

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2014

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UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, Kansas, (the District), as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas regulatory basis of accounting. Accordingly, such information should be read in conjunction with the District’s financial statement for the year ended June 30, 2013, from which such partial information was derived.

The prior year partial comparative information has been derived from the District’s financial statements for the year ended June 30, 2013. In our report dated November 14, 2013, on these financial statements, we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unqualified opinion as to presentation on the Kansas prescribed basis of accounting.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds, the schedule of regulatory basis receipts, expenditures and unencumbered cash-trust funds, and the schedule of regulatory basis receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, 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 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas

November 13, 2014

UNIFIED SCHOOL DISTRICT NO. 497
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Funds:							
General Fund	\$ 31,906	\$ -	\$ 68,548,516	\$ 68,580,422	\$ -	\$ 5,550,915	\$ 5,550,915
Supplemental General	2,299,538	-	23,024,096	23,532,246	1,791,388	1,471,520	3,262,908
Special Purpose Funds:							
Adult Basic Education	549,497	-	440,008	369,777	619,728	17,969	637,697
At Risk (4 Year Old)	507,651	-	582,096	511,161	578,586	56,690	635,276
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	3,704,095	-	5,026,093	5,745,637	2,984,551	573,461	3,558,012
Bilingual Education	98,015	-	633,552	670,813	60,754	56,948	117,702
Virtual Education	1,046,826	-	5,582,580	5,626,693	1,002,713	263,542	1,266,255
Capital Outlay	9,178,928	-	12,798,489	14,809,352	7,168,065	6,854,436	14,022,501
Driver Training	71,142	-	24,700	37,453	58,389	13,492	71,881
Food Service	1,150,012	-	4,588,694	4,643,818	1,094,888	194,366	1,289,254
Professional Development	364,232	-	466,667	580,848	250,051	90,226	340,277
Parent Education Program	86,895	-	160,667	166,084	81,478	1,802	83,280
Summer School	168,326	-	26,845	16,844	178,327	3,396	181,723
Special Education	9,687,795	-	21,184,936	21,968,605	8,904,126	1,774,219	10,678,345
Cost of Living	25,833	-	1,273,361	1,290,500	8,694	-	8,694
Vocational Education	627,333	-	1,534,502	1,759,733	402,102	191,398	593,500
KPERS Special Retirement Contribution	-	-	7,024,817	7,024,817	-	-	-
Contingency Reserve	6,549,960	-	1,425	405,303	6,146,082	334,132	6,480,214
Textbook Rental	278,251	-	20,857	299,108	-	107,471	107,471
Student Material Revolving	1,244,154	-	831,359	645,308	1,430,205	302,298	1,732,503
Grants	9,316	-	2,380,528	2,163,756	226,088	286,757	512,845
District Activity	-	-	697,424	694,395	3,029	-	3,029
Bond and Interest Funds:							
Bond and Interest	11,248,813	-	11,669,671	10,399,290	12,519,194	-	12,519,194
Special Assessment	476,218	-	27,011	74,710	428,519	-	428,519
Capital Projects Fund:							
Construction	234,956	-	36,608,180	51,802,557	[14,959,421]	46,144,568	31,185,147
Business Funds:							
School Workers' Compensation Reserve	2,178,706	-	450,684	400,035	2,229,355	-	2,229,355
Health Care Services Reserve	7,356,254	-	9,134,031	9,744,900	6,745,385	-	6,745,385
Trust Fund:							
Trusts - Private Purpose	703,966	-	417,055	315,852	805,169	20,155	825,324
Total Reporting Entity							
(Excluding Agency Funds)	<u>\$ 59,904,600</u>	<u>\$ -</u>	<u>\$ 215,158,844</u>	<u>\$ 234,280,017</u>	<u>\$ 40,783,427</u>	<u>\$ 64,309,761</u>	<u>\$ 105,093,188</u>

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2014

Composition of Cash:		
U.S. Bank		
Checking Accounts	\$ 57,297,839	
Savings Accounts	<u>7,779</u>	
Total U.S. Bank		\$ 57,305,618
Douglas County Bank		
Certificates of Deposit	3,200	
Checking Accounts	<u>113,929</u>	
Total Douglas County Bank		117,129
Commerce Bank		
Certificates of Deposit	3,921	
Checking Accounts	<u>370</u>	
Total Commerce Bank		4,291
United Missouri Bank		
Checking Accounts	1,763,962	
Escrow Account	<u>2,132,352</u>	
		3,896,314
University National Bank - Checking		143
Kansas Municipal Investment Pool		41,759,424
Peoples Bank - Checking		1,288
Cash on Hand		<u>1,644</u>
Total Cash		103,085,851
Less Agency Funds per Schedule 4		<u>2,007,337</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 105,093,188</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 497 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$1,024,709 and \$14,862 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2014:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific receipts sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Capital Projects Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization fund, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2014 was not amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, business funds, fiduciary funds, agency funds and the following special purpose funds: Contingency Reserve, Textbook Rental, Student Material Revolving, and District Activity.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

As of June 30, 2014, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>		<u>Rating</u>
		<u>Less than 1 year</u>		
Certificate of Deposit	\$ 7,121	\$ 7,121		NA
Mutual Fund Money Market Escrow	2,132,352	2,132,352		NA
Kansas Municipal Investment Pool	<u>41,759,424</u>	<u>41,759,424</u>		S&P AAAf/S1+
Total fair value	<u>\$ 43,898,897</u>	<u>\$ 43,898,897</u>		

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2014, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Certificate of Deposit	0.02%
Mutual Fund Money Market Escrow	4.86%
Kansas Municipal Investment Pool	<u>95.12%</u>
	<u>100.00%</u>

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2014.

At June 30, 2014, the District's carrying amount of deposits was \$59,186,954 and the bank balance was \$60,270,308. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$765,045 was covered by federal depository insurance and the balance of \$59,505,263 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 2 - Deposits and Investments (Continued)

Custodial credit risk – investments (continued). At June 30, 2014, the District had invested \$41,759,424 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Substance receipt in transit. The District received \$2,500,053 subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2014:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Paid for by revenues					
General Obligation Bonds					
2004A Refunding	11/15/2004	9/1/2014	3.00 - 3.75%	\$ 9,810,000	\$ 1,550,000
2006A Refunding & Improvement	6/15/2006	9/1/2025	4.00 - 5.00%	84,630,000	38,610,000
2012A Refunding	12/15/2012	9/1/2025	2.00%	9,890,000	9,615,000
2013A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	36,000,000
Capital Leases					
Energy Savings Equipment	7/12/2006	10/12/2025	4.90%	1,683,575	1,257,035
Athletics Fields/Equipment - Phase I	1/15/2009	1/15/2019	4.98%	4,800,000	2,687,952
Athletics Fields/Equipment - Phase II	4/1/2009	1/15/2019	5.10%	4,250,000	2,340,000
Technology Equipment	6/24/2014	6/24/2017	0.99%	2,161,949	1,613,449
Total					<u>\$ 93,673,436</u>

Following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>	<u>Interest Paid</u>
Paid for by revenues					
General Obligation Bonds					
2004A Refunding	\$ 3,040,000	\$ -	\$ 1,490,000	\$ 1,550,000	\$ 83,210
2006A Refunding & Improvement	44,185,000	-	5,575,000	38,610,000	1,993,975
2012A Refunding	9,890,000	-	275,000	9,615,000	195,050
2013A Improvement	-	36,000,000	-	36,000,000	787,055
Capital Leases					
Energy Savings Equipment	1,324,152	-	67,117	1,257,035	64,883
Athletics Fields/Equipment - Phase I	3,150,614	-	462,662	2,687,952	151,323
Athletics Fields/Equipment - Phase II	2,745,000	-	405,000	2,340,000	137,813
Technology Equipment	-	2,161,949	548,500	1,613,449	-
Total	<u>\$ 64,334,766</u>	<u>\$ 38,161,949</u>	<u>\$ 8,823,279</u>	<u>\$ 93,673,436</u>	<u>\$ 3,413,309</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 3 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2015	\$ 7,500,000	\$ 3,297,475	\$ 10,797,475
2016	5,825,000	3,016,137	8,841,137
2017	4,015,000	2,830,837	6,845,837
2018	4,160,000	2,671,462	6,831,462
2019	4,350,000	2,492,388	6,842,388
2020-2024	25,095,000	9,311,064	34,406,064
2025-2029	19,455,000	4,575,519	
2030-2034	<u>15,375,000</u>	<u>1,639,900</u>	<u>17,014,900</u>
Total	<u>\$ 85,775,000</u>	<u>\$ 29,834,782</u>	<u>\$ 91,579,263</u>

Annual debt service requirements to maturity for the capital leases are as follows:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2015	\$ 1,512,939	\$ 325,073	\$ 1,838,012
2016	1,575,380	268,796	1,844,176
2017	1,634,485	209,652	1,844,137
2018	1,157,835	147,560	1,305,395
2019	1,215,135	87,550	1,302,685
2020-2024	545,302	145,768	691,070
2025-2026	<u>257,360</u>	<u>19,067</u>	<u>276,427</u>
Total	<u>\$ 7,898,436</u>	<u>\$ 1,203,466</u>	<u>\$ 9,101,902</u>

In prior years, the District has defeased certain other outstanding debt obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2014, the District had \$8,330,000 of outstanding defeased debt.

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761.

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District's ratio of outstanding bonded debt to the assessed valuation as of June 30, 2014 was 8.61%.

NOTE 4 - Capital Projects

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
School Building & Athletic Field Improvements	\$ 95,050,177	\$ 94,812,877
School Facilities & Technology Upgrade - Phase I	\$ 93,108,180	\$ 51,804,901

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 5 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2014, the liability for accrued vacation pay was \$745,735. A current portion, ten days, is reflected in the financial statements as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 91,199
Supplemental General	234,336
Adult Basic Education	5,966
Virtual Education	9,874
At-Risk (4 Year Old)	1,969
Food Service	8,529
Bilingual	2,839
Special Education	17,010
Vocational Education	<u>4,519</u>
 Total	 <u>\$ 376,241</u>

NOTE 6 - Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4%-5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2014, 2013, and 2012, were \$7,024,817, \$6,206,550, and \$6,798,202, respectively, equal to the required contributions for each year.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 7 - Termination Benefits

The District also has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERs).

The benefits from this plan are computed using a formula based upon salary, age, and KPERs service credit and are payable over a five year period in January of each year. The cost of this plan in the fiscal year ended June 30, 2014, was \$1,039,002. The outstanding liability reflected in the financial statements for the retirees payable in January, 2014, is as follows:

<u>Funds</u>	<u>Amount</u>
Supplemental General	\$ <u>1,039,002</u>
Total	\$ <u>1,039,002</u>

The outstanding liability payable from January, 2015, through January, 2018, is \$3,145,029. Above, only the January, 2015 payment is reflected in the financial statements as an account payable.

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2014, such interfund premiums did not exceed reimbursable expenditures.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities during the past year are as follows:

Unpaid claims, July 1, 2013	\$ 540,503
Incurred claims (including IBNRs)	346,776
Claim payments and adjustments	<u>[270,024]</u>
 Unpaid claims, June 30, 2014	 \$ <u>617,255</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 9 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2014.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds or temporary notes have not been determined.

The District is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. However, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

NOTE 10 - Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 11 - Statutory Violations

Negative cash balances at June 30, 2014 in the Cordley Elementary Instructional Enhancement and Yearbook Funds violates KSA 10-1113.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 12 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Bilingual Education	K.S.A. 72-6428	\$ 5,000
General	Special Education	K.S.A. 72-6428	12,447,615
General	Vocational Education	K.S.A. 72-6428	128,000
General	Virtual Education	K.S.A. 72-6428	5,573,160
General	At Risk (4 Year Old)	K.S.A. 72-6428	10,000
General	At Risk (K-12)	K.S.A. 72-6428	1,808,348
General	Health Care Services Reserve	K.S.A. 72-6428	3,213,049
General	School Workers' Compensation Reserve	K.S.A. 72-6428	229,088
Supplemental General	Bilingual Education	K.S.A. 72-6433	626,735
Supplemental General	Special Education	K.S.A. 72-6433	5,466,722
Supplemental General	Vocational Education	K.S.A. 72-6433	1,400,000
Supplemental General	Health Care Services Reserve	K.S.A. 72-6433	640,026
Supplemental General	School Workers' Compensation Reserve	K.S.A. 72-6428	47,061
Supplemental General	Professional Development	K.S.A. 72-6433	450,000
Supplemental General	Parent Education Program	K.S.A. 72-6433	18,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	140,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	3,204,412
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,648
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	20,152
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	8,309
Grants	Health Care Services Reserve	K.S.A. 72-8415a	193,155
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	697
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	14,359
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	82
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	945
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	10,905
Food Service	Health Care Services Reserve	K.S.A. 72-8415a	239,170
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	135
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,741
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	80,391
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	25,709
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	512,875
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	2,320
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	39,734
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	7,442
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	120,683
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	9,467
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	138,673
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	81,472
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	2,104,185
Local Donations	School Workers' Compensation Reserve	K.S.A. 44-505e	342
Total			<u>\$ 39,022,807</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 13 - Tax-Deferred 403(b) Retirement Plan

The District offers its employees a retirement plan ("Plan") created in accordance with Internal Revenue Code Section 403(b). The Plan, available to all District employees, permits them to save additional funds for retirement. The investment options under the Plan include annuity contracts and/or custodial accounts. Employees may elect to have make contributions of deferred salaries/wages to the Plan to the extent permitted by the Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan participants are 100% vested in any elective deferral contributions made to the Plan as of the date such contribution is made.

In addition to the elective deferral plan described above, the District offers a Non-Elective Contribution Employer Paid Deferred Benefit 403(b) Plan ("Employer Paid Plan") for each professional employee employed at least half time in the District. This account is separate from any professional employee paid deferred benefit account, and no employee contributions, via salary reduction or otherwise, shall be allowed into the account.

The district will contribute \$60 per month (\$720 annually) into each full time professional employee's Employer Paid Plan. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

<u>FTE</u>	<u>Contribution</u>
.95 - 1.00	\$ 60
.85 - .94	54
.75 - .84	48
.65 - .74	42
.55 - .64	36
.50 - .54	30
Less than .50	-

A professional employee's ownership interest in his or her Employer Paid Plan shall vest in yearly increments. A professional employee will receive one year of vesting credit for each contract year completed, starting with the 2008-09 contract year, in which the professional employee is employed at least half time with the district. The following vesting schedule will be used to determine the professional employee's ownership interest in the funds in the account:

Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

District contributions to employees' Employer Paid Plans for the years ending June 30, 2014 and 2013 were \$1,158,323 and \$1,020,751, respectively.

NOTE 14 - Subsequent Events

In October, 2014, the District passed a resolution authorizing the issuance of general obligation bonds in the amount of \$36,000,000. The authorized bonds will be the second issuance of bonds totaling \$92,500,000, which were approved during a bond election held on April 2, 2013. The first issuance of \$36,000,000 bonds was on August 1, 2013. The bond proceeds will be used to pay the costs to construct additions to and renovate, improve technology infrastructure, equip and furnish existing elementary and secondary schools; construct, equip, and furnish a new career and technology education facility and make all other necessary and related improvements in the District.

On July 15, 2014, the District refinanced the Athletics Fields/Equipment - Phase I Lease. The new lease agreement carries an interest rate of 1.63% and the District will make semi-annual payments of \$291,753 beginning on January 15, 2015 and ending on January 15, 2019.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 497
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 68,468,769	\$ [1,163,293]	\$ 1,274,946	\$ 68,580,422	\$ 68,580,422	\$ -
Supplemental General	23,940,133	[422,749]	14,862	23,532,246	23,532,246	-
Special Purpose Funds:						
Adult Basic Education	620,000	-	-	620,000	369,777	250,223
At Risk (4 Year Old)	815,000	-	-	815,000	511,161	303,839
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	6,455,000	-	-	6,455,000	5,745,637	709,363
Bilingual Education	675,000	-	-	675,000	670,813	4,187
Virtual Education	6,800,000	-	-	6,800,000	5,626,693	1,173,307
Capital Outlay	16,985,000	-	-	16,985,000	14,809,352	2,175,648
Driver Training	141,000	-	-	141,000	37,453	103,547
Food Service	6,000,000	-	-	6,000,000	4,643,818	1,356,182
Professional Development	700,000	-	-	700,000	580,848	119,152
Parent Education Program	235,000	-	-	235,000	166,084	68,916
Summer School	150,000	-	-	150,000	16,844	133,156
Special Education	23,000,000	-	-	23,000,000	21,968,605	1,031,395
Cost of Living	1,290,500	-	-	1,290,500	1,290,500	-
Vocational Education	2,000,000	-	-	2,000,000	1,759,733	240,267
KPERs Special Retirement Contribution	7,385,795	-	-	7,385,795	7,024,817	360,978
Grants	2,527,965	-	-	2,527,965	2,163,756	364,209
Bond and Interest Funds:						
Bond and Interest	11,113,235	-	-	11,113,235	10,399,290	713,945
Special Assessment	300,000	-	-	300,000	74,710	225,290

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 18,213,019	\$ 18,485,945	\$ 17,684,804	\$ 801,141
Delinquent tax	313,403	248,030	241,462	6,568
State Aid:				
Equalization aid	36,094,300	36,463,061	38,587,327	[2,124,266]
Juvenile detention center	159,661	250,237	-	250,237
Special education aid	10,868,507	12,076,534	11,923,270	153,264
Miscellaneous	23,412	-	-	-
Reimbursed expenses	1,324,281	1,024,709	-	1,024,709
Total Receipts	<u>66,996,583</u>	<u>68,548,516</u>	<u>\$ 68,436,863</u>	<u>\$ 111,653</u>
Expenditures				
Instruction	28,264,601	29,119,280	\$ 33,782,676	\$ 4,663,396
Student support services	2,685,318	2,716,169	3,124,676	408,507
Instructional support	2,052,223	1,873,680	1,846,012	[27,668]
General administration	205,038	177,658	182,450	4,792
School administration	689,272	369,048	169,513	[199,535]
Operations and maintenance	7,578,938	8,001,513	8,000,039	[1,474]
Transportation	299,643	312,213	239,713	[72,500]
Other supplemental services	2,652,352	2,596,601	1,208,674	[1,387,927]
Transfers out	22,556,161	23,414,260	19,915,016	[3,499,244]
Adjustment to comply with legal max budget	-	-	[1,163,293]	[1,163,293]
Adjustment for qualifying budget credits	-	-	1,274,946	1,274,946
Total Expenditures	<u>66,983,546</u>	<u>68,580,422</u>	<u>\$ 68,580,422</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	13,037	[31,906]		
Unencumbered Cash, Beginning	<u>18,869</u>	<u>31,906</u>		
Unencumbered Cash, Ending	<u>\$ 31,906</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 17,319,248	\$ 17,452,216	\$ 16,281,461	\$ 1,170,755
Delinquent tax	323,845	247,915	229,328	18,587
Motor vehicle tax	1,711,398	1,627,734	1,443,696	184,038
Reimbursed expenses	8,903	14,862	-	14,862
State aid	<u>3,485,668</u>	<u>3,681,369</u>	<u>3,686,110</u>	<u>[4,741]</u>
Total Receipts	<u>22,849,062</u>	<u>23,024,096</u>	<u>\$ 21,640,595</u>	<u>\$ 1,383,501</u>
Expenditures				
Instruction	670,866	1,098,183	\$ 1,467,421	\$ 369,238
Student support services	82,977	109,425	180,055	70,630
Instructional support	857,134	1,337,574	1,096,965	[240,609]
General administration	338,229	400,568	477,190	76,622
School administration	3,958,398	4,299,373	4,646,505	347,132
Operations and maintenance	33,597	46,539	15,600	[30,939]
Transportation	1,713,431	1,599,397	2,000,000	400,603
Other supplemental services	2,736,544	2,648,231	3,417,045	768,814
Transfers out	12,562,282	11,992,956	10,639,352	[1,353,604]
Adjustment to comply with legal max budget	-	-	[422,749]	[422,749]
Adjustment for qualifying budget credits	-	-	14,862	14,862
Total Expenditures	<u>22,953,458</u>	<u>23,532,246</u>	<u>\$ 23,532,246</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[104,396]	[508,150]		
Unencumbered Cash, Beginning	<u>2,403,934</u>	<u>2,299,538</u>		
Unencumbered Cash, Ending	<u>\$ 2,299,538</u>	<u>\$ 1,791,388</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Basic Education Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 383,823	\$ 247,253	\$ 235,183	\$ 12,070
Delinquent tax	4,570	4,491	5,088	[597]
Motor vehicle tax	25,543	34,734	31,081	3,653
Federal aid	84,639	87,598	68,645	18,953
State aid	52,482	58,936	58,159	777
Reimbursed expenses	330	371	-	371
Miscellaneous	9,781	6,625	5,000	1,625
Total Receipts	<u>561,168</u>	<u>440,008</u>	<u>\$ 403,156</u>	<u>\$ 36,852</u>
Expenditures				
Instruction	303,325	289,173	\$ 516,500	\$ 227,327
Student support services	18,520	19,166	39,500	20,334
Instructional support staff	37,308	39,638	64,000	24,362
Transfers out	18,151	21,800	-	[21,800]
Total Expenditures	<u>377,304</u>	<u>369,777</u>	<u>\$ 620,000</u>	<u>\$ 250,223</u>
Receipts Over [Under] Expenditures	183,864	70,231		
Unencumbered Cash, Beginning	<u>365,633</u>	<u>549,497</u>		
Unencumbered Cash, Ending	<u>\$ 549,497</u>	<u>\$ 619,728</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 305,117	\$ 330,959	\$ 178,000	\$ 152,959
Donations	-	100,000	-	100,000
Reimbursed expenses	1,212	1,137	-	1,137
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>191,900</u>	<u>[41,900]</u>
Total Receipts	<u>456,329</u>	<u>582,096</u>	<u>\$ 369,900</u>	<u>\$ 212,196</u>
Expenditures				
Instruction	331,096	322,824	\$ 637,500	\$ 314,676
Student support services	46,921	47,724	49,500	1,776
Instructional support staff	-	20,888	35,000	14,112
School administration	76,554	77,671	93,000	15,329
Transfers out	<u>44,625</u>	<u>42,054</u>	<u>-</u>	<u>[42,054]</u>
Total Expenditures	<u>499,196</u>	<u>511,161</u>	<u>\$ 815,000</u>	<u>\$ 303,839</u>
Receipts Over [Under] Expenditures	[42,867]	70,935		
Unencumbered Cash, Beginning	<u>550,518</u>	<u>507,651</u>		
Unencumbered Cash, Ending	<u>\$ 507,651</u>	<u>\$ 578,586</u>		

UNIFIED SCHOOL DISTRICT NO. 497
 Schedule of Receipts and Expenditures - Actual and Budget
 Adult Supplemental Education Fund
 Regulatory Basis
 For the Year Ended June 30, 2014
 (With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Instruction	-	-	\$ 25,981	\$ 25,981
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 25,981</u>	<u>\$ 25,981</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>25,982</u>	<u>25,982</u>		
Unencumbered Cash, Ending	<u>\$ 25,982</u>	<u>\$ 25,982</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 5,962,717	\$ 5,012,760	\$ 4,962,717	\$ 50,043
Reimbursed expenses	<u>9,793</u>	<u>13,333</u>	<u>-</u>	<u>13,333</u>
Total Receipts	<u>5,972,510</u>	<u>5,026,093</u>	<u>\$ 4,962,717</u>	<u>\$ 63,376</u>
Expenditures				
Instruction	4,405,322	5,174,176	\$ 6,455,000	\$ 1,280,824
Instructional support staff	-	32,877	-	[32,877]
Transportation	2,721	-	-	-
Transfers out	<u>426,833</u>	<u>538,584</u>	<u>-</u>	<u>[538,584]</u>
Total Expenditures	<u>4,834,876</u>	<u>5,745,637</u>	<u>\$ 6,455,000</u>	<u>\$ 709,363</u>
Receipts Over [Under] Expenditures	1,137,634	[719,544]		
Unencumbered Cash, Beginning	<u>2,566,461</u>	<u>3,704,095</u>		
Unencumbered Cash, Ending	<u>\$ 3,704,095</u>	<u>\$ 2,984,551</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 613,312	\$ 631,735	\$ 631,735	\$ -
Reimbursed expenses	<u>1,753</u>	<u>1,817</u>	<u>-</u>	<u>1,817</u>
Total Receipts	<u>615,065</u>	<u>633,552</u>	<u>\$ 631,735</u>	<u>\$ 1,817</u>
Expenditures				
Instruction	410,185	319,150	\$ 431,700	\$ 112,550
Student support services	87,167	95,488	88,800	[6,688]
Instructional support	55,408	173,043	154,500	[18,543]
Transfers out	<u>64,075</u>	<u>83,132</u>	<u>-</u>	<u>[83,132]</u>
Total Expenditures	<u>616,835</u>	<u>670,813</u>	<u>\$ 675,000</u>	<u>\$ 4,187</u>
Receipts Over [Under] Expenditures	[1,770]	[37,261]		
Unencumbered Cash, Beginning	<u>99,785</u>	<u>98,015</u>		
Unencumbered Cash, Ending	<u>\$ 98,015</u>	<u>\$ 60,754</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursed expenses	\$ 4,076	\$ 9,420	\$ -	\$ 9,420
Transfers in	<u>5,772,736</u>	<u>5,573,160</u>	<u>5,876,746</u>	<u>[303,586]</u>
Total Receipts	<u>5,776,812</u>	<u>5,582,580</u>	<u>\$ 5,876,746</u>	<u>\$ [294,166]</u>
Expenditures				
Instruction	4,715,400	4,976,139	\$ 6,320,800	\$ 1,344,661
Student support services	6,163	3,810	20,000	16,190
Instructional support	24,171	8,656	-	[8,656]
School administration	374,294	443,568	404,000	[39,568]
Operations and maintenance	43,928	46,380	55,200	8,820
Transfers out	<u>151,076</u>	<u>148,140</u>	<u>-</u>	<u>[148,140]</u>
Total Expenditures	<u>5,315,032</u>	<u>5,626,693</u>	<u>\$ 6,800,000</u>	<u>\$ 1,173,307</u>
Receipts Over [Under] Expenditures	461,780	[44,113]		
Unencumbered Cash, Beginning	<u>585,046</u>	<u>1,046,826</u>		
Unencumbered Cash, Ending	<u>\$ 1,046,826</u>	<u>\$ 1,002,713</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 7,648,637	\$ 7,798,841	\$ 7,462,940	\$ 335,901
Delinquent tax	109,109	94,078	101,654	[7,576]
Motor vehicle tax	546,666	637,164	567,060	70,104
Investment income	15,532	20,578	10,000	10,578
Reimbursed expenses	61,208	279,658	-	279,658
Lease proceeds	-	2,132,352	-	2,132,352
Donations	-	965,000	-	965,000
Miscellaneous	703,414	853,242	2,000,000	[1,146,758]
Flood control	19,154	17,576	15,000	2,576
Total Receipts	<u>9,103,720</u>	<u>12,798,489</u>	<u>\$ 10,156,654</u>	<u>\$ 2,641,835</u>
Expenditures				
Instruction	941,073	5,289,415	\$ 4,000,000	\$ [1,289,415]
Student support services	12,635	2,710	25,000	22,290
Instructional support	108,579	108,302	625,000	516,698
General administration	1,227	5,354	25,000	19,646
School administration	17,555	48,541	25,000	[23,541]
Operations and maintenance	393,882	400,034	300,000	[100,034]
Central support services	157,214	664,734	625,000	[39,734]
Other support services	108,069	129,013	100,000	[29,013]
Facility acquisition and construction services	<u>3,585,794</u>	<u>8,161,249</u>	<u>11,260,000</u>	<u>3,098,751</u>
Total Expenditures	<u>5,326,028</u>	<u>14,809,352</u>	<u>\$ 16,985,000</u>	<u>\$ 2,175,648</u>
Receipts Over [Under] Expenditures	3,777,692	[2,010,863]		
Unencumbered Cash, Beginning	<u>5,401,236</u>	<u>9,178,928</u>		
Unencumbered Cash, Ending	<u>\$ 9,178,928</u>	<u>\$ 7,168,065</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Driver Training Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 10,695	\$ 8,160	\$ 34,500	\$ [26,340]
Charges for services	<u>21,638</u>	<u>16,540</u>	<u>35,358</u>	<u>[18,818]</u>
Total Receipts	<u>32,333</u>	<u>24,700</u>	<u>\$ 69,858</u>	<u>\$ [45,158]</u>
Expenditures				
Instruction	20,967	22,044	\$ 90,125	\$ 68,081
Instructional support	826	5,740	10,875	5,135
Operations and maintenance	2,112	9,534	40,000	30,466
Transfers out	<u>110</u>	<u>135</u>	<u>-</u>	<u>[135]</u>
Total Expenditures	<u>24,015</u>	<u>37,453</u>	<u>\$ 141,000</u>	<u>\$ 103,547</u>
Receipts Over [Under] Expenditures	8,318	[12,753]		
Unencumbered Cash, Beginning	<u>62,824</u>	<u>71,142</u>		
Unencumbered Cash, Ending	<u>\$ 71,142</u>	<u>\$ 58,389</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 2,669,134	\$ 2,702,515	\$ 2,530,125	\$ 172,390
State aid	46,809	45,688	46,560	[872]
Charges for services	1,890,049	1,840,391	2,793,338	[952,947]
Investment income	35	100	-	100
Total Receipts	<u>4,606,027</u>	<u>4,588,694</u>	<u>\$ 5,370,023</u>	<u>\$ [781,329]</u>
Expenditures				
Food service operation	4,433,720	4,393,743	\$ 6,000,000	\$ 1,606,257
Transfers out	300,945	250,075	-	[250,075]
Total Expenditures	<u>4,734,665</u>	<u>4,643,818</u>	<u>\$ 6,000,000</u>	<u>\$ 1,356,182</u>
Receipts Over [Under] Expenditures	[128,638]	[55,124]		
Unencumbered Cash, Beginning	<u>1,278,650</u>	<u>1,150,012</u>		
Unencumbered Cash, Ending	<u>\$ 1,150,012</u>	<u>\$ 1,094,888</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 560	\$ 14,492	\$ -	\$ 14,492
Reimbursed expenses	1,068	1,175	-	1,175
Donations	500	1,000	-	1,000
Transfers in	<u>513,347</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Total Receipts	<u>515,475</u>	<u>466,667</u>	<u>\$ 450,000</u>	<u>\$ 16,667</u>
Expenditures				
Instructional support	463,928	566,043	\$ 693,250	\$ 127,207
Student support services	-	199	-	[199]
Other supplemental service	2,595	13,661	6,750	[6,911]
Transfers out	<u>984</u>	<u>945</u>	<u>-</u>	<u>[945]</u>
Total Expenditures	<u>467,507</u>	<u>580,848</u>	<u>\$ 700,000</u>	<u>\$ 119,152</u>
Receipts Over [Under] Expenditures	47,968	[114,181]		
Unencumbered Cash, Beginning	<u>316,264</u>	<u>364,232</u>		
Unencumbered Cash, Ending	<u>\$ 364,232</u>	<u>\$ 250,051</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 126,962	\$ 126,962	\$ 126,962	\$ -
Miscellaneous	4,256	15,705	10,000	5,705
Transfers in	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total Receipts	<u>149,218</u>	<u>160,667</u>	<u>\$ 154,962</u>	<u>\$ 5,705</u>
Expenditures				
Support services	132,992	144,807	\$ 220,850	\$ 76,043
Instructional support staff	5,074	6,221	5,000	[1,221]
Other supplemental services	-	-	9,150	9,150
Transfers out	<u>9,329</u>	<u>15,056</u>	<u>-</u>	<u>[15,056]</u>
Total Expenditures	<u>147,395</u>	<u>166,084</u>	<u>\$ 235,000</u>	<u>\$ 68,916</u>
Receipts Over [Under] Expenditures	1,823	[5,417]		
Unencumbered Cash, Beginning	<u>85,072</u>	<u>86,895</u>		
Unencumbered Cash, Ending	<u>\$ 86,895</u>	<u>\$ 81,478</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Summer School Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 27,365	\$ 26,845	\$ 20,000	\$ 6,845
Total Receipts	<u>27,365</u>	<u>26,845</u>	<u>\$ 20,000</u>	<u>\$ 6,845</u>
Expenditures				
Instruction	10,531	16,762	\$ 145,100	\$ 128,338
Student support services	-	-	2,700	2,700
Instructional support staff	8	-	2,200	2,200
Transfers out	51	82	-	[82]
Total Expenditures	<u>10,590</u>	<u>16,844</u>	<u>\$ 150,000</u>	<u>\$ 133,156</u>
Receipts Over [Under] Expenditures	16,775	10,001		
Unencumbered Cash, Beginning	<u>151,551</u>	<u>168,326</u>		
Unencumbered Cash, Ending	<u>\$ 168,326</u>	<u>\$ 178,327</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 4,916	\$ 5,906	\$ 10,000	\$ [4,094]
Federal aid	2,375,686	2,355,933	2,987,656	[631,723]
Reimbursed expenses	1,181,934	908,760	-	908,760
Donations	1,043	-	-	-
Transfers in	16,611,246	17,914,337	16,923,270	991,067
Total Receipts	<u>20,174,825</u>	<u>21,184,936</u>	<u>\$ 19,920,926</u>	<u>\$ 1,264,010</u>
Expenditures				
Instruction	12,465,814	12,968,383	\$ 16,289,600	\$ 3,321,217
Student support services	2,700,045	3,165,509	3,265,000	99,491
Instructional support staff	629,110	856,354	882,000	25,646
Operations and maintenance	9,157	8,378	19,500	11,122
Vehicle operating services	2,503,635	2,784,324	2,533,900	[250,424]
Other supplemental services	-	-	10,000	10,000
Transfers out	1,972,150	2,185,657	-	[2,185,657]
Total Expenditures	<u>20,279,911</u>	<u>21,968,605</u>	<u>\$ 23,000,000</u>	<u>\$ 1,031,395</u>
Receipts Over [Under] Expenditures	[105,086]	[783,669]		
Unencumbered Cash, Beginning	<u>9,792,881</u>	<u>9,687,795</u>		
Unencumbered Cash, Ending	<u>\$ 9,687,795</u>	<u>\$ 8,904,126</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Cost of Living Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 1,021,139	\$ 1,162,903	\$ 1,166,635	\$ [3,732]
Delinquent tax	20,494	15,252	13,525	1,727
Motor vehicle tax	<u>109,428</u>	<u>95,206</u>	<u>84,506</u>	<u>10,700</u>
Total Receipts	<u>1,151,061</u>	<u>1,273,361</u>	<u>\$ 1,264,666</u>	<u>\$ 8,695</u>
Expenditures				
State payment	<u>1,290,950</u>	<u>1,290,500</u>	<u>\$ 1,290,500</u>	<u>\$ -</u>
Total Expenditures	<u>1,290,950</u>	<u>1,290,500</u>	<u>\$ 1,290,500</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[139,889]	[17,139]		
Unencumbered Cash, Beginning	<u>165,722</u>	<u>25,833</u>		
Unencumbered Cash, Ending	<u>\$ 25,833</u>	<u>\$ 8,694</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Vocational Education Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursed expenses	\$ 3,011	\$ 3,606	\$ -	\$ 3,606
Miscellaneous	13	2,896	-	2,896
Transfers in	<u>1,500,000</u>	<u>1,528,000</u>	<u>1,500,000</u>	<u>28,000</u>
Total Receipts	<u>1,503,024</u>	<u>1,534,502</u>	<u>\$ 1,500,000</u>	<u>\$ 34,502</u>
Expenditures				
Instruction	1,379,845	1,487,938	\$ 1,818,000	\$ 330,062
Instructional support	77,422	142,703	162,000	19,297
Operations and maintenance	6,187	967	20,000	19,033
Transfers out	<u>111,083</u>	<u>128,125</u>	<u>-</u>	<u>[128,125]</u>
Total Expenditures	<u>1,574,537</u>	<u>1,759,733</u>	<u>\$ 2,000,000</u>	<u>\$ 240,267</u>
Receipts Over [Under] Expenditures	[71,513]	[225,231]		
Unencumbered Cash, Beginning	<u>698,846</u>	<u>627,333</u>		
Unencumbered Cash, Ending	<u>\$ 627,333</u>	<u>\$ 402,102</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 6,206,550	\$ 7,024,817	\$ 7,385,795	\$ [360,978]
Total Receipts	<u>6,206,550</u>	<u>7,024,817</u>	<u>\$ 7,385,795</u>	<u>\$ [360,978]</u>
Expenditures				
Instruction	4,305,625	4,950,246	\$ 5,204,619	\$ 254,373
Student support services	460,152	523,159	550,042	26,883
Instructional support	340,670	357,791	376,177	18,386
General administration	32,010	38,485	40,463	1,978
School administration	392,606	420,214	441,807	21,593
Operations and maintenance	225,116	312,754	328,825	16,071
Other supplemental services	284,699	263,843	277,401	13,558
Food service	165,672	158,325	166,461	8,136
Total Expenditures	<u>6,206,550</u>	<u>7,024,817</u>	<u>\$ 7,385,795</u>	<u>\$ 360,978</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ 2,275	\$ 1,425
Total Receipts	<u>2,275</u>	<u>1,425</u>
Expenditures		
Instructional support	-	405,303
Student activities	4	-
Transfers out	<u>64,347</u>	<u>-</u>
Total Expenditures	<u>64,351</u>	<u>405,303</u>
Receipts Over [Under] Expenditures	[62,076]	[403,878]
Unencumbered Cash, Beginning	<u>6,612,036</u>	<u>6,549,960</u>
Unencumbered Cash, Ending	<u>\$ 6,549,960</u>	<u>\$ 6,146,082</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Textbook Rental Fund *
Regulatory Basis
For the Year Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 35,552	\$ 20,857
Total Receipts	<u>35,552</u>	<u>20,857</u>
Expenditures		
Instruction	<u>609,737</u>	<u>299,108</u>
Total Expenditures	<u>609,737</u>	<u>299,108</u>
Receipts Over [Under] Expenditures	[574,185]	[278,251]
Unencumbered Cash, Beginning	<u>852,436</u>	<u>278,251</u>
Unencumbered Cash, Ending	<u>\$ 278,251</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Student Material Revolving Fund *
Regulatory Basis
For the Year Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 870,393	\$ 831,359
Total Receipts	<u>870,393</u>	<u>831,359</u>
Expenditures		
Instruction	<u>353,520</u>	<u>645,308</u>
Total Expenditures	<u>353,520</u>	<u>645,308</u>
Receipts Over [Under] Expenditures	516,873	186,051
Unencumbered Cash, Beginning	<u>727,281</u>	<u>1,244,154</u>
Unencumbered Cash, Ending	<u>\$ 1,244,154</u>	<u>\$ 1,430,205</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Grants Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal Aid:				
Title I	\$ 1,707,041	\$ 1,501,893	\$ 1,700,000	\$ [198,107]
Title II A - Improving Teacher Quality	470,990	406,025	475,000	[68,975]
Carl Perkins Vocational Act Program Improvement	77,220	79,193	-	79,193
Title III-English as a Second Language	16,578	99,577	115,000	[15,423]
Johnson O'Malley Grant	<u>134,339</u>	<u>174,425</u>	-	<u>174,425</u>
Total Federal Aid	2,406,168	2,261,113	2,290,000	[28,887]
Other Receipts:				
Other grants and donations	<u>16,469</u>	<u>119,415</u>	<u>230,000</u>	<u>[110,585]</u>
Total Receipts	<u>2,422,637</u>	<u>2,380,528</u>	<u>\$ 2,520,000</u>	<u>\$ [139,472]</u>
Expenditures				
Instruction	1,684,652	1,607,514	\$ 1,726,265	\$ 118,751
Student support services	74,407	87,563	109,000	21,437
Instructional support staff	210,595	168,099	613,000	444,901
General administration	64,704	11,850	79,700	67,850
Transportation	130,185	87,266	-	[87,266]
Transfers out	<u>231,502</u>	<u>201,464</u>	-	<u>[201,464]</u>
Total Expenditures	<u>2,396,045</u>	<u>2,163,756</u>	<u>\$ 2,527,965</u>	<u>\$ 364,209</u>
Receipts Over [Under] Expenditures	26,592	216,772		
Unencumbered Cash, Beginning	<u>[17,276]</u>	<u>9,316</u>		
Unencumbered Cash, Ending	<u>\$ 9,316</u>	<u>\$ 226,088</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 10,223,362	\$ 10,295,635	\$ 9,868,270	\$ 427,365
Delinquent tax	189,841	149,651	135,236	14,415
Motor vehicle tax	1,046,240	989,698	877,109	112,589
Miscellaneous	11,014	-	-	-
State Aid	-	208,445	222,245	[13,800]
Investment income	18	26,242	-	26,242
Total Receipts	<u>11,470,475</u>	<u>11,669,671</u>	<u>\$ 11,102,860</u>	<u>\$ 566,811</u>
Expenditures				
Bond principal	9,140,000	7,340,000	\$ 7,340,000	\$ -
Interest	2,677,760	3,059,290	3,772,235	712,945
Commissions	-	-	1,000	1,000
Total Expenditures	<u>11,817,760</u>	<u>10,399,290</u>	<u>\$ 11,113,235</u>	<u>\$ 713,945</u>
Receipts Over [Under] Expenditures	[347,285]	1,270,381		
Unencumbered Cash, Beginning	<u>11,596,098</u>	<u>11,248,813</u>		
Unencumbered Cash, Ending	<u>\$ 11,248,813</u>	<u>\$ 12,519,194</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Assessment Fund
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 81,363	\$ 1,984	\$ 1,071	\$ 913
Delinquent tax	2,232	1,586	1,036	550
Motor vehicle tax	9,179	16,576	14,628	1,948
Reimbursed expenses	-	6,865	-	6,865
Total Receipts	<u>92,774</u>	<u>27,011</u>	<u>\$ 16,735</u>	<u>\$ 10,276</u>
Expenditures				
Capital outlay	<u>67,689</u>	<u>74,710</u>	<u>\$ 300,000</u>	<u>\$ 225,290</u>
Total Expenditures	<u>67,689</u>	<u>74,710</u>	<u>\$ 300,000</u>	<u>\$ 225,290</u>
Receipts Over [Under] Expenditures	25,085	[47,699]		
Unencumbered Cash, Beginning	<u>451,133</u>	<u>476,218</u>		
Unencumbered Cash, Ending	<u>\$ 476,218</u>	<u>\$ 428,519</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Capital Projects Fund *
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Investment income	\$ 368	\$ 608,180
Bond proceeds	-	36,000,000
Total Receipts	<u>368</u>	<u>36,608,180</u>
Expenditures		
Instruction	716,036	-
General administration	-	61,008
Operations and maintenance	-	334,191
Business services	51,764	313,460
Food service operation	-	200,378
Building repair and remodeling	<u>180,448</u>	<u>50,893,520</u>
Total Expenditures	<u>948,248</u>	<u>51,802,557</u>
Receipts Over [Under] Expenditures	[947,880]	[15,194,377]
Unencumbered Cash, Beginning	<u>1,182,836</u>	<u>234,956</u>
Unencumbered Cash, Ending	<u>\$ 234,956</u>	<u>\$ [14,959,421]</u>

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
School Workers' Compensation Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 612,864	\$ 428,363
Reimbursed expenses	<u>3,355</u>	<u>22,321</u>
Total Receipts	<u>616,219</u>	<u>450,684</u>
 Expenditures		
Instruction	283,381	345,826
Instructional support	3,315	-
General administration	<u>52,664</u>	<u>54,209</u>
Total Expenditures	<u>339,360</u>	<u>400,035</u>
 Receipts Over [Under] Expenditures	 276,859	 50,649
 Unencumbered Cash, Beginning	 <u>1,901,847</u>	 <u>2,178,706</u>
 Unencumbered Cash, Ending	 <u>\$ 2,178,706</u>	 <u>\$ 2,229,355</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Health Care Services Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 1,737,087	\$ 1,817,325
Transfers in	6,761,058	7,316,452
Miscellaneous	<u>86,069</u>	<u>254</u>
Total Receipts	<u>8,584,214</u>	<u>9,134,031</u>
Expenditures		
Group insurance	8,253,952	9,733,650
Other insurance services	<u>11,250</u>	<u>11,250</u>
Total Expenditures	<u>8,265,202</u>	<u>9,744,900</u>
Receipts Over [Under] Expenditures	319,012	[610,869]
Unencumbered Cash, Beginning	<u>7,037,242</u>	<u>7,356,254</u>
Unencumbered Cash, Ending	<u>\$ 7,356,254</u>	<u>\$ 6,745,385</u>

* This fund is not required to be budgeted.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 497
Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Lawrence High School							
Heart of a Lion Fund	\$ -	\$ -	\$ 16,869	\$ 16,869	\$ -	\$ -	\$ -
Testing	-	-	37,478	37,478	-	-	-
School District Landscaping	-	-	2,077	2,077	-	-	-
Jennifer Trapp Memorial	580	-	-	-	580	-	580
Central Middle School							
Tom Olin Memorial	158	-	-	13	145	-	145
Teresa Lail Memorial	258	-	-	-	258	-	258
Duver Memorial	856	-	-	60	796	-	796
Alicia A. Chavez Memorial Fund	2,218	-	-	175	2,043	-	2,043
South Middle School							
Haskell CoOp	-	-	152	152	-	-	-
Cougar Relief	-	-	2,500	2,368	132	-	132
West Middle School							
Opportunity West	-	-	16,137	9,056	7,081	-	7,081
Carson Memorial	-	-	958	-	958	-	958
Cunningham Memorial	-	-	1,777	360	1,417	-	1,417
Lawrence Public Schools							
Memorial Funds	224,521	-	4,308	3,450	225,379	-	225,379
Local Donations Fund	475,375	-	334,799	243,794	566,380	20,155	586,535
Total Other Private Purpose							
Trust Funds	<u>\$ 703,966</u>	<u>\$ -</u>	<u>\$ 417,055</u>	<u>\$ 315,852</u>	<u>\$ 805,169</u>	<u>\$ 20,155</u>	<u>\$ 825,324</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2014

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
ELEMENTARY SCHOOLS				
Cordley Elementary				
Student Council	\$ 135	\$ -	\$ -	\$ 135
Just Say No Club	1	-	-	1
Library Media	-	39	39	-
Instructional Enhancement	-	4,507	4,661	[154]
Yearbook	[24]	2,066	2,054	[12]
Total Cordley Activity Funds	112	6,612	6,754	[30]
Deerfield Elementary				
Student Council	-	602	602	-
Picture Fund	-	16	16	-
Coke Machine	-	766	766	-
Yearbook	-	3,362	3,362	-
Total Deerfield Activity Funds	-	4,746	4,746	-
Hillcrest Elementary				
6th Grade Trip	-	774	774	-
Library Media	-	231	231	-
Pop Machine	-	425	425	-
Total Hillcrest Activity Funds	-	1,430	1,430	-
Kennedy Elementary				
Library Media	-	52	52	-
Total Kennedy Activity Funds	-	52	52	-
Langston Hughes Elementary				
Field Trips	-	5,878	5,878	-
Library Media	-	105	105	-
Recorder Fund	-	203	203	-
Total Langston Hughes Activity Funds	-	6,186	6,186	-
Prairie Park Elementary				
Student Council	1,652	3,948	4,432	1,168
Total Prairie Park Activity Funds	1,652	3,948	4,432	1,168
Schwegler Elementary				
Yearbook	-	2,555	2,555	-
Library	-	120	120	-
Total Schwegler Activity Funds	-	2,675	2,675	-
Sunflower Elementary				
Student Council	2,137	1,200	975	2,362
Library Fund	-	102	102	-
Picture Fund	-	3,604	3,604	-
Total Sunflower Activity Funds	2,137	4,906	4,681	2,362
Sunset Hill Elementary				
Student Council	-	153	153	-
Total Sunset Hill Activity Funds	-	153	153	-
Woodlawn Elementary				
Lost Library Books	-	37	37	-
Student Council	112	-	-	112
Total Woodlawn Activity Funds	112	37	37	112
Total Elementary School Activity Funds	4,013	30,745	31,146	3,612

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2014

FUNDS	Beginning Cash			Ending Cash
	Balance	Receipts	Disbursements	
MIDDLE SCHOOLS				
Central Middle School				
Chess Club	\$ 235	\$ -	\$ -	\$ 235
Excalibur	3,619	1,260	307	4,572
Freshman Fund	197	-	-	197
Garden Club	1,016	-	150	866
Builder's Club	-	796	520	276
History Day	2,323	4	934	1,393
Pep Club	1,392	1,739	2,427	704
Sales Tax	-	1,098	1,098	-
Speech and Drama	988	2,689	2,299	1,378
Student Council	1,281	586	834	1,033
Red Ribbon	310	-	-	310
National Junior Honor Society	329	-	-	329
Yearbook	-	3,705	3,171	534
Total Central Middle School Activity Funds	11,690	11,877	11,740	11,827
South Middle School				
Junior Players	3,292	3,507	3,369	3,430
International Club	754	-	-	754
Adventure Club	5,084	637	725	4,996
Physical Education	343	-	58	285
Student Council	5,140	18,106	19,268	3,978
Yearbook	190	5,976	5,289	877
South Singers	2,895	645	3,105	435
Cheerleaders	134	-	-	134
Band	270	127	184	213
Orchestra	4,956	6,941	5,876	6,021
Black Male Brothers	688	1,906	1,869	725
Women of Color	383	1,473	1,856	-
Garden Club	815	143	-	958
Cougar Grrrrr Power	-	89	77	12
Honor the Circle	158	-	-	158
Total South Middle School Activity Funds	25,102	39,550	41,676	22,976
Southwest Middle School				
Student Council	7,909	16,886	16,079	8,716
Stuco-Bulldog Help	602	-	410	192
Chess Club	1,675	-	-	1,675
Math Club	289	130	-	419
Garden Fund	2,104	4,518	4,674	1,948
Future City Group	1,591	1,250	2,500	341
International Club	131	-	52	79
Cheerleaders	-	2,037	2,037	-
Volleyball/Girls BB	-	782	782	-
Game Shirts/Athletic Programs	-	1,452	1,452	-
BelCanto	-	13,257	13,257	-
Yearbook	-	18,914	18,914	-
6th Grade Activities	-	3,649	3,649	-
Seventh Grade Activities	-	1,993	1,993	-
Drama	-	9,495	9,495	-
Eighth Grade Activities	-	4,051	4,051	-
Enrichment	-	2,683	2,683	-
ER	-	1,879	1,879	-
Newspaper	-	22	22	-
SPED project	-	43	43	-
SW Business Partners	-	2,710	2,710	-
Band	-	2,763	2,763	-
Orchestra	-	1,087	1,087	-
T-shirt	-	1	1	-
Student Assistance	-	51	51	-
Library Book Fair/fines	-	1,987	1,987	-
Global Studies	-	829	829	-
ID Supplies	-	3,109	3,109	-
Total Southwest Middle School Activity Funds	14,301	95,578	96,509	13,370

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2014

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
MIDDLE SCHOOLS (Continued)				
West Middle School				
Applebee's Fundraiser	\$ -	\$ 2,274	\$ 2,274	\$ -
Cheerleading Club	988	230	911	307
Speech and Drama	3,041	4,157	2,876	4,322
Student Council	2,682	13,744	14,503	1,923
Yearbook	5,151	7,848	6,886	6,113
Chorale	1,918	7,147	4,729	4,336
Instrumental Music	338	1,822	990	1,170
Carnival Fundraiser from POWW	-	4,439	4,439	-
Morgenroth Band	9	1,459	1,269	199
Library Book Fund	14	-	-	14
Track	639	668	307	1,000
Gifted	573	156	524	205
Principal's Fund	174	100	-	274
8th Grade Boys Basketball Fund	1,499	-	1,499	-
8th Grade Football Fund	-	902	902	-
Magazine Fundraiser	-	9,014	9,014	-
Sport's Cup Fundraiser/Scholastic Fund	-	499	499	-
Wrestling Club	167	416	583	-
8th Grade Team Activities	777	101	878	-
7th Grade Team Activities	1,806	1,600	1,794	1,612
6th Grade Team Activities	1,043	513	1,184	372
Scholastic Book Fair	-	1,239	1,239	-
Concessions	-	5,132	5,132	-
8th Grade Volleyball	-	325	65	260
8th Grade Worlds of Fun	-	7,390	5,999	1,391
Total West Middle School Activity Funds	<u>20,819</u>	<u>71,175</u>	<u>68,496</u>	<u>23,498</u>
Total Middle School Activity Funds	<u>71,912</u>	<u>218,180</u>	<u>218,421</u>	<u>71,671</u>
HIGH SCHOOLS				
Lawrence High School				
Alliance for Social Awareness	122	-	-	122
American Indian Club	14	5,537	4,975	576
Amnesty International Club	29	-	-	29
Auto/Power Mech Club	1,246	-	681	565
Aviation Club	108	-	-	108
Bike Club	51	-	-	51
Biology Club	105	-	-	105
Black American Club	160	-	-	160
FBLA/Business Professionals	44	-	-	44
Chess Club	71	-	71	-
Class of 2011	2,996	-	2,996	-
Class of 2012	595	-	595	-
Class of 2013	307	-	307	-
Computer Club	91	-	-	91
Disc Golf Club	29	-	-	29
DECA Lion's Den Merchandise	189	-	189	-
DECA Club	578	4,408	4,986	-
DECA Chesty's Brew	279	121	-	400
Environmental/Recycle Club	413	-	55	358
Ewertmania	22	-	-	22
FCCLA	523	957	1,201	279
Fellowship of Christian Athletes	19	-	-	19
French Club	366	-	127	239
Future Farmers of America	87	1,383	842	628
Game Club	193	-	-	193
Gay & Straight Alliance	-	152	100	52
Geography Club	115	-	-	115
German Club	625	-	-	625
Graffiti Magazine	48	-	-	48
GCTL/FYI	1,380	3,405	3,663	1,122
Habitat for Humanity Club	-	1,856	682	1,174
International Club	1,476	134	222	1,388
Jewelry Shop	952	-	-	952
Key Club	437	-	-	437
Latin Club	758	3,832	2,613	1,977
Latin Club - Courtyard	3	500	-	503
Media Club	289	-	-	289
My Little Pony Club	-	25	-	25
National Art Honor Society	47	-	-	47
National Honor Society	2,030	495	981	1,544
Subtotals to Schedule 4, page 4 of 5	<u>16,797</u>	<u>22,805</u>	<u>25,286</u>	<u>14,316</u>

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2014

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
HIGH SCHOOLS (Continued)				
Lawrence High School				
Subtotals from Schedule 4, page 3 of 5	\$ 16,797	\$ 22,805	\$ 25,286	\$ 14,316
Outdoor Leadership Experience	2	-	-	2
Ski Club	25	-	-	25
Spanish Club	7	-	-	7
Student Council	4,945	19,712	22,687	1,970
Table Tennis Club	40	-	-	40
Teachers of Tomorrow	74	-	-	74
Theater Drama Club	1,310	-	-	1,310
VICA/COT	2,808	-	-	2,808
Writers Club	1	-	-	1
Y.E.K.	1	-	-	1
Young Democrats	63	-	-	63
Youth in Local Government	137	-	-	137
Intramurals	-	6,007	6,007	-
After Prom	-	3,332	3,332	-
Cap N Gown	-	11,909	11,909	-
C.P. Engineering Competition	-	740	740	-
Culinary	-	185	185	-
Hip Hop/Step	-	66	66	-
Breakfast By Gentleman	-	48	48	-
Diplomas, Past Years	-	60	60	-
Directed Studies	-	77	77	-
Film Festival/Showtime	-	2,415	2,415	-
F&CS Interior Design Proj.	-	30	30	-
French IV Trip	-	2	2	-
Lawrence Youth Symphony	-	2,890	2,890	-
Link Crew	-	1,115	1,115	-
Model UN	-	2,812	2,812	-
Music Student Accounts	-	80,971	80,971	-
Paws for Pals/Can We Talk	-	2,803	2,803	-
Robotics	-	1,736	1,736	-
Gala	-	9,280	9,280	-
At Risk	-	500	500	-
Welding Projects	-	477	477	-
Woodshop Projects	-	1,221	1,221	-
Baseball Program	-	31,414	31,414	-
Softball Program	-	9,333	9,333	-
Boys Basketball Program	-	3,019	3,019	-
Girls Basketball Program	-	8,998	8,998	-
Volleyball Program	-	12,853	12,853	-
Cross Country Program	-	2,612	2,612	-
Tennis Program	-	1,674	1,674	-
Girls Soccer Program	-	4,898	4,898	-
Boys Soccer Program	-	13,358	13,358	-
Leadership Symposium	-	387	387	-
Total Lawrence High Activity Funds	<u>26,210</u>	<u>259,739</u>	<u>265,195</u>	<u>20,754</u>
Free State High School				
Advanced Placement/Knowledge Master	1,000	-	-	1,000
Anime	136	-	-	136
Badminton Club	4	-	-	4
Bike Club	42	-	-	42
Book Club	140	-	-	140
Business Professionals	470	1,519	1,907	82
Chess Club	96	1,280	580	796
Class of 2001	500	-	-	500
Class of 2004	500	-	-	500
Class of 2005	500	-	-	500
Class of 2006	500	-	-	500
Class of 2007	500	-	-	500
Class of 2008	500	-	-	500
Class of 2009	500	-	-	500
Class of 2010	5,716	-	5,217	499
Class of 2012	1,476	-	976	500
Class of 2013	845	30	375	500
Class of 2014	103	-	-	103
Class of 2015	168	-	-	168
Computer Club	344	-	-	344
Diversity Club	57	151	190	18
Environmental Club	101	46	78	69
Family Career & Community Leaders of America	659	3,334	3,993	-
Fellowship of Christian Athletes	-	424	160	264
Film Club/Firebird Productions	6,745	1,489	1,047	7,187
Free State Yoga Club	49	194	220	23
French Club	198	-	-	198
Future Farmers of America	2,969	9,085	10,358	1,696
GCTL/FYI	1,359	3,685	4,574	470
Geography Club	-	34,425	33,833	592
Hype Inc.	168	-	-	168
Key Club	673	1,144	987	830
Subtotals to Schedule 4, page 5 of 5	<u>27,018</u>	<u>56,806</u>	<u>64,495</u>	<u>19,329</u>

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2014

FUNDS	Beginning Cash			Ending Cash
	Balance	Receipts	Disbursements	
HIGH SCHOOLS (Continued)				
Free State High School				
Subtotals from Schedule 4, page 4 of 5	\$ 27,018	\$ 56,806	\$ 64,495	\$ 19,329
Math Team	259	-	50	209
National Honor Society	2,183	9,792	8,255	3,720
Native American Club	167	658	622	203
Philosophy Club	17	-	-	17
Pre-Med Club	-	234	134	100
Random Acts of Kindness	-	250	-	250
Science Olympiad	155	2,037	1,830	362
Spanish Club	6	-	-	6
Student Council	12,146	20,263	17,826	14,583
Sweater Club	34	-	-	34
Thespians	818	1,657	2,018	457
Tolkien Club	316	1,234	1,151	399
VICA/CIT	2,120	2,757	2,860	2,017
Writers Club	486	29	-	515
Young Democrats Club	97	-	-	97
Baseball Account	18,044	17,938	22,436	13,546
Cap & Gown Rental	-	11,007	11,007	-
Camera Rental & Repair	2,123	220	474	1,869
Model UN	89	18,469	18,483	75
Free State Football	8,112	21,015	21,216	7,911
Free State Boys Soccer	1,589	16,771	18,360	-
Firebird Fund	89	3,248	2,645	692
Engineering Club - Special Projects	396	997	695	698
Free State Girls Soccer	65	20,644	20,336	373
Free State Girls Basketball	2,382	5,701	5,947	2,136
Parking Fines	4,218	2,896	4,325	2,789
Free State Boys Basketball	1,362	3,837	3,877	1,322
Student Planners	2,524	55	-	2,579
Free State Cross Country/Track	3,521	53,220	54,732	2,009
Special Education	7	727	663	71
Free State Boys Tennis	57	658	665	50
Free State Girls Tennis	411	237	390	258
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	540	2,424	1,618	1,346
Girls Golf	243	739	376	606
Battle of the Bands	773	-	-	773
Grounds Beautification	610	-	-	610
Green & Silver	1,013	1,050	1,092	971
LINK	987	1,335	1,197	1,125
Autism	-	302	288	14
Freddie's Friends	43	-	-	43
SLEIPS	436	13,838	12,876	1,398
Free State Football (Additional)	1,074	-	1,000	74
Free State Softball	12,349	12,517	6,083	18,783
Testing Fund	10,634	39,121	43,081	6,674
Jewelry/Metal	1,142	401	23	1,520
Band Program (Additional)	6,161	111,281	113,452	3,990
Baseball (Additional)	1,769	-	-	1,769
Gay/Straight Alliance	111	-	-	111
Welding/Industrial Technology	56	-	-	56
Work Books	-	4,285	4,285	-
Free State Wrestling	255	3,977	3,471	761
Cartridge Recyclers	253	-	-	253
Volleyball	2,754	5,114	3,621	4,247
Winter Game Intramurals	314	1,370	1,614	70
Winter Classic Program	-	3,214	3,214	-
Firebird Pride	467	-	-	467
The Early Bird	363	655	679	339
Renaissance Committee	312	1,808	1,334	786
Bowling	1,214	2,479	1,539	2,154
Photo Enrichment	570	-	-	570
Girls Swim/Dive	1,550	7,793	8,099	1,244
Boys Swim/Dive	1,486	6,735	6,284	1,937
River City Baseball	400	15,429	8,170	7,659
CORE/DUB Club	400	-	-	400
Total Free State High Activity Funds	<u>139,290</u>	<u>509,224</u>	<u>508,888</u>	<u>139,626</u>
Total High School Activity Funds	<u>165,500</u>	<u>768,963</u>	<u>774,083</u>	<u>160,380</u>
Total Student Activity Funds	<u>241,425</u>	<u>1,017,888</u>	<u>1,023,650</u>	<u>235,663</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	11,945	50,091	46,535	15,501
Health Reimbursement Account Fund	96,687	12	25	96,674
School and District Accounts	12,388	333,270	335,150	10,508
Payroll Clearing Fund	[1,790,266]	84,265,108	84,844,021	[2,369,179]
Concessions Fund	367	3,413	284	3,496
Total Other Agency Funds	<u>[1,668,879]</u>	<u>84,651,894</u>	<u>85,226,015</u>	<u>[2,243,000]</u>
Total Agency Funds	<u>\$ [1,427,454]</u>	<u>\$ 85,669,782</u>	<u>\$ 86,249,665</u>	<u>\$ [2,007,337]</u>

SCHEDULE 5

UNIFIED SCHOOL DISTRICT NO. 497
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2014

<u>FUNDS</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled Encumbrances	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Lawrence High School							
Activity Tickets and Other	\$ -	\$ -	\$ 36,380	\$ 36,380	\$ -	\$ -	\$ -
Athletics	-	-	113,890	113,890	-	-	-
Band	-	-	17,705	17,705	-	-	-
Theater/Showtime	-	-	30,973	30,973	-	-	-
Free State High School							
Activity Tickets and Other	-	-	31,901	31,901	-	-	-
Athletics	-	-	145,555	145,555	-	-	-
Band	-	-	91,404	91,404	-	-	-
Encore	-	-	47,817	47,817	-	-	-
Vocal	-	-	147,369	147,219	150	-	150
Central Middle School							
Gate Receipts	-	-	6,279	6,279	-	-	-
South Middle School							
Gate Receipts	-	-	9,726	9,726	-	-	-
Southwest Middle School							
Gate Receipts	-	-	11,506	11,506	-	-	-
West Middle School							
Gate Receipts	-	-	6,919	4,040	2,879	-	2,879
Total District Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 697,424</u>	<u>\$ 694,395</u>	<u>\$ 3,029</u>	<u>\$ -</u>	<u>\$ 3,029</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Interior</u>					
Indian Education Assistance to Schools	15.130	\$ [20,029]	\$ 174,425	\$ 150,401	\$ 3,995
Total Direct U.S. Department of Interior		[20,029]	174,425	150,401	3,995
<u>U.S. Department of Education</u>					
Passed Through Kansas State Department of Education					
Title I Grants to Local Educational Agencies	84.010	[4,704]	1,501,893	1,373,863	123,326
Special Education Grants to States	84.027	-	2,214,274	2,214,274	-
Special Education Discretionary	84.027	-	79,744	79,744	-
Vocational Education Basic Grants to States	84.048	481	79,193	78,545	1,129
Special Education Preschool Grants	84.173	-	61,915	61,915	-
English Language Acquisition Grants	84.365	[31,978]	99,577	47,719	19,880
Improving Teacher Quality State Grants	84.367	64,194	406,645	493,769	[22,930]
Total Direct or Passed Through Kansas State Department of Education		27,993	4,443,241	4,349,829	121,405
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
Youth Risk Behavior Survey	93.938	-	320	320	-
Total U.S. Department of Health and Human Services Passed Through Kansas Department of Education		-	320	320	-
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
School Breakfast Program	10.553	-	459,284	459,284	-
National School Lunch Program	10.555	-	2,111,788	2,111,788	-
Summer Food Service Program for Children	10.559	-	131,494	131,494	-
Team Nutrition Training Grant	10.574	-	540	540	-
Food Backpacks	10.579	-	43,660	43,660	-
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		-	2,746,766	2,746,766	-
Total		\$ 7,964	\$ 7,364,752	\$ 7,247,316	\$ 125,400

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 497. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 497
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

	Unmodified (Regulatory Basis) <u>Adverse (GAAP)</u>
Type of auditor's report issued:	
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	___ Yes <u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes <u>X</u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	___ Yes <u>X</u> None reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	<u>X</u> Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173 84.010	Title VI-B - Special Education Cluster Title I

Dollar threshold used to distinguish between type A and type B programs:	___ <u>\$300,000</u> ___
Auditee qualified as low-risk auditee?	<u>X</u> Yes ___ No

UNIFIED SCHOOL DISTRICT NO. 497
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended June 30, 2014

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>
Title VI-B - Special Education Cluster	2014-1	Personnel costs not supported by required documentation in two instances out of a sample of twenty-five selected for the audit.	OMB Circular A-87 Attachment B	Not determined	Adopt policy and procedures to comply with the federal time keeping rules	Agrees

Prior Year Findings

None Noted



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the Unified School District No. 497, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

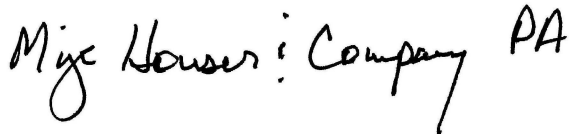
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain other matters that we reported to management of the District in a separate letter dated November 13, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

November 13, 2014
Lawrence, KS



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 497, (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-1. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

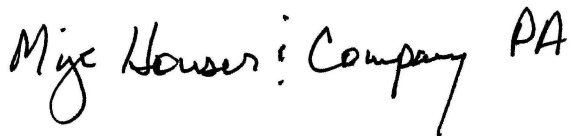
Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

November 13, 2014
Lawrence, KS