Petty Cash Funds	\$ 6,190
Deposits with Financial Institutions	(3,274,381)
Investments	
Repurchase Agreements	4,377,063
Wisconsin Local Government Investment Pool	639,731
Wisconsin Investment Series Cooperative	49,818,418
	<u>\$ 51,567,021</u>
Reconciliation to the Basic Financial Statements:	
Basic Financial Statements	
Cash and Investments	\$ 43,271,866
Fiduciary Funds	
Retiree Health Insurance Trust Fund	6,762,304
Private-Purpose Trust Fund	243,311
Agency Fund	1,289,539
	<u>\$ 51,567,021</u>

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the specific risks and the District's policy related to the risk.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. In addition, the District's non-interest bearing transaction accounts are fully insured through December 31, 2012. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

On June 30, 2011, \$0 of the District's deposits with financial institutions were in excess of federal depository insurance limits and uncollateralized.

On June 30, 2011, the District held repurchase agreement investments of \$4,377,063 of which the underlying securities are held by the investment's counterparty, not in the name of the District.

On June 30, 2011, the District's retiree health insurance trust held secured notes with no value. These secured notes are held by the investments counterparty, but in the name of the trust.

- continued on next page -

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The District does not have an additional credit risk policy. Presented below is the actual rating as of year-end for each investment type.

WISC: Wisconsin Investment Series Cooperative

WLGIP: Wisconsin Local Government Investment Pool

\$42,529,559	WISC, Rating: Moody's Aaa, Fitch AAA, S&P AAA
3,439,230	WISC, Rating: S&P AAAM
3,124,329	WISC, Rating: FDIC
<u>725,300</u>	WISC, Rating: Moody's Aaa, Fitch AAA, S&P AAA
\$49,818,418	Total Wisconsin Investment Series Cooperative
<u>639,731</u>	WLGIP, Not Rated
\$50,458,149	Total Investments (Original Cost)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows:

Issuer:	WISC
Investment Type:	Short-Term Bonds & Securities
Reported Amount:	\$ 49,818,418

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following that shows the distribution of the District's investments by maturity (all mature in 12 months or less):

Repurchase Agreements	\$4,377,063
Wisconsin Local Government Investment Pool	\$639,731
Wisconsin Investment Series Cooperative	<u>\$49,818,418</u>
Totals Investments	\$54,835,212

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District's investments do not include investments that are highly sensitive to interest rate fluctuations.

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin local government investment pool of \$639,731 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2011, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

Investment in Wisconsin Investment Series Cooperative

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$49,818,418 at year-end. The WISC is not registered with the Securities and Exchange Commission, but operates through intergovernmental cooperation agreements, which are authorized under Wisconsin State Statute Section 66.30. The WISC reports the fair value of its underlying assets, at amortized cost, on a monthly basis. At June 30, 2011, the fair value of the District's share of the WISC assets was substantially equal to the carrying value.

- continued on next page -

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 4(b) - Capital assets

Capital asset balances and activity for the year ended June 30, 2011 were as follows:

	<u>Beginning Balance</u>	<u>Prior Year Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Sites (land)	\$ 8,693,976	\$ -	\$ -	\$ -	\$ 8,693,976
Construction in progress	38,215,784	-	16,545,999	-	54,761,783
Total capital assets not being depreciated	<u>46,909,760</u>	<u>-</u>	<u>16,545,999</u>	<u>-</u>	<u>63,455,759</u>
Capital assets being depreciated:					
Site Improvements	6,191,853	-	16,490	-	6,208,343
Buildings	149,204,300	-	-	-	149,204,300
Building improvements	7,124,315	-	99,975	-	7,224,290
Furniture and equipment	44,427,530	(30,000)	145,751	-	44,543,281
Total capital assets being depreciated	<u>206,947,998</u>	<u>(30,000)</u>	<u>262,216</u>	<u>-</u>	<u>207,180,214</u>
Less accumulated depreciation for:					
Site improvements	(3,712,538)	-	(309,285)	-	(4,021,823)
Buildings & building improvements	(51,638,431)	-	(3,032,021)	-	(54,670,452)
Furniture and equipment	(37,087,405)	-	(2,121,650)	-	(39,209,055)
Total accumulated depreciation	<u>(92,438,374)</u>	<u>-</u>	<u>(5,462,956)</u>	<u>-</u>	<u>(97,901,330)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>114,509,624</u>	<u>(30,000)</u>	<u>(5,200,740)</u>	<u>-</u>	<u>109,278,884</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 161,419,384</u>	<u>\$ (30,000)</u>	<u>\$ 11,345,259</u>	<u>\$ -</u>	<u>\$ 172,734,643</u>
Business-type activities:					
Capital assets being depreciated:					
Furniture & Equipment	\$ 2,411,241	\$ -	\$ 6,774	\$ -	\$ 2,418,015
Less accumulated depreciation	(1,374,948)	102,929	(63,615)	-	(1,335,634)
Business-type activities capital assets, net of accumulated depreciation	<u>\$ 1,036,293</u>	<u>\$ 102,929</u>	<u>\$ (56,841)</u>	<u>\$ -</u>	<u>\$ 1,082,381</u>

* Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 3,544,356
Vocational instruction	117,903
Other instruction	112,543
Pupil services	101,825
Instructional staff services	1,334,981
General administration services	18,758
School administration services	20,901
Business services	40,194
Central services	171,494
Total depreciation for governmental activities	<u>\$ 5,462,955</u>

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 5 - Detailed Disclosures Regarding Liabilities and Expenditures

Note 5(a) - Short-Term Debt

The District issues tax anticipation notes in advance of property tax collections. The notes are necessary because payments for the year begin in July whereas the tax collections are received from the municipalities beginning in January. Short-term debt activity for the year ended June 30, 2011 was as follows:

<u>Balance</u>	<u>Beginning Issued</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax anticipation notes	\$31,500,000	\$35,000,000	\$31,500,000	\$35,000,000

See Note 5(b) for interest incurred and paid for the year ended June 30, 2011.

Note 5(b) - Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2011 were as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
General obligation debt					
Bonds and notes payable	\$ 142,205,000	\$ 9,500,000	\$ 18,432,000	\$ 133,273,000	\$ 10,119,000
Total general obligation debt	142,205,000	9,500,000	18,432,000	133,273,000	10,119,000
Other liabilities:					
Accrued OPEB Obligation	40,673,117	18,570,595	3,819,721	55,423,991	-
Compensated absences	3,864,472	1,083,607	1,408,222	3,539,857	908,222
Total other liabilities	44,537,589	19,654,202	5,227,943	58,963,848	908,222
Total Long-Term Liabilities	<u>\$ 186,742,589</u>	<u>\$ 29,154,202</u>	<u>\$ 23,659,943</u>	<u>\$ 192,236,848</u>	<u>\$ 11,027,222</u>

Total interest paid and accrued during the year:

	<u>Expense</u>	<u>Paid</u>
General obligation debt	\$ 7,195,896	\$ 7,105,686
Short-term borrowing	291,375	508,277
Total Interest Paid	<u>\$ 7,487,271</u>	<u>\$ 7,613,963</u>

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

The full faith, credit, and taxing powers of the District secure all general obligation debt, including business-type activities, if any. Bonds and notes payable is comprised of the following individual issues:

	Governmental Activities			
	Issue Dates	Interest Rates	Date of Maturity	
Bond - Refinancing	01/05/05	3.00%-5.0%	04/01/12	\$ 6,485,000
Bond - Refinancing	06/15/05	3.75%-5.0%	04/01/16	11,210,000
Bond - KOSL/Bain	10/10/02	2.75%-4.5%	04/01/16	8,775,000
State Trust Fund Loan - Reuther BAB	06/10/10	4.25%	03/15/17	2,283,000
State Trust Fund Loan - Reuther QSCB	06/10/10	4.25%	03/15/18	1,640,000
Bond - Pension	11/26/02	3%-5.1%	04/01/18	11,010,000
State Trust Fund Loan - ITA	06/10/10	4.25%	03/15/19	9,840,000
State Trust Fund Loan - Reuther QZAB	06/10/10	4.25%	03/15/20	3,835,000
Bond - Mahone	07/15/09	3.5%-5.0%	04/01/20	1,280,000
State Trust Fund Loan - OPEB	06/10/11	3.75%	04/01/21	9,500,000
Bond - ITA Refinancing	07/15/09	4.00%-5.25%	04/01/24	20,425,000
G.O. promissory notes - Nash	02/01/06	3.24%-3.81%	04/01/25	20,005,000
Bond - Brass	06/20/07	3.69%-3.98%	04/01/27	6,985,000
Bond - ITA BAB	07/15/09	8.00%	04/01/29	20,000,000
Total Bonds and Notes				\$ 133,273,000

The legal debt limit and margin of indebtedness is set at 10% of equalized value by Section 67.03 (1) (b), Wisconsin Statutes. The margin of indebtedness at June 30, 2011 is:

Equalized value certified by Wisconsin Department of Revenue for:	2011	<u>\$ 8,931,500,985</u>
Margin of indebtedness at 10%		893,150,099
Deduct long-term debt applicable to debt margin		<u>133,273,000</u>
Margin of Indebtedness		<u>\$ 759,877,099</u>

Aggregate cash flow requirements for retirement of long-term principal and interest on notes and bonds (including State Trust Loans) as of June 30, 2011 as follows:

Year ended	Governmental Activities		
	June 30	Principal	Interest
2012	\$ 10,119,000	\$ 6,943,193	\$ 17,062,193
2013	10,953,000	6,298,686	17,251,686
2014	11,491,000	5,836,084	17,327,084
2015	11,987,000	5,315,442	17,302,442
2016	11,788,000	4,766,328	16,554,328
2017-2021	38,025,000	17,756,671	55,781,671
2022-2026	26,540,000	9,697,237	36,237,237
2027-2029	12,370,000	1,935,450	14,305,450
Totals	\$ 133,273,000	\$ 58,549,091	\$ 191,822,091

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Refunded Debt

In the prior year, the District defeased certain general obligation notes and bonds by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and liability for the defeased debt is not included in the District's financial statements. At June 30, 2011, \$11,295,000 of debt outstanding is considered defeased.

Note 5(c) - Operating Leases

The District leases buildings and other equipment under non-cancelable operating leases. Total costs for such leases were \$758,169 for facility leases, \$37,979 for vehicle leases, and \$277,830 for copier leases for the year ended June 30, 2011. The future minimum lease payments totaling \$3,877,761 for these leases are as follows:

<u>Fiscal Years</u>	<u>Lease Total</u>
2012	1,131,602
2013	725,248
2014	534,177
2015	489,451
2016	163,530
2017-2021	509,663
2022-2026	162,045
2027-2031	162,045
Totals	<u><u>\$ 3,877,761</u></u>

Note 5(d) - Interfund Balances and Activity

The General Fund is due money from the various funds as follows: \$828,735 from Head Start, \$294,014 from Food Service. The balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund Receivables and Payables at June 30, 2011 were as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Net due to other funds reported on Stmt of Activities</u>
General Fund	\$ 1,122,749	\$ -	\$ 1,122,749
Head Start Fund	-	828,735	(828,735)
Food Service	-	294,014	(294,014)
Total Governmental Activities	<u><u>\$ 1,122,749</u></u>	<u><u>\$ 1,122,749</u></u>	<u><u>\$ -</u></u>

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Transfers within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital acquisitions or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects.

The government-wide statement of activities eliminates as reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

The following schedule reports transfers within the reporting entity:

<u>Operating Transfers From</u>	<u>Operating Transfers To</u>		<u>Total</u>
	<u>Governmental Debt Service</u>	<u>Business-Type Food Service</u>	
Governmental Activities:			
General Fund	\$ 985,925	\$ -	\$ 985,925

Note 5(e) - Contributions to Pension Plan

All eligible employees of the District participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system (PERS). All permanent employees expected to work over 440 hours a year are eligible to participate in the WRS. Covered employees in the General Teacher and Educational Support Personnel category are required by statute to contribute 6.2% of their salary.

Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for the Kenosha Unified School District No. 1 employees covered by the WRS for the year ended June 30, 2011 was \$148,540,465; the employer's total payroll was \$150,077,690. The total required contribution for the year ended June 30, 2011 was \$17,397,439 which consisted entirely of employer contributions. Total contributions for the years ending June 30, 2010 and 2009 were \$14,800,727 and \$12,952,210 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 are entitled to receive retirement benefits. Employees may retire at age 55 and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings are the average of the employee's three highest years of earnings. Employees terminating covered employment and submitting application before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefits. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested. The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 5(f) - Postemployment Benefits Trust

On August 22, 2006, the District established the Kenosha Unified School District Post Employment Benefits Trust (the "Trust") for the purpose of holding assets (the "Trust Estate") for the payment of benefits to the members of the District's postemployment health and other OPEB benefits plan, and incurring debt, as provided in the agreement. The Trust is reported as a fiduciary fund in the District's basic financial statements. Separate financial statements are not prepared for the Trust. The basis of accounting and valuation of investments of the Trust are described in Note 1 while the required disclosures on the Trust's investments can be found in Note 4(a).

A. Plan Descriptions and Contribution Information

The District administers a single-employer defined benefit OPEB plan providing District retirees with medical and other postemployment benefits. The plan is administered by the District and does not issue a standalone financial report.

The District contracted with Milliman, Inc. to prepare an actuarial report dated October 22, 2010, which estimates the District's Expected Postretirement Benefit Obligation (EPSO) to be \$301,871,813 allocated, as follows:

Past Service Component (unfunded actuarial accrued liability)	\$145,248,524
Current Service Component (assets)	\$ 5,562,585
Future Service Component (present value of future normal costs)	<u>\$151,060,704</u>
Total Assets and Future Employer Contributions	<u>\$301,871,813</u>

The participant data as of July 1, 2010 was used in the development of the EPSO and ARC consisting of 2,373 active employees with the average age of 44.4 years and average service of 10.6 years, and 297 retirees (medical) with the average age of 61.3 years. Costs were calculated using the following assumptions:

Cost Assumptions for Medical (M) and Dental (D)

Age	Est. Male Costs		Est. Female Costs	
	Single	Family	Single	Family
55	M\$13,176 D\$648	M\$27,492 D\$1,356	M\$14,004 D\$684	M\$27,456 D\$1,356
60	M\$17,592 D\$672	M\$34,920 D\$1,416	M\$17,040 D\$708	M\$34,908 D\$1,416
64	M\$21,816 D\$696	M\$42,468 D\$1,440	M\$20,376 D\$720	M\$42,468 D\$1,440

B. Plan Assets and Debt Obligation

Assets held in trust, \$6,762,304, include notes (CDO's):

Issue	Maturity	Interest Rate	Cost	Fair Value at 6/30/11
9/29/06	9/1/11	5.580%	\$17,500,000	\$ -0-
12/21/06	9/20/13	5.365%	\$20,000,000	\$ -0-

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Notes Payable of \$27,649,483, include the following notes:

Issue	Maturity	Interest Rate	Amount
9/29/2006	9/1/2011	5.580%	\$ 7,983,301
12/21/2006	9/20/2013	5.365%	\$19,666,182

Although the Trust Notes and the Trust Note Indenture provide that the Trust Notes are payable solely from the assets of the Trust that are pledged for that purpose under the Trust Note Indenture (including the Moral Obligation Contribution Agreement described below), it is an Event of Default under the Trust Note Indenture if the Asset Ratio falls below 95% and is not raised to at least 101% within 30 days after The Bank of New York Trust Company, N.A., the Trustee under the Trust Note Indenture (the "Indenture Trustee"), provides notice of that fact to the Trust and the District. The "Asset Ratio" is calculated by the valuation agent as the ratio of the value of the CDOs (as determined by the valuation agent, using a "market value" approach) to the outstanding principal amount of the Trust Notes.

The District entered into a Moral Obligation Contribution Agreement with the Trust (the "Moral Obligation Agreement") in connection with the execution of the Trust Note Indenture and the issuance of the Trust Notes. In the Moral Obligation Contribution Agreement, the District agreed that if it is notified by the Indenture Trustee that the Asset Ratio is less than 101%, the District's Director of Business Services will include the amount of the deficiency in each annual budget submitted to the District School board until an appropriation of that amount is made and, if appropriated by the district School board from funds available for that purpose, will deposit with the Indenture Trustee for the account of the Trust an amount sufficient to cause the Asset Ratio to be at least 101%. The Moral Obligation Contribution Agreement includes a statement recognizing the District's "moral obligation" and expressing the District's "expectation and aspiration" to include any such deficiency in its next budget, but it expressly states that the District's obligation constitutes only a "moral obligation" and not a legal obligation or indebtedness of the District.

On February 7, 2008, the Indenture Trustee notified the Trust and the District that the Asset Ratio was below 95% and requested that the district pay such amounts to the Trust as were necessary to restore the Asset Ratio to 101% in accordance with the Moral Obligation Contribution Agreement.

The District has not taken any formal action upon this request and is considering its options in connection with the CDO transaction. As explained above, the continued shortfall constitutes an "Event of Default" under the Trust Note Indenture. The Indenture Trustee is required to foreclose on the CDOs if the holder of a majority of the Trust Notes directs that it do so during the continuance of an Event of Default. To date the Trustee has not pursued any remedies under the Trust Note Indenture or the Moral Obligation contribution Agreement as a result of this Event of Default. The District makes no representation as to whether it will, in fact, appropriate funds in its budget to increase the Asset Ratio. The District makes no representation as to what the Asset Ratio will be in the future.

The District has hired outside counsel in connection with these matters. Four other Wisconsin school districts and their OPEB investment trusts that have entered into similar financing arrangements have hired the same law firms for this purpose. The school boards for the five districts filed a lawsuit seeking rescission, actual and exemplary damages, costs and fees. The outcome of any such lawsuit cannot be predicted at this time.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

C. Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Net OPEB Obligation	6/30/2010	6/30/2011
Annual Required Contribution	\$18,206,897	\$19,159,300
Interest on net OPEB	1,057,151	1,508,929
Adjustment to Annual Required Contribution	<u>(1,469,596)</u>	<u>(2,097,634)</u>
Annual OPEB cost (expense)	\$17,794,452	\$18,570,595
Contributions Made	<u>(3,550,103)</u>	<u>(3,819,721)</u>
Change in net OPEB Obligation	\$14,244,349	\$14,750,874
OPEB Obligation – Beginning of Year	<u>\$26,428,768</u>	<u>\$40,673,117</u>
OPEB Obligation – End of Year	<u>\$40,673,117</u>	<u>\$55,423,991</u>

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2010
Actuarial cost method	Projected Unit Credit
Amortization method	Level
Remaining amortization period	25 years
Actuarial assumptions:	
Investment rate of return	4%
Healthcare cost trend rate	8.0% initial
	3.0% estimate

Trend Information – The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Year Ended	OPEB Cost	Contribution (ARC)	OPEB Cost Contributed	% of ARC Contributed	OPEB Obligation
6/30/2007	\$16,338,000	\$16,338,000	\$13,913,935	85.16%	\$2,424,065
6/30/2008	\$16,338,000	\$16,338,000	\$4,849,914	29.68%	\$13,912,151
6/30/2009	\$16,016,770	\$16,016,770	\$3,500,153	21.85%	\$26,428,768
6/30/2010	\$17,794,452	\$18,206,897	\$3,550,103	19.50%	\$40,673,117
6/30/2011	\$18,570,595	\$19,159,300	\$3,819,721	19.94%	\$55,423,991

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

D. Funded Status and Funding Progress

The funded status and progress of each plan as of the most recent actuarial valuation date is as follows (dollar amounts in millions):

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
	(a)	(b)	(b - a)	(a / b)	(c)	([b-a] / c)
9/25/2006	\$1.8	\$126.3	\$124.5	1.4%	\$119.7	104.0%
9/25/2006	\$20.2	\$126.3	\$106.1	16.0%	\$120.8	87.8%
3/31/2009	\$5.5	\$124.0	\$118.5	4.4%	\$130.3	90.9%
7/1/2010	\$5.6	\$150.8	\$145.2	3.7%	\$140.6	103.3%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Note 5(g) - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reductions in insurance coverage from coverage in the prior year. Additional coverage details may be found in the Statistical Section of this report.

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

Note 6 - Other Note Disclosures

Note 6(a) - Fund Balances and Net Assets

Portions of fund balances are reserved because of legal restrictions or are not available for current expenditures as follows:

	Governmental Funds (Fund balance)	Business Type Activities (Net assets)
General Fund	\$ 16,809,985	\$
Debt Service Fund	760,673	
Capital Projects	4,244,695	
Community Service Fund	657,693	
Food Service Fund		1,563,245
Totals	\$ 22,473,046	\$ 1,563,245

Note 6(b) - Excess of Actual Expenditure over Budget

There were no significant changes to the budget. The following individual funds had an excess of actual expenditures over budget for the year ended June 30, 2011:

	Governmental Funds (Expenditures)
Total General Fund	\$ 4,182,039
Community Service Fund	376,593
Totals	\$ 4,558,632

Note 6(c) - Limitation of School District Revenues (Government)

Wisconsin statutes limit the amount of revenues school districts are permitted to derive from general state aids and property taxes unless a higher amount is approved by a referendum of the taxpayers. This limitation does not apply to revenues needed for the repayment of any general obligation debt (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or a referendum prior to August 12, 1993, (b) a referendum on or after August 12, 1993.

Note 6(d) - Contingencies and Commitments

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District's attorney that the likelihood is remote that any such claims or proceedings will have a material

Kenosha Unified School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

effect on the District's financial position or results of operations.

The District participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2011 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Note 6(e) - Changes in Beginning Fund Balances

The following discloses the restatement of governmental fund balances as of the beginning of the fiscal year:

	Proprietary Fund Food Service	Governmental Activities
Net Assets, beginning of year, as previously stated	\$ 1,391,246	\$ 1,572,786
Increase (decrease) to adjusted depreciation expense	\$ 102,928	
Increase (decrease) to adjusted capital assets		\$ (30,000)
Net Assets, beginning of year, as restated	\$ 1,494,174	\$ 1,542,786

Note 6(f) - Fund Equity

Fund Statements

In the fund financial statements, portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At June 30, 2011, fund balance assigned was as follows:

	Other Government Funds
Community Service Fund	\$ 657,693
Total Assigned Funds	\$ 657,693

KENOSHA UNIFIED SCHOOL DISTRICT
Budgetary Comparison Schedule of Budget and Actual
Total General Fund
For the Year Ended June 30, 2011

	Original Budgeted Amounts			Final Budgeted Amounts			Actual Amounts			Variance with Final Budget
	Special Education	Other General Fund	Total General Fund	Special Education	Other General Fund	Total General Fund	Special Education	Other General Fund	Total General Fund	Positive (Negative)
Revenues:										
Property and other local taxes	\$ -	\$ 79,457,892	\$ 79,457,892	\$ -	\$ 79,457,892	\$ 79,457,892	\$ -	\$ 79,471,094	\$ 79,471,094	\$ 13,202
Other local sources	-	3,156,003	3,156,003	-	3,207,336	3,207,336	8,138	2,959,730	2,967,868	(239,468)
Interdistrict sources	-	306,000	306,000	-	306,000	306,000	21,740	315,958	337,698	31,698
Intermediate sources	-	84,500	84,500	-	81,517	81,517	-	78,481	78,481	(3,036)
State sources	10,163,463	154,217,121	164,380,584	10,163,463	154,213,513	164,376,976	10,444,563	154,334,277	164,778,840	401,864
Federal sources	8,824,280	15,754,443	24,578,723	8,824,280	16,662,847	25,487,127	7,713,778	13,724,132	21,437,910	(4,049,217)
Other sources	-	-	-	-	157,732	157,732	-	1,361,022	1,361,022	1,203,290
Total revenues	18,987,743	252,975,959	271,963,702	18,987,743	254,086,837	273,074,580	18,188,219	252,244,694	270,432,913	(2,641,667)
Expenditures:										
Instruction:										
Regular instruction	-	127,802,940	127,802,940	-	127,828,564	127,828,564	-	128,271,217	128,271,217	(442,653)
Vocational instruction	8,100	5,822,633	5,830,733	7,402	5,859,141	5,866,543	6,590	5,898,595	5,905,185	(38,642)
Special instruction	35,486,298	-	35,486,298	36,166,968	-	36,166,968	36,553,564	-	36,553,564	(386,596)
Other instruction	-	8,942,681	8,942,681	-	8,951,681	8,951,681	-	8,650,960	8,650,960	300,721
Total instruction	35,494,398	142,568,254	178,062,652	36,174,370	142,639,386	178,813,756	36,560,154	142,820,772	179,380,926	(567,170)
Support Services										
Pupil services	6,088,959	8,934,250	15,023,209	6,094,252	9,135,947	15,230,199	6,167,543	9,093,449	15,260,992	(30,793)
Instructional staff services	1,712,972	13,370,153	15,083,125	1,941,582	14,393,804	16,335,386	1,778,673	14,244,741	16,023,414	311,972
General administration services	-	1,680,044	1,680,044	-	1,654,159	1,654,159	-	1,667,468	1,667,468	(13,309)
Building administration services	-	15,191,969	15,191,969	-	15,315,508	15,315,508	-	15,468,744	15,468,744	(153,236)
Business services	18,700	1,639,861	1,658,561	20,000	1,639,862	1,659,862	18,079	5,098,080	5,116,159	(3,456,297)
Operations and maintenance	-	27,063,301	27,063,301	-	26,642,101	26,642,101	-	26,874,250	26,874,250	(232,149)
Pupil transportation	3,595,518	4,831,283	8,426,801	3,041,211	4,832,938	7,874,149	3,117,881	3,933,998	7,051,879	822,270
Central services	-	6,245,677	6,245,677	-	6,247,135	6,247,135	-	6,826,525	6,826,525	(579,390)
Insurance	-	624,957	624,957	-	624,957	624,957	-	568,192	568,192	56,765
Interest	-	506,943	506,943	-	506,943	506,943	-	508,277	508,277	(1,334)
Other support services	-	1,184,500	1,184,500	-	1,184,500	1,184,500	58,800	1,465,072	1,523,872	(339,372)
Total support services	11,416,149	81,272,938	92,689,087	11,097,045	82,177,854	93,274,899	11,140,976	85,748,796	96,889,772	(3,614,873)
Total expenditures	46,910,547	223,841,192	270,751,739	47,271,415	224,817,240	272,088,655	47,701,130	228,569,568	276,270,698	(4,182,043)
Excess (deficiency) of revenues over expenditures	(27,922,804)	29,134,767	1,211,963	(28,283,672)	29,269,597	985,925	(29,512,911)	23,675,126	(5,837,785)	(6,823,710)
Other Financing Sources (Uses):										
Transfer from/(to)	27,922,804	(29,134,767)	(1,211,963)	28,283,672	(29,269,597)	(985,925)	29,512,911	(30,498,836)	(985,925)	-
Net Change in Fund Balance	-	-	-	-	-	-	-	(6,823,710)	(6,823,710)	(6,823,710)
Fund balance - beginning of year	-	23,633,695	23,633,695	-	23,633,695	23,633,695	-	23,633,695	23,633,695	-
Fund balance - end of year	\$ -	\$ 23,633,695	\$ 23,633,695	\$ -	\$ 23,633,695	\$ 23,633,695	\$ -	\$ 16,809,985	\$ 16,809,985	\$ (6,823,710)

KENOSHA UNIFIED SCHOOL DISTRICT
Notes to Required Supplementary Information
On Budgetary Accounting and Control
Year Ended June 30, 2011

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction (DPI), which is in accordance with generally accepted accounting principles. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub-function level in the General Fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by the School Board resolution. The DPI requires the District to separate special education revenues and expenditures from other general fund amounts. Funds such as the general fund, food service, and Head Start are typically used to liquidate long-term liabilities such as loans and leases. No major budget adjustments occurred in 2011.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- Based upon requests from district staff, district administration recommends budget proposals to the School Board.
- The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the School Board may alter the proposed budget.
- After the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
- Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a committed or assigned fund balance.
- Encumbrance accounting is used by the District as an extension of formal budgetary control during the year. Encumbrances outstanding at year-end (e.g., purchase orders, contracts) are reported as reservations of fund balances. There were no encumbrances at the end of 2011.

KENOSHA UNIFIED SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
As of June 30, 2011

	<u>Special Revenue Funds</u>			Total Nonmajor Gov't Funds
	Special Revenue Trust Fund	Head Start Fund	Community Service Fund	
Assets				
Cash and investments	\$ -	\$ -	\$ 626,775	\$ 626,775
Accounts receivable	-	-	30,918	30,918
Due from other governments	-	849,129	-	849,129
Total assets	-	849,129	657,693	1,506,822
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	20,394	-	20,394
Due to other funds	-	828,735	-	828,735
Total liabilities	-	849,129	-	849,129
Fund Balances:				
Assigned	-	-	657,693	657,693
Total fund balances	-	-	657,693	657,693
Total liabilities and fund balances	\$ -	\$ 849,129	\$ 657,693	\$ 1,506,822

KENOSHA UNIFIED SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Gov't Funds</u>
	<u>Special Revenue Trust Fund</u>	<u>Head Start Fund</u>	<u>Community Service Fund</u>	
Revenues:				
Property taxes	\$ -	\$ -	\$ 1,984,300	\$ 1,984,300
Other local sources	-	-	247,903	247,903
Federal sources	-	2,047,632	-	2,047,632
Total revenues	<u>-</u>	<u>2,047,632</u>	<u>2,232,203</u>	<u>4,279,835</u>
Expenditures:				
Current:				
Instruction:				
Special education	-	1,280,212	-	1,280,212
Total Instruction	<u>-</u>	<u>1,280,212</u>	<u>-</u>	<u>1,280,212</u>
Support Services				
Pupil services	-	213,576	-	213,576
Instructional staff services	-	59,194	-	59,194
Building administration services	-	227,497	-	227,497
Business services	-	267,153	866,169	1,133,322
Community service	-	-	1,458,807	1,458,807
Total support services	<u>-</u>	<u>767,420</u>	<u>2,324,976</u>	<u>3,092,396</u>
Capital Outlay:				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>2,047,632</u>	<u>2,324,976</u>	<u>4,372,608</u>
Net Change in Fund Balances	-	-	(92,773)	(92,773)
Fund balances - beginning of year	-	-	750,466	750,466
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 657,693</u>	<u>\$ 657,693</u>

KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Balance Sheets
Total General Fund
As of June 30, 2011 and 2010

	2011			2010		
	Special Education	Other General Fund	Total General Fund	Special Education	Other General Fund	Total General Fund
Assets						
Cash and investments	\$ -	\$ 37,574,314	\$ 37,574,314	\$ -	\$ 47,326,408	\$ 47,326,408
Receivables:						
Taxes	-	20,188,842	20,188,842	-	19,656,468	19,656,468
Accounts	2,319,995	2,542,046	4,862,041	1,313,344	3,804,379	5,117,723
Due from other funds	(4,227,519)	5,350,268	1,122,749	(2,611,775)	3,692,920	1,081,145
Due from other governments	1,907,524	8,278,873	10,186,397	1,298,431	5,772,946	7,071,377
Inventories and prepaid items	-	4,522,438	4,522,438	-	3,147,295	3,147,295
Total assets	-	78,456,781	78,456,781	-	83,400,416	83,400,416
Liabilities and Fund Balance						
Liabilities:						
Short-term notes payable	-	35,000,000	35,000,000	-	31,500,000	31,500,000
Accounts payable	-	3,372,724	3,372,724	-	2,848,291	2,848,291
Accrued liabilities						
Payroll, payroll taxes, insurance	-	22,979,795	22,979,795	-	22,638,762	22,638,762
Interest	-	291,375	291,375	-	304,740	304,740
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	2,902	2,902	-	2,474,928	2,474,928
Total liabilities	-	61,646,796	61,646,796	-	59,766,721	59,766,721
Fund Balance:						
Nonspendable	-	4,522,438	4,522,438	-	3,147,295	3,147,295
Unassigned	-	12,287,547	12,287,547	-	20,486,400	20,486,400
Total fund balance	-	16,809,985	16,809,985	-	23,633,695	23,633,695
Total liabilities and fund balance	\$ -	\$ 78,456,781	\$ 78,456,781	\$ -	\$ 83,400,416	\$ 83,400,416

KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Balance Sheets
Special Revenue Trust Fund
As of June 30, 2011 and 2010

	2011	2010
Assets		
Cash and investments	\$ -	\$ -
Accounts receivable	-	7,594
Total assets	-	7,594
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	-	-
Due to other funds	-	7,594
Total Liabilities	-	7,594
 Fund Balance:		
Total fund balance	-	-
 Total liabilities and fund balance	 \$ -	 \$ 7,594

KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Trust Fund
Budget and Actual
For the Years Ended June 30, 2011 and 2010

	2011			2010		
	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues:						
Local revenues	\$ -	\$ -	\$ -	\$ 8,396	\$ 35,086	\$ (26,690)
Total revenues	-	-	-	8,396	35,086	(26,690)
Expenditures:						
Other Instruction	-	-	-	-	20,594	(20,594)
Building administration services	-	-	-	10,000	15,520	(5,520)
Business services	-	-	-	29,073	29,649	(576)
Total expenditures	-	-	-	39,073	65,763	(26,690)
Excess (deficiency) of revenues over expenditures	-	-	-	(30,677)	(30,677)	-
Net Change in Fund Balance	-	-	-	(30,677)	(30,677)	-
Fund balance - beginning of year	-	-	-	30,677	30,677	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Balance Sheets
Debt Service Fund
As of June 30, 2011 and 2010**

	2011	2010
Assets		
Cash and investments	\$ 760,673	\$ 1,161,315
Total assets	760,673	1,161,315
 Liabilities and Fund Balance		
Due to other funds	-	-
Total liabilities	-	-
 Fund Balance:		
Restricted for debt service	760,673	1,161,315
Total fund balance	760,673	1,161,315
Total liabilities and fund balance	\$ 760,673	\$ 1,161,315

KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Debt Service Fund
Budget and Actual
For the Years Ended June 30, 2011 and 2010

	2011			2010		
	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues:						
Property taxes	\$ 13,520,354	\$ 13,520,354	\$ -	\$ 12,168,871	\$ 12,168,871	\$ -
Earnings on investments	1,111,765	1,111,765	-	-	427,348	427,348
Total revenues	14,632,119	14,632,119	-	12,168,871	12,596,219	427,348
Expenditures:						
Support Services						
Debt service						
Principal	8,913,000	8,913,000	-	7,555,000	7,555,000	-
Interest and fiscal charges	7,105,686	7,105,686	-	6,208,618	7,010,074	(801,456)
Total expenditures	16,018,686	16,018,686	-	13,763,618	14,565,074	(801,456)
Excess (deficiency) of revenues over expenditures	(1,386,567)	(1,386,567)	-	(1,594,747)	(1,968,855)	(374,108)
Other Financing Sources (Uses)						
Transfer from	985,925	985,925	-	530,100	1,063,811	533,711
Long-term debt issued	9,500,000	9,500,000	-	-	21,705,000	(21,705,000)
Payment on debt refinancing	(9,500,000)	(9,500,000)	-	-	(21,705,000)	21,705,000
Total other financing sources (uses)	985,925	985,925	-	530,100	1,063,811	533,711
Net Change in Fund Balance	(400,642)	(400,642)	-	(1,064,647)	(905,044)	159,603
Fund balance - beginning of year	1,161,315	1,161,315	-	2,066,359	2,066,359	-
Fund balance - end of year	\$ 760,673	\$ 760,673	\$ -	\$ 1,001,712	\$ 1,161,315	\$ 159,603

**KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Balance Sheets
Capital Projects Fund
As of June 30, 2011 and 2010**

	2011	2010
Assets		
Cash and investments	\$ 4,310,104	\$ 24,083,172
Total assets	4,310,104	24,083,172
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	65,409	3,512,031
Total Liabilities	65,409	3,512,031
 Fund Balance:		
Restricted for capital projects	4,244,695	20,571,141
Total fund balance	4,244,695	20,571,141
 Total liabilities and fund balance	 \$ 4,310,104	 \$ 24,083,172

KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Capital Projects Fund
Budget and Actual
For the Years Ended June 30, 2011 and 2010

	2011			2010		
	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues:						
Interest income	\$ 35,000	\$ 219,553	\$ 184,553	\$ 650,000	\$ 432,869	\$ (217,131)
Total revenues	35,000	219,553	184,553	650,000	432,869	(217,131)
Expenditures:						
Capital Outlay						
New construction	17,868,691	16,545,999	1,322,692	25,500,000	29,340,766	(3,840,766)
Total expenditures	17,868,691	16,545,999	1,322,692	25,500,000	29,340,766	(3,840,766)
Excess (deficiency) of revenues over expenditures	(17,833,691)	(16,326,446)	1,507,245	(24,850,000)	(28,907,897)	(4,057,897)
Other Financing Sources (Uses)						
Transfer to	-	-	-	-	(533,711)	533,711
Long-term debt issued	-	-	-	30,000,000	38,310,000	8,310,000
Total other financing sources (uses)	-	-	-	30,000,000	37,776,289	8,843,711
Net Change in Fund Balance	(17,833,691)	(16,326,446)	1,507,245	5,150,000	8,868,392	3,718,392
Fund balance - beginning of year	20,571,141	20,571,141	-	11,702,749	11,702,749	-
Fund balance - end of year	\$ 2,737,450	\$ 4,244,695	\$ 1,507,245	\$ 16,852,749	\$ 20,571,141	\$ 3,718,392

KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Balance Sheets
Head Start Fund
As of June 30, 2011 and 2010

	2011	2010
Assets		
Due from other governments	\$ 849,129	\$ 658,222
Total assets	849,129	658,222
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	20,394	-
Salaries payable	-	876
Due to other funds	828,735	657,346
Total liabilities	849,129	658,222
 Fund Balance:	-	-
 Total liabilities and fund balance	\$ 849,129	\$ 658,222

KENSOSHA UNIFIED SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Head Start Fund
Budget and Actual
For the Years Ended June 30, 2011 and 2010

	2011			2010		
	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues:						
Federal sources	\$ 2,047,632	\$ 2,047,632	\$ -	\$ 2,083,128	\$ 1,995,408	\$ (87,720)
Total revenues	2,047,632	2,047,632	-	2,083,128	1,995,408	(87,720)
Expenditures:						
Special education	1,321,871	1,280,212	41,659	1,374,689	1,320,267	54,422
Total instruction	1,321,871	1,280,212	41,659	1,374,689	1,320,267	54,422
Support Services						
Pupil services	237,725	213,576	24,149	231,064	191,810	39,254
Instructional staff services	31,315	59,194	(27,879)	26,690	57,029	(30,339)
School building administration	218,174	227,497	(9,323)	212,630	194,074	18,556
Business services	238,547	267,153	(28,606)	238,055	232,228	5,827
Total support services	725,761	767,420	(41,659)	708,439	675,141	33,298
Total expenditures	2,047,632	2,047,632	-	2,083,128	1,995,408	87,720
Net Change in Fund Balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Balance Sheets
Community Service Fund
As of June 30, 2011 and 2010**

	2011	2010
Assets		
Cash and investments	\$ 626,775	\$ 749,166
Accounts receivable	30,918	1,300
Total assets	657,693	750,466
 Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	-	-
Total liabilities	-	-
 Fund Balance:		
Assigned	657,693	750,466
Total fund balance	657,693	750,466
 Total liabilities and fund balance	 \$ 657,693	 \$ 750,466

KENOSHA UNIFIED SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Community Service Fund
Budget and Actual
For the Years Ended June 30, 2011 and 2010

	2011			2010		
	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues:						
Property taxes	\$ 1,981,240	\$ 1,984,300	\$ 3,060	\$ 1,881,240	\$ 1,884,962	\$ 3,722
Other local sources	124,725	247,903	123,178	112,100	219,300	107,200
Total revenues	2,105,965	2,232,203	126,238	1,993,340	2,104,262	110,922
Expenditures:						
Support Services						
Business services	869,177	866,169	3,008	802,484	850,603	(48,119)
Community service	1,362,181	1,458,807	(96,626)	1,322,851	1,387,825	(64,974)
Total expenditures	2,231,358	2,324,976	(93,618)	2,125,335	2,238,428	(113,093)
Net Change in Fund Balance	(125,393)	(92,773)	32,620	(131,995)	(134,166)	(2,171)
Fund balance - beginning of year	750,466	750,466	-	884,632	884,632	-
Fund balance - end of year	\$ 625,073	\$ 657,693	\$ 32,620	\$ 752,637	\$ 750,466	\$ (2,171)



Statistical Section

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Kenosha Unified School District
Required Notes for Statistical Section
Fiscal Year Ended June 30, 2011

The statistical section of the District's comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. The tables in this section were compiled by the District and are not subject to audit by any independent third-party.

The statistical section is divided into the following sub-sections:

- Financial Trends

These schedules contain comparative schedules to assist the reader in understanding and assessing how the District's financial position has changed over time.

- Revenue Capacity

These schedules contain tables to assist the reader in assessing property taxes, which are the District's most significant local revenue source.

- Debt Capacity

These schedules present information to assist the reader in understanding and assessing the District's current levels of outstanding debt burden, and the District's ability to issue additional debt in the future.

- Demographic and Economic Information

These schedules offer a few demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

- Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides.

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KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Net Assets by Component
For Fiscal Years Ended June 30, 2003 through June 30, 2011

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>
Invested in capital assets, net of related debt									
Governmental activities	\$ 44,893,759	\$ 61,345,525	\$64,312,318	\$58,686,961	\$51,838,292	\$47,792,419	\$42,224,414	\$33,201,432	\$30,005,641
Business-type activities	1,082,381	1,036,293	1,157,428	1,196,913	1,253,350	993,694	1,012,273	910,217	594,283
Restricted									
Governmental activities	760,673	1,161,315	2,066,359	2,190,190	942,484	2,077,256	1,920,816	2,580,541	3,223,756
Business-type activities	480,864	354,953	1,157,385	1,499,244	1,473,799	1,164,818	496,527	127,654	(116,363)
Unrestricted - governmental activities	<u>(44,111,645)</u>	<u>(43,731,693)</u>	<u>(34,911,840)</u>	<u>(20,386,620)</u>	<u>(7,042,623)</u>	<u>(4,955,758)</u>	<u>(7,265,738)</u>	<u>(4,145,256)</u>	<u>(5,072,595)</u>
Total Net Assets	<u>\$ 3,106,032</u>	<u>\$ 20,166,393</u>	<u>\$33,781,650</u>	<u>\$43,186,688</u>	<u>\$48,465,302</u>	<u>\$47,072,429</u>	<u>\$38,388,292</u>	<u>\$32,674,588</u>	<u>\$28,634,722</u>

Source: Kenosha Unified School District No. 1 annual financial reports

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Change in Net Assets (Combined Governmental and Business-type Activities)
For Fiscal Years Ended June 30, 2004 through June 30, 2011

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Revenues								
Program revenues								
Charges for services								
Instruction	\$ 1,243,641	\$ 1,337,015	\$ 1,230,078	\$ 1,415,120	\$ 1,188,957	\$ 1,016,165	\$ 1,012,273	\$ 936,286
Support services	3,230,093	3,199,764	3,323,653	3,218,414	3,085,141	3,045,072	2,772,604	2,737,880
Operating grants & contributions		-						
Instruction	31,562,708	33,705,049	29,478,217	26,355,996	22,934,715	22,633,892	23,398,889	20,287,731
Support services	9,857,033	10,571,424	7,904,925	8,817,142	9,164,174	8,355,019	8,279,655	8,909,189
General revenues								
Property taxes	94,975,748	87,564,217	85,071,533	80,693,261	74,667,215	67,068,322	67,481,030	61,826,946
General aid	152,594,570	146,325,206	145,299,897	139,584,969	134,796,302	128,356,421	118,605,189	114,088,745
Other	4,439,760	3,867,546	2,979,311	4,676,795	4,507,648	5,068,646	1,956,891	1,811,126
Total Revenues	<u>\$ 297,903,553</u>	<u>\$ 286,570,221</u>	<u>\$ 275,287,614</u>	<u>\$ 264,761,697</u>	<u>\$ 250,344,152</u>	<u>\$ 235,543,537</u>	<u>\$ 223,506,531</u>	<u>\$ 210,597,903</u>
Expenses								
Instruction	\$ 196,614,457	\$ 187,047,737	\$ 178,778,272	\$ 168,299,604	\$ 149,677,374	\$ 139,850,839	\$ 137,284,108	\$ 129,990,578
Support services	118,422,387	113,137,741	105,914,380	99,316,642	99,273,904	87,008,561	80,519,132	76,567,459
Total Expenses	<u>315,036,844</u>	<u>300,185,478</u>	<u>284,692,652</u>	<u>267,616,246</u>	<u>248,951,278</u>	<u>226,859,400</u>	<u>217,803,240</u>	<u>206,558,037</u>
Change in Net Assets	(17,133,292)	(13,615,257)	(9,405,038)	(2,854,549)	1,392,874	8,684,137	5,703,291	4,039,866
Net Assets - beginning of year	20,239,321 ⁽²⁾	33,781,650	43,186,688	46,041,237	47,062,016 ⁽¹⁾	38,377,879	32,674,588	28,634,722
Net Assets - end of year	<u>\$ 3,106,031</u>	<u>\$ 20,166,393</u>	<u>\$ 33,781,650</u>	<u>\$ 43,186,688</u>	<u>\$ 48,454,890</u>	<u>\$ 47,062,016</u>	<u>\$ 38,377,879</u>	<u>\$ 32,674,588</u>

(1) Beginning net assets were restated in 2007.

(2) Beginning net assets were restated in 2011 for asset/depreciation adjustment

Source: Kenosha Unified School District No. 1 annual financial reports

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Fund Balances - Governmental Funds
For Fiscal Years Ended June 30, 2001 through June 30, 2011

Year Ended June 30	General Fund			All Other Governmental Funds			Total
	Nonspendable	Unassigned	Total	Restricted	Assigned	Total	
2011 ⁽¹⁾	\$ 4,522,438	\$ 12,287,547	\$ 16,809,985	\$ 5,005,368	\$ 657,693	\$ 5,663,061	\$22,473,046
2010	\$ 3,147,295	\$ 20,486,400	\$ 23,633,695	\$ 21,732,456	\$ 750,466	\$ 22,482,922	\$46,116,617
2009	\$ 3,379,196	\$ 19,227,453	\$ 22,606,649	\$ 13,769,108	\$ 915,309	\$ 14,684,417	\$37,291,066
2008	\$ 4,379,290	\$ 17,676,886	\$ 22,056,176	\$ 2,200,333	\$ 918,670	\$ 3,119,003	\$25,175,179
2007	\$ 4,403,764	\$ 15,115,756	\$ 19,519,520	\$ 21,819,472	\$ 718,863	\$ 22,538,335	\$42,057,855
2006	\$ 5,238,539	\$ 10,748,661	\$ 15,987,200	\$ 22,940,966	\$ 655,623	\$ 23,596,589	\$39,583,789
2005	\$ 4,042,911	\$ 9,619,188	\$ 13,662,099	\$ 2,251,662	\$ 488,022	\$ 2,739,684	\$16,401,783
2004	\$ 4,304,877	\$ 8,729,031	\$ 13,033,908	\$ 3,344,807	\$ 413,375	\$ 3,758,182	\$16,792,090
2003	\$ 4,579,837	\$ 9,359,943	\$ 13,939,780	\$ 16,328,277	\$ 318,727	\$ 16,647,004	\$30,586,784
2002	\$ 3,963,317	\$ 10,992,549	\$ 14,955,866	\$ 5,053,107	\$ 305,303	\$ 5,358,410	\$20,314,276
2001	\$ 3,202,495	\$ 11,690,790	\$ 14,893,285	\$ 23,918,596	\$ 148,552	\$ 24,067,148	\$38,960,433

⁽¹⁾ For the year ended June 30, 2011 the District implemented GASB Statement No. 45 changing fund balance classifications. See Notes to the Basic Financial Statements - Note 1(d) Net Assets and Fund Equity for more detail.

Source: Kenosha Unified School District No. 1 annual financial reports

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For Fiscal Years Ended June 30, 2004 through June 30, 2011

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Revenues								
Local	\$ 99,522,837	\$ 91,973,629	\$ 89,291,484	\$ 85,500,995	\$ 80,758,651	\$ 72,349,748	\$ 70,633,795	\$ 64,718,549
Interdistrict	337,698	327,264	242,557	238,572	178,227	276,401	175,934	136,997
Intermediate	78,481	83,253	127,832	123,019	185,153	380,844	230,445	182,170
State	164,778,840	152,625,147	142,747,388	153,010,542	147,139,852	141,679,795	131,386,501	126,002,371
Federal	23,485,542	32,641,979	35,616,425	16,849,473	14,934,560	13,935,406	14,800,847	13,263,287
Other	1,361,022	1,001,452	5,876	2,097,393	581,009	751,284	690,061	732,025
Total Revenue	<u>289,564,420</u>	<u>278,652,724</u>	<u>268,031,562</u>	<u>257,819,994</u>	<u>243,777,452</u>	<u>229,373,478</u>	<u>217,917,583</u>	<u>205,035,399</u>
Expenditures								
Current								
Instruction	180,661,138	171,415,159	164,347,709	155,424,051	145,568,848	136,245,319	133,701,413	125,341,586
Support Services	99,211,675	91,593,922	87,829,831	82,398,431	76,204,247	75,210,142	68,438,875	65,266,566
Debt Services								
Principal	8,913,000	7,555,000	8,210,000	16,140,000	7,275,000	6,956,908	6,678,099	11,431,378
Interest and fiscal charges	7,613,963	7,674,068	6,108,845	6,423,983	6,422,482	4,730,697	5,685,549	5,632,917
Capital Outlay	16,808,215	29,899,026	9,419,289	14,316,205	21,832,809	4,048,406	3,803,954	16,565,044
Total Expenditures	<u>313,207,991</u>	<u>308,137,175</u>	<u>275,915,674</u>	<u>274,702,670</u>	<u>257,303,386</u>	<u>227,191,472</u>	<u>218,307,890</u>	<u>224,237,491</u>
Excess (deficiency) of revenues over expenditures	<u>(23,643,571)</u>	<u>(29,484,451)</u>	<u>(7,884,112)</u>	<u>(16,882,676)</u>	<u>(13,525,934)</u>	<u>2,182,006</u>	<u>(390,307)</u>	<u>(19,202,092)</u>
Other Financing Sources (Uses)								
Debt proceeds (net of debt payments)	-	38,310,000	20,000,000	-	25,500,000	21,000,000	-	5,275,000
Contribution to OPEB trust	-	-	-	-	(9,500,000)	-	-	-
Operating transfers in	30,498,836	24,806,128	28,221,338	27,392,323	27,141,603	23,741,289	22,040,831	20,594,004
Operating transfers out	<u>(30,498,836)</u>	<u>(24,806,128)</u>	<u>(28,221,338)</u>	<u>(27,392,323)</u>	<u>(27,141,603)</u>	<u>(23,741,289)</u>	<u>(22,040,831)</u>	<u>(20,461,606)</u>
Net Change in Fund Balance	<u>(23,643,571)</u>	<u>8,825,549</u>	<u>12,115,888</u>	<u>(16,882,676)</u>	<u>2,474,066</u>	<u>23,182,006</u>	<u>(390,307)</u>	<u>(13,794,694)</u>
Fund Balances, beginning of year	<u>46,116,616</u>	<u>37,291,067</u>	<u>25,175,179</u>	<u>42,057,855</u>	<u>39,583,789</u>	<u>16,401,783</u>	<u>16,792,090</u>	<u>30,586,784</u>
FUND BALANCES, end of year	<u>\$ 22,473,045</u>	<u>\$ 46,116,616</u>	<u>\$ 37,291,067</u>	<u>\$ 25,175,179</u>	<u>\$ 42,057,855</u>	<u>\$ 39,583,789</u>	<u>\$ 16,401,783</u>	<u>\$ 16,792,090</u>

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Assessed and Equalized Value of Taxable Property
For Fiscal Years 2001 through 2011

Year Ended June 30	City of Kenosha Assessed Value	Village of Pleasant Prairie Assessed Value	Township of Somers Assessed Value	Total District Assessed Value	Total District Equalized Value	Ratio of Assessed Value to Equalized Value	Percent Change in Equalized Value
2011	\$5,857,071,100	\$ 2,535,859,300	\$ 835,340,700	\$ 9,228,271,100	\$ 8,931,500,985	1.03323	-6.49%
2010	\$6,629,275,500	\$ 2,611,498,200	\$ 823,219,100	\$ 10,063,992,800	\$ 9,510,858,704	1.05816	-1.24%
2009	\$6,485,666,800	\$ 2,784,220,800	\$ 818,228,600	\$ 10,088,116,200	\$ 9,628,413,923	1.04774	1.34%
2008	\$6,633,850,400	\$ 2,764,015,600	\$ 725,471,800	\$ 10,123,337,800	\$ 9,499,722,109	1.06565	5.80%
2007	\$6,204,312,700	\$ 2,615,351,800	\$ 708,357,400	\$ 9,528,021,900	\$ 8,948,360,876	1.06478	8.83%
2006	\$6,194,403,300	\$ 2,519,584,900	\$ 693,967,750	\$ 9,407,955,950	\$ 8,158,321,427	1.15317	9.16%
2005	\$5,302,826,700	\$ 2,092,810,700	\$ 666,498,650	\$ 8,062,136,050	\$ 7,410,704,207	1.08790	8.09%
2004	\$5,120,051,200	\$ 2,071,092,200	\$ 500,548,100	\$ 7,691,691,500	\$ 6,811,019,618	1.12930	4.76%
2003	\$4,320,217,200	\$ 1,694,626,900	\$ 481,334,600	\$ 6,496,178,700	\$ 6,486,760,845	1.00145	3.00%
2002	\$4,346,974,500	\$ 1,626,455,500	\$ 475,374,500	\$ 6,448,804,500	\$ 6,292,405,445	1.02486	7.28%
2001	\$3,790,710,500	\$ 1,403,580,200	\$ 495,337,900	\$ 5,689,628,600	\$ 5,834,033,123	0.97525	12.75%

Source: Kenosha School District No. 1 audited financial reports.

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Equalized Property Tax Rates - All Overlapping Governments (per \$1000)
For Fiscal Years 2001 through 2011

Year Ended June 30	Operating	Debt Service	Community Service	Total	Local	County	Tech College	Spec. Dist.	State	Gross Rate	Tax Credits	Net Rate
District Rates within the City of Kenosha												
2011	9.42	1.61	0.24	11.26	10.14	4.52	1.48	0.00	0.18	27.57	-1.61	25.97
2010	7.73	1.28	0.19	9.20	8.67	3.92	1.29	0.00	0.17	23.25	-1.44	21.81
2009	7.56	1.25	0.19	9.00	8.48	3.82	1.25	0.00	0.17	22.72	-1.44	21.28
2008	7.00	1.30	0.18	8.81	10.36	5.30	1.27	0.00	0.21	25.95	-1.70	24.25
2007	6.86	1.30	0.18	8.34	10.30	5.29	1.24	0.00	0.20	25.37	-1.24	24.13
2006	7.98	1.56	0.18	9.72	10.28	5.27	1.31	0.00	0.19	26.77	-1.28	25.49
2005	7.41	1.49	0.15	9.05	10.20	5.37	1.56	0.00	0.20	26.38	-1.26	25.12
2004	7.31	1.56	0.17	9.04	10.17	5.36	1.58	0.00	0.20	26.35	-1.24	25.11
2003	7.30	1.55	0.15	9.00	10.18	5.37	1.60	0.00	0.20	26.35	-1.39	24.96
2002	7.71	1.42	0.17	9.30	10.67	5.25	1.60	0.00	0.20	27.02	-1.32	25.70
2001	7.88	1.35	0.07	9.30	10.34	4.91	1.60	0.00	0.20	26.35	-1.44	24.91
District Rates within the Village of Pleasant Prairie												
2011	9.00	1.54	0.23	10.76	4.30	4.32	1.41	0.00	0.17	20.97	-1.48	19.49
2010	7.53	1.25	0.19	8.97	3.39	4.12	1.25	0.00	0.17	17.90	-1.30	16.60
2009	7.54	1.25	0.19	8.98	3.39	4.12	1.25	0.00	0.17	17.91	-1.30	16.61
2008	7.45	1.27	0.18	8.90	3.38	4.06	1.24	0.00	0.17	17.75	-1.70	16.05
2007	7.10	1.24	0.16	8.50	3.18	4.00	1.20	0.00	0.17	17.05	-1.21	15.84
2006	6.97	1.22	0.16	8.35	3.15	4.10	1.24	0.00	0.18	17.02	-1.11	15.91
2005	6.81	1.20	0.15	8.16	3.31	4.39	1.33	0.00	0.20	17.39	-1.06	16.33
2004	7.34	1.57	0.15	9.06	3.68	4.74	1.41	0.00	0.20	19.09	-1.05	18.04
2003	7.30	1.52	0.15	8.97	4.03	5.24	1.55	0.00	0.20	19.99	-1.19	18.80
2002	7.30	1.54	0.15	8.99	3.81	5.02	1.47	0.00	0.20	19.49	-1.13	18.36
2001	7.88	1.35	0.07	9.30	4.07	5.29	1.60	0.00	0.20	20.46	-1.09	19.37
District Rates within the Township of Somers												
2011	8.94	1.53	0.22	10.69	4.06	4.29	1.40	1.15	0.17	21.76	-1.49	20.27
2010	7.50	1.24	0.19	8.93	3.24	3.80	1.25	1.00	0.17	18.39	-1.55	15.84
2009	7.49	1.24	0.19	8.92	3.24	3.80	1.26	1.00	0.17	18.39	-1.55	16.84
2008	8.67	1.26	0.20	10.13	3.27	4.30	1.41	1.33	0.19	20.63	-1.70	18.93
2007	7.76	1.23	0.18	9.22	3.11	4.24	1.41	1.00	0.20	19.18	-1.51	17.67
2006	7.77	1.23	0.18	9.18	3.06	4.20	1.36	0.32	0.19	18.31	-1.31	17.00
2005	6.81	1.20	0.15	8.16	2.74	4.08	1.33	0.31	0.19	16.81	-1.06	15.75
2004	7.34	1.56	0.15	9.05	2.73	4.40	1.40	0.34	0.20	18.12	-1.21	16.91
2003	7.32	1.56	0.15	9.03	3.24	4.69	1.48	0.36	0.20	19.00	-1.23	17.77
2002	7.30	1.55	0.15	9.00	4.44	5.33	1.60	0.00	0.20	20.57	-1.16	19.41
2001	7.88	1.35	0.07	9.30	3.11	5.29	1.60	0.00	0.20	19.50	-1.49	18.01

Source: Individual municipalities

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Principal Taxpayers in District
Fiscal Years 2001 and 2011 Comparison

2011					2001				
Rank	Taxpayer	Type of Business	2010 Assessed Valuation	Estimated Net 2011 Taxes Paid	Rank	Taxpayer	Type of Business	2000 Assessed Valuation	Estimated Net 2001 Taxes Paid
1	Route 165 LLC	Real estate	\$ 85,507,400	\$ 1,596,357	1	WisPark Corporation	Real estate	\$ 80,639,500	\$ 1,578,049
2	Affiliated Foods Midwest Cooperative	Commercial	\$ 53,053,200	\$ 1,376,321	2	Kenosha Hospital & Medical Ctr	Healthcare	\$ 34,403,600	\$ 877,636
3	Centerpoint Properties Trust	Real estate	\$ 67,500,200	\$ 1,349,193	3	Petretti Realty	Real estate / apartments	\$ 33,234,300	\$ 830,389
4	Prime Outlets at Pleasant Prairie	Retail shopping	\$ 62,088,000	\$ 1,209,517	4	Prime Outlets	Retail shopping	\$ 41,428,600	\$ 810,241
5	Chicagoland DC 2008 LLC	Agricultural	\$ 45,043,200	\$ 1,169,505	5	Southport Plaza Ltd. Partners	Retail shopping	\$ 30,979,700	\$ 774,056
6	Southport Plaza LTD Partners	Retail shopping	\$ 38,893,400	\$ 1,009,226	6	Wisconsin Electric Power	Electric utility utility tax		\$ 753,137
7	CV II Lakeview LLC	Investment	\$ 42,666,800	\$ 831,233	7	Dairyland Greyhound Park	Dog track	\$ 28,170,000	\$ 703,853
8	Edward Rose Associates	Real estate, apartments	\$ 26,772,700	\$ 675,069	8	Super Value Stores	Grocery	\$ 29,333,400	\$ 573,689
9	FR-Kenosha LLC	Commercial	\$ 25,629,600	\$ 665,459	9	Edward Rose Associates	Real estate / apartments	\$ 22,679,500	\$ 566,668
10	OhioCubco Inc.	Real estate	\$ 31,839,100	\$ 620,178	10	Berwell, Inc.	Grocery	\$ 22,647,100	\$ 565,858
		Top Ten Total	\$ 478,993,600	\$ 10,502,060			Top Ten Total	\$ 323,515,700	\$ 8,033,576
Total District assessed values			\$ 9,228,271,100		Total District assessed values			\$ 5,689,628,600	
Top Ten as a Percent of Total			5.19%		Top Ten as a Percent of Total			5.69%	

Source: City of Kenosha / Village of Pleasant Prairie

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Property Tax Levies and Collections
For Fiscal Years 2001 through 2011

Year Ended June 30	Total Tax Levy - All Funds	Current Tax Collections	Percent of Current Taxes Collected	Prior Year Tax Collections	Total Tax Collections ⁽¹⁾	Ratio of Total Tax Collections to Total Levy
2011	\$ 94,664,487	\$ 74,475,465	78.67%	\$ 19,686,468	\$ 94,161,933	99.47%
2010	\$ 87,275,173	\$ 67,618,703	77.48%	\$ 19,032,189	\$ 86,650,892	99.28%
2009	\$ 84,870,154	\$ 65,837,965	77.57%	\$ 17,039,831	\$ 82,877,796	97.65%
2008	\$ 80,510,905	\$ 63,479,685	78.85%	\$ 15,168,665	\$ 78,648,350	97.69%
2007	\$ 74,667,216	\$ 59,498,551	79.68%	\$ 12,907,243	\$ 72,405,794	96.97%
2006	\$ 66,553,032	\$ 53,392,416	80.23%	\$ 12,211,124	\$ 65,603,540	98.57%
2005	\$ 67,137,077	\$ 54,146,566	80.65%	\$ 11,989,843	\$ 66,136,409	98.51%
2004	\$ 61,560,509	\$ 49,488,812	80.39%	\$ 11,018,327	\$ 60,507,139	98.29%
2003	\$ 56,620,526	\$ 45,845,758	80.97%	\$ 10,667,829	\$ 56,513,587	99.81%
2002	\$ 54,268,974	\$ 43,601,146	80.34%	\$ 10,185,463	\$ 53,786,609	99.11%
2001	\$ 50,662,664	\$ 40,477,201	79.90%	\$ 8,868,768	\$ 49,345,969	97.40%

⁽¹⁾ Includes general, special revenue and debt service funds.

Source: Kenosha School District No. 1 audited financial records.

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Outstanding General Obligation Direct Debt as a Percentage of Equalized Value on a Per Capita Bases
For Fiscal Year 2001 through 2011

For the Year Ended	Outstanding General Obligation (Direct Debt)	Equalized Valuation	Ratio of G.O. Debt to Equalized Value	Population ⁽¹⁾	G.O. Debt Per Capita	Total Personal Income within District ⁽²⁾	Ratio of G.O. Debt to Personal Income
2011	\$ 192,236,848	\$ 8,931,500,985	2.15%	126,554	\$ 1,519	<i>data not available</i>	-
2010	\$ 186,742,589	\$ 9,510,858,704	1.96%	125,605	\$ 1,487	<i>data not available</i>	-
2009	\$ 110,945,000	\$ 9,628,413,923	1.15%	123,170	\$ 901	<i>data not available</i>	-
2008	\$ 99,155,000	\$ 9,499,722,109	1.04%	123,013	\$ 806	\$ 5,664,084,000	1.751%
2007	\$ 115,295,000	\$ 8,948,360,876	1.29%	122,177	\$ 944	\$ 5,542,407,000	2.080%
2006	\$ 97,070,000	\$ 8,158,321,427	1.19%	120,005	\$ 809	\$ 5,297,500,000	1.832%
2005	\$ 83,026,908	\$ 7,410,704,207	1.12%	119,393	\$ 695	\$ 5,009,881,000	1.657%
2004	\$ 92,800,005	\$ 6,811,019,618	1.36%	118,469	\$ 783	\$ 4,811,254,000	1.929%
2003	\$ 98,956,383	\$ 6,486,760,845	1.53%	117,018	\$ 846	\$ 4,683,278,000	2.113%
2002	\$ 72,452,267	\$ 5,957,077,923	1.22%	116,171	\$ 624	\$ 4,523,079,000	1.602%
2001	\$ 78,528,100	\$ 5,446,360,813	1.44%	114,711	\$ 685	\$ 4,395,882,000	1.786%

(1) Estimated by the Wisconsin Department of Administration

(2) 3-year estimate based on data compiled from 2006-2008 by US Dept of Commerce, Bureau of Economic Analysis

Sources: Kenosha School District No. 1 audited financial reports/US Census Bureau/US Dept of Commerce, Bureau of Economic Analysis

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Calculation of Direct and Indirect Debt
As of June 30, 2011

<u>Governmental Unit</u>	<u>Outstanding Debt on June 30, 2011</u>	<u>Percent of Debt Within District</u>	<u>Outstanding Debt Within District</u>	<u>Anticipated New Debt in FYE 6/30/12 (in total)</u>
Kenosha Unified	\$ 133,273,000	100.00%	\$ 133,273,000	\$ -
City of Kenosha	\$ 153,170,200	98.01%	\$ 150,122,113	\$ 10,000,000 ⁽¹⁾
Village of Pleasant Prairie	\$ 124,860,000	99.97%	\$ 124,822,542	\$ -
Township of Somers	\$ 19,839,999	100.00%	\$ 19,839,999	\$ 161,000
Kenosha County	\$ 92,170,000	68.33%	\$ 62,979,761	\$ 15,550,000
Gateway Technical College	\$ 36,135,000	22.32%	<u>\$ 8,065,332</u>	\$ 7,000,000
Total			<u><u>\$ 499,102,747</u></u>	
Population ⁽²⁾			127,931	
Direct Debt Per Capita			\$ 901	
Indirect Debt Per Capita			<u>\$ 3,901</u>	
<i>Total Debt Per Capita</i>			<u><u>\$ 4,802</u></u>	

⁽¹⁾ Estimate per City of Kenosha

⁽²⁾ Estimated by the Wisconsin Department of Administration

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Direct Debt Ratios and Per Capita Data
Fiscal Years 2001 through 2011

Year Ended	Outstanding General Obligation Debt	Equalized Valuation	Legal Debt Limit ⁽¹⁾	Legal Debt Margin	G.O. Debt / Legal Debt Limit
2011	\$ 192,236,848	\$ 8,931,500,985	\$ 893,150,099	\$ 759,877,099	21.52%
2010	\$ 186,742,589	\$ 9,510,858,704	\$ 951,085,870	\$ 764,343,281	19.63%
2009	\$ 110,945,000	\$ 9,628,413,923	\$ 962,841,392	\$ 851,896,392	11.52%
2008	\$ 99,155,000	\$ 9,499,722,109	\$ 949,972,211	\$ 850,817,211	10.44%
2007	\$ 115,295,000	\$ 8,948,360,876	\$ 894,836,088	\$ 779,541,088	12.88%
2006	\$ 97,070,000	\$ 8,158,321,427	\$ 815,832,143	\$ 718,762,143	11.90%
2005	\$ 83,026,908	\$ 7,410,704,207	\$ 741,070,421	\$ 658,043,513	11.20%
2004	\$ 92,800,005	\$ 6,811,019,618	\$ 681,101,962	\$ 588,301,957	13.62%
2003	\$ 98,956,383	\$ 6,486,760,845	\$ 648,676,085	\$ 549,719,702	15.26%
2002	\$ 72,452,267	\$ 5,957,077,923	\$ 595,707,792	\$ 523,255,525	12.16%
2001	\$ 78,528,100	\$ 5,446,360,813	\$ 544,636,081	\$ 466,107,981	14.42%

⁽¹⁾ Legal debt limit and margin of indebtedness is set at 10% of equalized value by Section 67.03 (1)(b), Wisconsin Statutes.

Source: Kenosha School District No. 1 audited financial reports.

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Ratio of Annual Debt Service to Total Governmental Expenditures
Fiscal Years 2001 through 2011

Year Ended June 30	G. O. Debt Interest Payments	G. O. Debt Principal Payments	Total G.O. Debt Service	Governmental Expenditures ⁽¹⁾	Ratio of Debt Service to Expenditures
2011	\$ 7,613,963	\$ 8,913,000	\$ 16,526,963	\$ 313,207,991	5.28%
2010	\$ 7,674,068	\$ 7,555,000	\$ 15,229,068	\$ 308,137,175	4.94%
2009	\$ 6,108,845	\$ 8,210,000	\$ 14,318,845	\$ 275,915,674	5.19%
2008	\$ 6,423,983	\$ 16,140,000	\$ 22,563,983	\$ 274,702,672	8.21%
2007	\$ 7,275,000	\$ 6,422,482	\$ 13,697,482	\$ 257,303,387	5.32%
2006	\$ 4,730,697	\$ 6,956,908	\$ 11,687,605	\$ 227,191,474	5.14%
2005	\$ 5,685,549	\$ 6,678,099	\$ 12,363,648	\$ 218,307,891	5.66%
2004	\$ 4,743,610	\$ 6,331,378	\$ 11,074,988	\$ 224,237,492	4.94%
2003	\$ 4,477,321	\$ 5,180,884	\$ 9,658,205	\$ 231,277,242	4.18%
2002	\$ 3,683,788	\$ 6,243,100	\$ 9,926,888	\$ 222,461,353	4.46%
2001	\$ 3,184,100	\$ 4,150,000	\$ 7,334,100	\$ 177,157,484	4.14%

⁽¹⁾ Includes all governmental fund types.

Source: Kenosha School District No. 1 audited financial reports.

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Major Employers in the District ⁽¹⁾
Fiscal Years 2001 and 2011 Comparison

2011				2001			
Rank	Employer	Type of Business	No. of Employees ⁽²⁾	Rank	Employer	Type of Business	No. of Employees ⁽²⁾
1	Kenosha Unified School District	K12 Education	2,652	1	Kenosha Unified School District	K12 Education	2,482
2	United Hospital System	Healthcare	1,000-1,999	2	DaimlerChrysler	Automobile Engines	2,275
3	Kenosha County	County Government	1,020	3	Kenosha Hospital & Medical Ctr	Healthcare	1,275
4	Aurora Health Care	Healthcare	500-999	4	Snap-On Tools Corporation	Diagnostic Equip/Tools	1,050
5	Carthage College	Higher Education	500-999	5	Kenosha County	County Government	786
6	Midway Manor	Extended Care Facility	900	6	City of Kenosha	City Government	765
7	City of Kenosha	City Government	750	7	Prime Outlets	Retail	715
8	University of Wisconsin-Parkside	Higher Education	600	8	Super Value Inc.	Grocery Wholesalers	675
9	Unifed Solutions, Inc	Packaging & Labeling Services	250-500	9	Sanmina Corporation	Electronics Manufacturing	670
10	Kenosha Beef	Beef Processing	350	10	University of Wisconsin-Parkside	Higher Education	607

⁽¹⁾ All figures on this schedule are estimates

⁽²⁾ Full time equivalent

Sources: Kenosha Area Business Alliance/Kenosha County/Kenosha News

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Population Data ⁽¹⁾
Fiscal Years 2001 through 2011

Year Ended June 30	School District	City of Kenosha	Village of Pleasant Prairie	Town of Somers	Kenosha County
2011	126,554	99,218	19,719	9,597	166,426
2010	125,605	98,400	19,600	9,569	162,694
2009	123,170	96,000	19,570	9,516	162,243
2008	123,013	95,910	19,565	9,452	166,861
2007	122,177	95,736	18,942	9,410	162,001
2006	120,005	93,798	18,699	9,380	158,219
2005	119,393	93,297	18,606	9,352	157,503
2004	118,469	93,008	18,122	9,195	156,209
2003	117,018	92,078	17,675	9,103	154,234
2002	116,171	91,853	17,077	9,074	149,577
2001	114,711	90,963	16,493	9,070	146,934

⁽¹⁾ All population figures are estimates

Source: State of Wisconsin, Demographic Services Center

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Available Demographic Data ⁽¹⁾
For Fiscal Years 2001 through 2010

Jurisdiction	2010	%*	2009	%*	2008	%*	2007	%*	2006	%*	2005	%*	2004	%*	2002	%*	2001	%*
Personal Income ⁽²⁾ (in thousands)																		
State of Wisconsin			\$ 211,337,133	100%	\$ 212,553,339	100%	\$ 207,201,190	100%	\$ 198,598,447	100%	\$ 186,594,892	100%	\$ 180,338,032	100%	\$ 167,741,977	100%	\$ 162,791,684	100%
Kenosha County			\$ 5,462,095	3%	\$ 5,664,084	3%	\$ 5,542,407	3%	\$ 5,297,500	3%	\$ 5,009,881	3%	\$ 4,811,254	3%	\$ 4,523,079	3%	\$ 4,395,882	3%
Adjusted Gross Income Per Tax Return ⁽³⁾																		
State of Wisconsin	\$ 46,958	100%	\$ 45,372	100%	\$ 47,046	100%	\$ 48,985	100%	\$ 45,357	100%	\$ 40,821	100%	\$ 34,785	100%	\$ 27,828	100%	\$ 22,262	100%
Kenosha County	\$ 45,517	97%	\$ 45,603	100%	\$ 47,125	100%	\$ 46,273	94%	\$ 43,525	96%	\$ 39,173	96%	\$ 33,380	96%	\$ 26,704	96%	\$ 21,363	96%
City of Kenosha	\$ 40,312	86%	\$ 40,765	89%	\$ 41,749	89%	\$ 41,189	84%	\$ 38,841	86%	\$ 34,957	86%	\$ 29,788	86%	\$ 23,830	86%	\$ 19,064	86%
Village of Pleasant Prairie	\$ 64,558	137%	\$ 63,859	138%	\$ 64,774	138%	\$ 62,985	129%	\$ 58,388	129%	\$ 52,549	129%	\$ 44,779	129%	\$ 35,823	129%	\$ 28,658	129%
Town of Somers	\$ 64,604	138%	\$ 66,887	165%	\$ 77,424	165%	\$ 67,991	139%	\$ 63,117	139%	\$ 56,805	139%	\$ 48,405	139%	\$ 38,724	139%	\$ 30,979	139%
Unemployment Rates ^{(4) (5)}																		
State of Wisconsin	8.3%	100%	9.1%	100%	4.7%	100%	5.0%	100%	4.8%	100%	4.9%	100%	5.3%	100%	5.5%	100%	4.6%	100%
Kenosha County (PMSA)	10.8%	130%	10.9%	120%	4.9%	104%	5.3%	106%	5.7%	119%	5.8%	118%	5.9%	111%	6.0%	109%	4.9%	107%
City of Kenosha	11.6%	140%	11.9%	131%	5.4%	115%	5.3%	106%	6.3%	131%	6.5%	133%	6.7%	126%	6.8%	124%	5.7%	124%

⁽¹⁾ Omitted data unavailable

⁽²⁾ Department of Revenue, State of Wisconsin

⁽³⁾ U.S. Department of Labor, Bureau of Labor Statistics

⁽⁴⁾ Rates are corrected unadjusted rates as of June of each year

* Percentage ratio to State

Other Sources: US Dept of Commerce, Bureau of Economic Analysis

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Staffing History
For Fiscal Years 2001 through 2011

Employee Group	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Administration	119	118	113	111	108	108	108	113	114	96	101
Teachers & Instructional Support	1630	1835	1791	1780	1741	1737	1759	1733	1693	1708	1631
Secretarial & Clerical	136	141	142	139	137	137	137	137	138	138	135
Educational Assistants	261	299	309	313	315	306	318	304	303	294	329
Service & Carpenters	210	205	212	214	209	209	211	215	213	213	211
Interpreters	10	10	11	11	11	11	11	12	12	12	9
Other/Misc.	57	44	47	36	25	25	25	27	24	26	75
Total Full-Time Equivalent	2,423	2,652	2,624	2,604	2,546	2,533	2,569	2,540	2,496	2,487	2,491

Source: Kenosha Unified School District No. 1 Personnel Department

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Government-Wide Revenues
For the Fiscal Years Ended June 30, 2002 through June 30, 2011

Year Ended June 30	Program Revenues						General Revenues					Total
	Regular Instruction	Vocational Instruction	Special Education	Other Instruction	Support Services	School Food Service Program	Taxes	State & Federal Aid	Interest & Investment Earnings	Misc General Revenue		
2011	\$17,716,237	\$ 288,137	\$ 14,503,060	\$ 298,915	\$ 4,749,447	\$ 8,337,679	\$ 94,975,748	\$ 152,594,570	\$ 1,352,410	\$ 3,087,350	\$ 297,903,553	
2010	\$16,036,789	\$ 299,278	\$ 18,620,543	\$ 85,453	\$ 5,853,692	\$ 7,917,496	\$ 87,564,217	\$ 146,325,206	\$ 1,072,827	\$ 2,794,719	\$ 286,570,220	
2009	\$16,899,296	\$ 294,510	\$ 13,443,817	\$ 70,674	\$ 3,972,523	\$ 7,256,053	\$ 85,071,533	\$ 145,299,897	\$ 999,836	\$ 1,979,476	\$ 275,287,615	
2008	\$11,361,889	\$ 533,765	\$ 15,454,030	\$ 421,431	\$ 5,093,854	\$ 6,941,702	\$ 80,693,261	\$ 139,584,969	\$ 1,966,023	\$ 2,710,772	\$ 264,761,696	
2007	\$ 9,726,388	\$ 679,261	\$ 12,670,857	\$ 1,047,166	\$ 5,682,615	\$ 6,566,700	\$ 74,667,215	\$ 134,796,302	\$ 2,809,296	\$ 1,698,352	\$ 250,344,152	
2006	\$ 9,726,875	\$ 783,060	\$ 12,013,341	\$ 1,126,780	\$ 5,230,033	\$ 6,170,058	\$ 67,068,322	\$ 128,356,421	\$ 2,185,014	\$ 2,883,632	\$ 235,543,536	
2005	\$10,639,340	\$ 693,406	\$ 11,835,682	\$ 1,253,147	\$ 5,452,897	\$ 5,599,362	\$ 67,481,030	\$ 118,605,189	\$ 934,098	\$ 1,022,794	\$ 223,516,945	
2004	\$ 9,113,948	\$ 680,262	\$ 10,435,638	\$ 994,169	\$ 6,084,564	\$ 1,012,273	\$ 61,826,946	\$ 114,088,745	\$ 850,517	\$ 960,610	\$ 206,047,672	
2003	\$ 7,839,114	\$ 699,656	\$ 8,723,968	\$ 1,020,663	\$ 7,109,163	\$ 5,206,998	\$ 57,029,624	\$ 108,940,186	\$ 945,580	\$ 1,104,715	\$ 198,619,667	

Source: Kenosha Unified School District No. 1 annual financial reports

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Government-Wide Expenses
For Fiscal Years Ended June 30, 2003 through June 30, 2011

Year Ended June 30	Instruction	Pupil Services	Instructional Staff Services	General & School Administration Services	Business Services	Operations & Maintenance	Pupil Transportation Services	Central Services / Insurance/ Other Support	Community Service	Retiree Health Fund and Interest and Fiscal Charges	School Food Service Program	Total
2011	\$ 196,614,457	\$16,746,876	\$ 18,501,731	\$ 17,515,774	\$ 6,289,675	\$ 26,492,746	\$ 7,051,879	\$ 9,090,082	\$ 1,458,807	\$ 7,004,753	\$ 8,270,063	\$ 315,036,843
2010	187,047,737	15,963,636	17,239,421	\$ 16,749,643	\$ 4,942,728	\$ 24,651,670	\$ 7,029,925	\$ 8,411,667	\$ 1,381,684	\$ 7,926,304	\$ 8,841,062	\$ 300,185,477
2009	178,778,272	15,843,972	16,692,799	\$ 16,046,125	\$ 3,640,612	\$ 25,401,675	\$ 6,833,183	\$ 6,378,915	\$ 1,634,144	\$ 5,805,558	\$ 7,637,397	\$ 284,692,652
2008	168,299,603	14,166,007	14,621,254	\$ 15,011,234	\$ 2,510,002	\$ 25,197,453	\$ 6,418,253	\$ 7,207,076	\$ 1,284,430	\$ 5,928,240	\$ 6,972,694	\$ 267,616,246
2007	149,677,377	13,760,197	12,761,449	\$ 13,290,401	\$ 1,172,411	\$ 22,985,761	\$ 6,025,388	\$ 6,744,670	\$ 1,272,608	\$ 15,262,956	\$ 5,998,063	\$ 248,951,281
2006	139,850,839	12,699,628	11,632,504	\$ 12,649,987	\$ 3,310,621	\$ 24,019,017	\$ 6,043,720	\$ 6,019,557	\$ 461,609	\$ 4,651,572	\$ 5,520,346	\$ 226,859,400
2005	137,284,108	12,095,264	11,723,044	\$ 11,771,660	\$ 2,395,783	\$ 20,799,550	\$ 5,175,860	\$ 5,652,231	\$ 459,503	\$ 5,317,804	\$ 5,128,433	\$ 217,803,240
2004 ⁽²⁾	129,990,578	11,670,187	11,317,085	\$ 11,631,555	\$ 2,333,841	\$ 19,075,980	\$ 5,162,258	\$ 4,550,207	\$ 449,122	\$ 5,537,070	\$ 4,870,156	\$ 206,588,039
2003 ⁽¹⁾	111,756,055	10,485,666	10,148,678	\$ 10,226,100	\$ 1,952,809	\$ 1,012,273	\$ 5,150,829	\$ 4,842,831	\$ 491,371	\$ 5,569,119	\$ 5,211,709	\$ 166,847,440

⁽¹⁾ Additional 2003 charges include payment to Wisc Retirement System for past service cost \$16,311,014 and unallocated depreciation for \$827,479

⁽²⁾ Additional 2004 charges include unallocated depreciation for \$939,320

Source: Kenosha Unified School District No. 1 annual financial reports

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
Historical and Projected Student Enrollment (K-12)
For Fiscal Years 2001 through 2014

<u>Year Ended June 30</u>	<u>Enrollment</u>	<u>Enrollment Increase</u>	<u>Percent Incr(Decr)</u>
2001	20,158	501	2.55%
2002	20,600	442	2.19%
2003	21,146	546	2.65%
2004	21,504	358	1.69%
2005	21,859	355	1.65%
2006	22,216	357	1.63%
2007	22,585	369	1.66%
2008	22,769	184	0.81%
2009	22,838	69	0.30%
2010	23,019	181	0.79%
2011	23,122	103	0.45%
2012	22,978	-144	-0.62%
<i>Projected</i>			
2013	23,089	111	0.48%
2014	23,137	48	0.21%

Source: Preliminary Enrollment Projections, Office of Educational Accountability, Kenosha Unified School District No. 1

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
District Facilities

Facility/School	Location	Sq. Feet	Acres	Year Built	Additions	Remodeling	Building Capacity
EDUCATIONAL SUPPORT CENTER (ESC)	3600 52nd STREET	128,000	7.00	1964		1985	N/A
<u>High Schools</u>							
BRADFORD HIGH SCHOOL	3700 WASHINGTON ROAD	300,401	61.67	1960	1965, 1980, 2007		1,992
INDIAN TRAIL ACADEMY	6800 60th STREET	408,474	39.08	1998	2011		2,500
LAKEVIEW TECHNICAL ACADEMY	9449 88th AVENUE	40,000	14.10	LEASED			400
REUTHER CENTRAL HIGH SCHOOL	913 57th STREET	143,366	3.60	1926	1993	1993	695
TREMPER HIGH SCHOOL	8560 26th AVENUE	313,802	40.00	1965	1981, 2006		2,147
<u>Middle Schools</u>							
BULLEN MIDDLE SCHOOL	2804 39th AVENUE	121,962	20.72	1969			825
LANCE MIDDLE SCHOOL	4515 80th STREET	137,290	23.97	1962			1,010
LINCOLN MIDDLE SCHOOL	6729 18th AVENUE	134,038	2.60	1929	1993	1993	945
MAHONE MIDDLE SCHOOL	6900 60th STREET	175,053	40.00	2002			1,035
MCKINLEY MIDDLE SCHOOL	5710 32nd AVENUE	101,622	2.60	1921	1952, 1974		705
WASHINGTON MIDDLE SCHOOL	811 WASHINGTON ROAD	99,643	3.75	1920	1966		775
<u>Elementary Schools</u>							
BOSE ELEMENTARY	1900 15th STREET	45,109	10.23	1968			507
BRASS COMMUNITY SCHOOL	6400 15th AVENUE	72,887	6.33	2008			659
CESAR CHAVEZ STATION	6300-27th AVENUE	20,500	10.05	LEASED TO OWN			250
CURTIS STRANGE ELEMENTARY	5414 49th AVENUE	57,192	12.13	1964	1969		583
EDWARD BAIN ANNEX ELEMENTARY	5115 23 AVENUE	18,992	N/A	LEASED			216
EDWARD BAIN SCHL OF LANG & ART	2600 - 50th STREET	126,900	12.11	2004			1,089
FOREST PARK ELEMENTARY	6810 45th AVENUE	53,830	10.50	1956	1961		507
FRANK ELEMENTARY	1816 57th STREET	88,048	3.47	1896	1897,1911, 1965, 1997	1997	659
GRANT ELEMENTARY	1716 35th STREET	43,040	4.30	1924	1954		329
GREWENOW ELEMENTARY	7714 20th AVENUE	49,230	6.40	1956		1961	405
HARVEY ELEMENTARY	2012 19th AVENUE	47,980	10.46	1961			481
HILLCREST SCHOOL	4616 24th STREET	22,405	16.23	1954	1956, 1959		N/A
JEFFERSON ANNEX ELEMENTARY	1808 41st PLACE	12,953	2.07	1929		1963	N/A
JEFFERSON ELEMENTARY	1832 43rd STREET	36,575	3.28	1924	1954		405
JEFFERY ELEMENTARY	4011 86th STREET	45,209	10.00	1969			481

KENOSHA UNIFIED SCHOOL DISTRICT NO. 1
District Facilities

Facility/School	Location	Sq. Feet	Acres	Year Built	Additions	Remodeling	Building Capacity
MCKINLEY ELEMENTARY	5520 32nd AVENUE	35,085	2.95	1950	2002		405
NASH ELEMENTARY	6801 99th AVENUE	73,636	16.00	2007			684
PLEASANT PRAIRIE ELEMENTARY	9208 WILMOT ROAD	73,306	21.63	1994			684
PRAIRIE LANE ELEMENTARY	10717 47th AVENUE	65,778	24.10	1953	1957, 1960, 2007	1957, 2007	608
ROOSEVELT ELEMENTARY	3322 ROOSEVELT ROAD	47,994	4.53	1929			481
SOMERS ELEMENTARY	1245 72nd AVENUE	69,100	20.00	1962	1964, 1992	1992	659
SOUTHPORT ELEMENTARY	723 76th STREET	53,200	6.25	1954	1961, 2000		633
STOCKER ELEMENTARY	6315 57th STREET	80,621	10.30	1993			684
VERNON ELEMENTARY	8518 22nd AVENUE	88,280	11.75	1961			785
WHITTIER ELEMENTARY	8542 51st AVENUE	63,888	6.71	1930	1952, 1959, 1965, 1991		709
WILSON ELEMENTARY	4520 33rd AVENUE	38,200	10.05	1954	1961		380
<u>Charter Schools</u>							
BROMPTON SCHOOL	7951-36th AVENUE	17,550	6.17	LEASED			125
DIMENSIONS OF LEARNING	6218 25th AVENUE	30,509	1.87	1911			200
HARBORSIDE ACADEMY	714 49th STREET	42,293	2.30	LEASED			440
KENOSHA eSCHOOL	6121 GREEN BAY ROAD	3,144	N/A	LEASED			N/A
KENOSHA SCHOOL OF TECHNOLOGY (KTEC)	6811 18TH AVENUE	43,390	2.84	LEASED		1957	441
PAIDEIA ACADEMY	5821 10th AVENUE	3,000	1.85	LEASED			76
TOTALS		3,673,475	525.95				

OTHER LOCATIONS

AMECHE FIELD	LOCATED ALONG 26TH AVENUE	10.8 ACRES OF LAND EAST OF TREMPER HIGH SCHOOL	LEASED
SIMMONS FIELD	LOCATED AT 78TH & SHERIDAN ROAD		LEASED
SENIOR CITIZEN RECREATION CENTER	2717 67TH STREET		LEASED

Unimproved sites held for future expansion:

STAHL PROPERTY	39 AVENUE & 109 STREET	69.0 ACRES FOR ELEMENTARY AND MIDDLE SCHOOL SITE
(CSI) INFUSINO PROPERTY	39 AVENUE & 15 STREET	16.86 ACRES FOR ELEMENTARY SCHOOL SITE
TOBIN CREEK	116 STREET & SHERIDAN ROAD	12 ACRES FOR ELEMENTARY SCHOOL SITE

KENOSHA UNIFIED SCHOOL DISTRICT NO.1
Insurance Coverage Summary
For Fiscal Year Ended June 30, 2011

Insurance Type	Company	Policy Period	Coverage	Limits of Liability
Property coverage	Local Government Property Insurance Fund	07/01/10-06/30/11	Blanket coverage Builders Risk Monies & securities Contractors equipments Deductible	594,101,400 1,400,000 varies/location 418,743 1000
Automobile Physical Damage	Local Government Property Insurance Fund	07/01/10-06/30/11	Comprehensive deductible Collision deductible	500 500
General Liability Educator's Legal Liability (E & O) Employee Benefits Liability Auto Liability Uninsured/underinsured Motorist Coverage	Community Insurance Corporation	07/01/10-06/30/11	Combined single limit Each Occurance Limit - - - -	10,000,000 - 10,000,000 - 10,000,000 100,000 0
Excess Liability (umbrella)	The Insurance Company of the State of Pennsylvania	07/01/10-06/30/11	Each Occurance Limit	5,000,000
Crime	Fidelity & Deposit Company of Maryland	07/01/10-06/30/11	Employee Dishonesty Deductible Forgery or Alteration Deductible Computer Fraud Deduct	2,000,000 10,000 25,000 1,000 100,000 1,000
Boilers & machinery	Hartford Steam Boiler Inspection and Insurance Company	07/01/10-06/30/11	Limit of Insurance Deductible	50,000,000 5,000
Workers' Compensation	Self Insured- TPA - Aegis Corporation Excess Coverage	07/01/10-06/30/11	SIR \$50,000 per occ/ \$1,040,068 aggregate stop loss	
Catastrophic Accident Insurance (Student)	WIAA	08/01/10-07/31/11	Student athletes	

Prepared by the Office of Financial Services



**Kenosha Unified
School District**

maximizing the brilliance of children