

**UNIFIED SCHOOL DISTRICT NO. 497**

**Lawrence, Kansas**

**Financial Statements**

**For the Year Ended June 30, 2016**

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UNIFIED SCHOOL DISTRICT NO. 497  
Lawrence, Kansas  
Financial Statements  
For the Year Ended June 30, 2016

Table of Contents

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents	i - ii
<b>FINANCIAL STATEMENTS SECTION</b>	
Independent Auditor's Report	1 - 3
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4 - 5
Notes to the Financial Statements	6 - 15
<b>REGULATORY REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE 1</b>	
Summary of Expenditures - Actual and Budget	16
<b>SCHEDULE 2</b>	
Schedule of Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	17
Supplemental General Fund	18
Adult Basic Education Fund	19
At Risk (4 Year Old) Fund	20
Adult Supplemental Education Fund	21
At Risk (K-12) Fund	22
Bilingual Education Fund	23
Virtual Education Fund	24
Capital Outlay Fund	25
Driver Training Fund	26
Food Service Fund	27
Professional Development Fund	28
Parent Education Program Fund	29
Summer School Fund	30
Special Education Fund	31
Cost of Living Fund	32
Vocational Education Fund	33
KPERs Special Retirement Contribution Fund	34
Contingency Reserve Fund	35
Student Material Revolving Fund	36
Grants Fund	37
Bond and Interest Fund	38
Special Assessment Fund	39
Capital Project Funds	40
School Workers' Compensation Reserve Fund	41
Health Care Services Reserve Fund	42

UNIFIED SCHOOL DISTRICT NO. 497  
Lawrence, Kansas  
Financial Statements  
For the Year Ended June 30, 2016

Table of Contents - Continued

	<u>Page Number</u>
SCHEDULE 3 Schedule of Receipts, Expenditures and Unencumbered Cash Trust Funds	43
SCHEDULE 4 Summary of Receipts and Disbursements Agency Funds	44 - 48
SCHEDULE 5 Schedule of Receipts, Expenditures and Unencumbered Cash District Activity Funds	49
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	50
Notes to the Schedule of Expenditures of Federal Awards	51
Schedule of Findings and Questioned Costs	52 - 53
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"	54 - 55
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	56 - 57



## 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, 2016 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, 2016, or changes in financial position and cash flows thereof for the year then ended.

### *Unmodified 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, 2016, 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.

### *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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statement. 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 21, 2016, 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.

*Other Matter*

The 2015 Actual column presented in the individual fund financial schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated November 13, 2015. The 2015 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv>. Such 2015 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The 2015 comparative information was subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statements or to the 2015 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 2015 comparative information is fairly presented in all material respects in relation to the 2015 basic financial statements as a whole, on the basis of accounting described in Note 1.

*Mike Houser: Company PA*

Certified Public Accountants

Lawrence, Kansas

November 21, 2016

UNIFIED SCHOOL DISTRICT NO. 497  
 Summary Statement of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2016

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Fund Types:</b>							
<b>General Funds:</b>							
General Fund	\$ 7,815	\$ -	\$ 80,289,010	\$ 80,277,421	\$ 19,404	\$ 3,756,684	\$ 3,776,088
Supplemental General	1,079,042	-	24,099,684	23,419,627	1,759,099	1,602,411	3,361,510
<b>Special Purpose Funds:</b>							
Adult Basic Education	913,736	-	266,467	426,434	753,769	51,081	804,850
At Risk (4 Year Old)	353,065	-	401,631	508,214	246,482	50,652	297,134
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	-	-	4,015,457	4,015,457	-	336,612	336,612
Bilingual Education	-	-	1,769,649	1,769,649	-	128,740	128,740
Virtual Education	-	-	4,284,297	4,284,297	-	468,148	468,148
Capital Outlay	6,467,699	-	12,368,867	14,403,897	4,432,669	3,857,779	8,290,448
Driver Training	50,120	-	29,584	44,072	35,632	16,325	51,957
Food Service	1,016,013	-	4,745,980	4,735,053	1,026,940	54,049	1,080,989
Professional Development	-	-	309,575	309,575	-	13,540	13,540
Parent Education Program	73,115	-	199,500	210,188	62,427	3,618	66,045
Summer School	197,550	-	39,588	162,621	74,517	6,194	80,711
Special Education	7,076,356	-	21,605,711	23,169,321	5,512,746	1,457,797	6,970,543
Cost of Living	18,340	-	1,613,522	1,571,491	60,371	-	60,371
Vocational Education	-	-	1,914,094	1,914,094	-	196,384	196,384
KPERS Special Retirement Contribution	-	-	6,090,694	6,090,694	-	-	-
Contingency Reserve	6,471,093	58,957	-	121,742	6,408,308	139,151	6,547,459
Student Material Revolving	906,477	-	824,546	779,099	951,924	28,076	980,000
Grants	[157,274]	-	2,701,154	2,784,468	[240,588]	248,165	7,577
District Activity	4,442	-	526,100	524,062	6,480	-	6,480
<b>Bond and Interest Funds:</b>							
Bond and Interest	13,523,644	-	12,377,256	10,964,619	14,936,281	-	14,936,281
Special Assessment	431,203	-	18,356	14,605	434,954	-	434,954
<b>Capital Projects Fund:</b>							
Capital Projects	4,916,498	-	22,665,987	25,766,840	1,815,645	13,940,333	15,755,978
<b>Business Funds:</b>							
School Workers' Compensation							
Reserve	2,191,602	-	354,129	382,051	2,163,680	110,482	2,274,162
Health Care Services Reserve	6,241,956	-	9,363,822	11,063,263	4,542,515	34,727	4,577,242
<b>Trust Fund:</b>							
Trusts - Private Purpose	904,617	-	782,357	293,991	1,392,983	19,899	1,412,882
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 52,713,091</b>	<b>\$ 58,957</b>	<b>\$ 213,657,017</b>	<b>\$ 220,006,845</b>	<b>\$ 46,422,220</b>	<b>\$ 26,520,847</b>	<b>\$ 72,943,067</b>

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



UNIFIED SCHOOL DISTRICT NO. 497  
 Summary Statement of Receipts, Expenditures and Unencumbered Cash (Continued)  
 Regulatory Basis  
 For the Year Ended June 30, 2016

Composition of Cash:

Commerce Bank			
Certificates of Deposit	\$	3,921	
Checking Accounts		<u>287</u>	
Total Commerce Bank			4,208
Central Bank of the Midwest - Checking			26,417
U.S. Bank - Checking			59,937,289
United Missouri Bank - Checking			1,867,522
Kansas Municipal Investment Pool			10,010,000
Peoples Bank - Checking			1,397
Cash on Hand			<u>1,644</u>
Total Cash			71,848,477
Less Agency Funds per Schedule 4			<u>1,094,590</u>
Total Reporting Entity (Excluding Agency Funds)			<u>\$ 72,943,067</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, 2016

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 \$421,431 and \$122,445 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment 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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2016:

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 regulatory 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.

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.)

UNIFIED SCHOOL DISTRICT NO. 497  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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 regulatory receipts 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, 2016 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, trust 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, 2016

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, 2016, 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	\$ 3,921	\$ 3,921	NA
Kansas Municipal Investment Pool	<u>10,010,000</u>	<u>10,010,000</u>	S&P AAf/S1+
Total fair value	<u>\$ 10,013,921</u>	<u>\$ 10,013,921</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, 2016, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Certificate of Deposit	0.04%
Kansas Municipal Investment Pool	<u>99.96%</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, 2016.

At June 30, 2016, the District's carrying amount of deposits was \$61,834,556 and the bank balance was \$62,601,299. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, \$648,894 was covered by federal depository insurance and the balance of \$61,952,405 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, 2016

NOTE 2 - Deposits and Investments (Continued)

*Custodial credit risk – investments (continued).* At June 30, 2016, the District had invested \$10,010,000 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.

NOTE 3 - Substance receipt in transit

The District received \$5,477,809 subsequent to June 30, 2016 and as required by K.S.A. 72-6466 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2016.

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2016:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2016</u>
Paid for by revenues					
General Obligation Bonds					
2006A Refunding & Improvement	6/15/2006	9/1/2025	4.00 - 5.00%	\$ 84,630,000	\$ 2,930,000
2012A Refunding	12/15/2012	9/1/2025	2.00%	9,890,000	9,405,000
2013A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	34,750,000
2014A Improvement	12/18/2014	9/1/2034	2.00 - 5.00%	36,000,000	34,775,000
2016A Refunding & Improvement	1/28/2016	9/1/2035	3.378 - 5.00%	44,045,000	44,045,000
Capital Leases					
Energy Savings Equipment	7/12/2006	10/12/2025	4.90%	1,683,575	1,100,579
Athletics Fields/Equipment - Phase II	4/1/2009	1/15/2019	5.10%	4,250,000	1,475,000
Technology Equipment	6/24/2014	6/24/2017	0.99%	2,161,949	543,123
Athletics Fields/Equipment - Phase I Refinancing	7/15/2014	1/15/2019	1.63%	2,521,898	1,701,650
Technology Equipment	3/24/2016	3/24/2016	0.99%	3,158,178	2,356,928
<b>Total</b>					<b><u>\$ 133,082,280</u></b>

Following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

<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					
2006A Refunding & Improvement	\$ 32,765,000	\$ -	\$ 29,835,000	\$ 2,930,000	\$ 856,125
2012A Refunding	9,510,000	-	105,000	9,405,000	189,150
2013A Improvement	36,000,000	-	1,250,000	34,750,000	1,336,737
2014A Improvement	36,000,000	-	1,225,000	34,775,000	1,532,607
2016A Refunding & Improvement	-	44,045,000	-	44,045,000	-
Capital Leases					
Energy Savings Equipment	1,182,630	-	82,051	1,100,579	57,949
Athletics Fields/Equipment - Phase II	1,920,000	-	445,000	1,475,000	96,690
Technology Equipment	1,080,922	-	537,799	543,123	10,701
Athletics Fields/Equipment - Phase I Refinancing	2,250,698	-	549,048	1,701,650	34,458
Technology Equipment	-	3,158,178	801,250	2,356,928	-
<b>Total</b>	<b><u>\$ 120,709,250</u></b>	<b><u>\$ 47,203,178</u></b>	<b><u>\$ 34,830,148</u></b>	<b><u>\$ 133,082,280</u></b>	<b><u>\$ 4,114,417</u></b>

UNIFIED SCHOOL DISTRICT NO. 497  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 4 - 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>
2017	\$ 9,595,000	\$ 4,788,158	\$ 14,383,158
2018	7,280,000	4,288,262	11,568,262
2019	5,620,000	4,052,388	9,672,388
2020	5,795,000	3,858,388	9,653,388
2021	6,030,000	3,644,088	9,674,088
2022-2026	34,210,000	14,180,738	48,390,738
2027-2031	30,315,000	8,443,094	38,758,094
2032-2036	<u>27,060,000</u>	<u>2,231,025</u>	<u>29,291,025</u>
Total	<u>\$ 125,905,000</u>	<u>\$ 45,486,141</u>	<u>\$ 171,391,141</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>
2017	\$ 2,434,145	\$ 180,763	\$ 2,614,908
2018	1,947,269	128,896	2,076,165
2019	1,993,204	80,252	2,073,456
2020	98,883	39,331	138,214
2021	103,729	34,485	138,214
2022-2026	<u>600,050</u>	<u>91,019</u>	<u>691,069</u>
Total	<u>\$ 7,177,280</u>	<u>\$ 554,746</u>	<u>\$ 7,732,026</u>

On January 28, 2016, the District issued \$44,045,000 of Series 2016A general obligation refunding and improvement bonds with interest rates ranging from 3.378% to 5.00%, \$23,545,000 of which was used to advance refund \$25,365,000 of the Series 2006A General Obligation Refunding and Improvement Bonds with interest rates ranging from 4.00% to 5.00%. The net proceeds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal of the 2006A General Obligation Refunding and Improvement Bonds and the interest due on the refunding general obligation bonds. As a result, this portion of the 2006A bonds are considered to be defeased and the liability for the defeased bonds has been removed from the District's financial statements. The transaction resulted in an economic gain of \$3,349,530 and a reduction of \$3,613,752 in future debt payments.

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, 2016, the District had a total of \$33,695,000 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, 2016 was 11.20%.

UNIFIED SCHOOL DISTRICT NO. 497  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 5 - 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 Facilities & Technology Upgrade - Phase I	\$ 96,968,310	\$ 95,152,665

NOTE 6 - 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, 2016, the liability for accrued vacation pay was \$767,870. A current portion, ten days, is reflected in the financial statements as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 97,304
Supplemental General	249,072
Adult Basic Education	11,776
Virtual Education	11,094
At-Risk (4 Year Old)	2,058
Food Service	9,693
Bilingual	2,953
Special Education	16,824
Vocational Education	<u>4,989</u>
Total	<u>\$ 405,763</u>

NOTE 7 - 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.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the contribution rate for the Death and Disability Program) and the statutory contribution rate was 15.41% and 11.27%, respectively, for the fiscal year ended June 30, 2015. During the last two quarters of 2015, the governor, using the budgetary allotment process, reduced the KPERS school employer rate from 11.27% to 8.65%, due to budgetary constraints. The actuarially determined employer contribution rate and the statutory contribution rate was 16.00% and 10.91%, respectively, for the fiscal year ended June 30, 2016. During the last quarter of the 2016 fiscal year, the governor, using the budgetary allotment process, did not make one of the quarterly payments, due to budgetary constraints.

UNIFIED SCHOOL DISTRICT NO. 497  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 7 - Defined Benefit Pension Plan (Continued)

*Contributions (Continued).* The State of Kansas is required to contribute the statutory required employer's share. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$6,090,694 for the year ended June 30, 2016.

*Net Pension Liability.* At June 30, 2016, the District's proportionate share of the collective net pension liability reported by KPERS was \$105,230,046. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2015. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

NOTE 8 - 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, 2016, was \$1,145,624. The outstanding liability reflected in the financial statements for the retirees payable in January, 2017, is as follows:

<u>Funds</u>	<u>Amount</u>
Supplemental General	<u>\$ 1,136,323</u>
Total	<u>\$ 1,136,323</u>

The outstanding liability payable from January, 2017, through January, 2021, is \$3,115,704. Above, only the January, 2017 payment is reflected in the financial statements as an account payable.

NOTE 9 - 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, 2016, such interfund premiums did not exceed reimbursable expenditures.



UNIFIED SCHOOL DISTRICT NO. 497  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 9 - Risk Management (Continued)

*Workers' Compensation (Continued).* 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, 2015		\$ 581,903
Incurred claims (including IBNRs)		312,355
Claim payments and adjustments		<u>[275,855]</u>
Unpaid claims, June 30, 2016		<u>\$ 618,403</u>

NOTE 10 - 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, 2016.

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.

On September 24, 2015, the Universal Service Administrative Company (USAC) rescinded certain e-rate reimbursements received by the District for the 2011-2012 through 2013-2014 funding years and denied e-rate reimbursements for the 2014-2015 through 2015-2016 funding years because of competitive bidding violations. The amount of the District's potential liability due to these rescinded reimbursements is approximately \$500,000. The District has filed an appeal with the Federal Communication Commission, but a response to the appeal had not been received as of the date of the financial statements.

The District is a defendant in various other 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 11 - 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.

UNIFIED SCHOOL DISTRICT NO. 497  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

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. 74-6478	\$ 519,593
General	Supplemental General	K.S.A. 74-6478	4,203,557
General	Special Education	K.S.A. 74-6478	12,330,388
General	Vocational Education	K.S.A. 74-6478	850
General	Virtual Education	K.S.A. 74-6478	4,284,297
General	At Risk (4 Year Old)	K.S.A. 74-6478	10,000
General	At Risk (K-12)	K.S.A. 74-6478	3,491,989
General	Professional Development	K.S.A. 74-6478	425
General	KPERS Special Retirement Contribution	K.S.A. 74-6478	6,090,694
General	Health Care Services Reserve	K.S.A. 74-6478	3,409,076
General	School Workers' Compensation Reserve	K.S.A. 74-6478	169,006
Supplemental General	Bilingual Education	K.S.A. 74-6478	1,250,056
Supplemental General	Special Education	K.S.A. 74-6478	6,136,313
Supplemental General	Vocational Education	K.S.A. 74-6478	1,912,230
Supplemental General	Health Care Services Reserve	K.S.A. 74-6478	670,769
Supplemental General	School Workers' Compensation Reserve	K.S.A. 74-6478	43,262
Supplemental General	Professional Development	K.S.A. 74-6478	308,550
Supplemental General	Parent Education Program	K.S.A. 74-6478	18,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 74-6478	140,000
Supplemental General	At Risk (K-12)	K.S.A. 74-6478	523,468
Capital Projects	Bond and Interest	Fund Closeout	285,869
		2015 House	
		Substitute for	
Contingency Reserve	General Fund	Senate Bill 7	25,602
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,549
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	27,404
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	9,727
Grants	Health Care Services Reserve	K.S.A. 72-8415a	234,774
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	780
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	21,431
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	168
		2015 House	
		Substitute for	
Summer School	General Fund	Senate Bill 7	125,000
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	138
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	7,685
Food Service	Health Care Services Reserve	K.S.A. 72-8415a	257,883
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	172
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	7,218
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	148,281
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	16,579
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	364,763
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	2,094
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	41,360
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	7,471
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	142,446
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	10,187
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	166,999
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	76,881
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	2,134,310
Local Donations	School Workers' Compensation Reserve	K.S.A. 44-505e	51
Total			<u>\$ 49,629,345</u>

UNIFIED SCHOOL DISTRICT NO. 497  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

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, 2016 and 2015 were \$966,640 and \$1,180,024, respectively.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 497  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2016

<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	\$ 83,287,891	\$ [3,737,750]	\$ 727,280	\$ 80,277,421	\$ 80,277,421	\$ -
Supplemental General	23,297,182	-	122,445	23,419,627	23,419,627	-
Special Purpose Funds:						
Adult Basic Education	700,000	-	-	700,000	426,434	273,566
At Risk (4 Year Old)	710,000	-	-	710,000	508,214	201,786
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	5,000,000	-	-	5,000,000	4,015,457	984,543
Bilingual Education	2,250,000	-	-	2,250,000	1,769,649	480,351
Virtual Education	6,000,000	-	-	6,000,000	4,284,297	1,715,703
Capital Outlay	17,535,000	-	-	17,535,000	14,403,897	3,131,103
Driver Training	105,000	-	-	105,000	44,072	60,928
Food Service	6,000,000	-	-	6,000,000	4,735,053	1,264,947
Professional Development	690,000	-	-	690,000	309,575	380,425
Parent Education Program	229,115	-	-	229,115	210,188	18,927
Summer School	222,549	-	-	222,549	162,621	59,928
Special Education	25,500,000	-	-	25,500,000	23,169,321	2,330,679
Cost of Living	1,609,073	-	-	1,609,073	1,571,491	37,582
Vocational Education	2,500,000	-	-	2,500,000	1,914,094	585,906
KPERs Special Retirement Contribution	9,001,076	-	-	9,001,076	6,090,694	2,910,382
Grants	2,488,032	-	-	2,488,032	2,784,468	[296,436]
Bond and Interest Funds:						
Bond and Interest	12,598,745	-	-	12,598,745	10,964,619	1,634,126
Special Assessment	260,000	-	-	260,000	14,605	245,395

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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and Shared Revenues:				
Delinquent tax	\$ 14	\$ -	\$ -	\$ -
State Aid:				
Equalization aid	55,094,254	60,975,724	61,610,565	[634,841]
Juvenile detention center	290,457	305,849	-	305,849
KPERS aid	-	6,090,694	9,001,076	[2,910,382]
Special education aid	11,928,486	12,325,306	12,641,250	[315,944]
Tuition income	-	-	30,000	[30,000]
Investment income	-	-	5,000	[5,000]
Miscellaneous	31,204	19,404	-	19,404
Reimbursed expenses	472,053	421,431	-	421,431
Transfers in	-	150,602	-	150,602
<b>Total Receipts</b>	<u>67,816,468</u>	<u>80,289,010</u>	<u>\$ 83,287,891</u>	<u>\$ [2,998,881]</u>
<b>Expenditures</b>				
Instruction	30,383,465	29,712,779	\$ 32,067,108	\$ 2,354,329
Student support services	2,762,766	2,660,735	2,737,500	76,765
Instructional support	1,875,839	1,892,222	1,662,000	[230,222]
General administration	138,656	117,368	127,400	10,032
School administration	397,698	333,336	1,140,000	806,664
Operations and maintenance	7,349,015	8,152,000	7,165,000	[987,000]
Transportation	302,224	278,777	325,000	46,223
Other supplemental services	3,597,898	2,620,329	1,108,000	[1,512,329]
Transfers out	21,001,092	34,509,875	36,955,883	2,446,008
Adjustment to comply with legal max budget	-	-	[3,737,750]	[3,737,750]
Adjustment for qualifying budget credits	-	-	727,280	727,280
<b>Total Expenditures</b>	<u>67,808,653</u>	<u>80,277,421</u>	<u>\$ 80,277,421</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	7,815	11,589		
Unencumbered Cash, Beginning	-	7,815		
Unencumbered Cash, Ending	<u>\$ 7,815</u>	<u>\$ 19,404</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 15,864,771	\$ 17,577,279	\$ 16,321,985	\$ 1,255,294
Delinquent tax	246,756	174,915	241,973	[67,058]
Motor vehicle tax	1,704,792	2,021,488	1,434,813	586,675
Reimbursed expenses	15,813	122,445	-	122,445
State aid	4,768,517	-	-	-
Transfer in	-	4,203,557	4,203,557	-
<b>Total Receipts</b>	<u>22,600,649</u>	<u>24,099,684</u>	<u>\$ 22,202,328</u>	<u>\$ 1,897,356</u>
<b>Expenditures</b>				
Instruction	796,534	1,170,286	\$ 849,870	\$ [320,416]
Student support services	196,486	242,642	210,000	[32,642]
Instructional support	1,565,279	1,781,669	1,705,000	[76,669]
General administration	393,873	424,182	565,750	141,568
School administration	4,311,882	4,454,753	3,492,585	[962,168]
Operations and maintenance	573,960	59,278	-	[59,278]
Transportation	1,695,844	1,543,629	1,865,000	321,371
Other supplemental services	2,932,610	2,740,540	3,116,000	375,460
Transfers out	10,846,527	11,002,648	11,492,977	490,329
Adjustment for qualifying budget credits	-	-	122,445	122,445
<b>Total Expenditures</b>	<u>23,312,995</u>	<u>23,419,627</u>	<u>\$ 23,419,627</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[712,346]	680,057		
Unencumbered Cash, Beginning	<u>1,791,388</u>	<u>1,079,042</u>		
Unencumbered Cash, Ending	<u>\$ 1,079,042</u>	<u>\$ 1,759,099</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	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	\$ 485,591	\$ 110,936	\$ 100,605	\$ 10,331
Delinquent tax	4,138	3,913	7,516	[3,603]
Motor vehicle tax	39,819	33,906	27,829	6,077
Federal aid	72,324	-	-	-
State aid	51,853	112,680	112,680	-
Reimbursed expenses	383	2,401	-	2,401
Miscellaneous	5,274	2,631	-	2,631
Total Receipts	<u>659,382</u>	<u>266,467</u>	<u>\$ 248,630</u>	<u>\$ 17,837</u>
Expenditures				
Instruction	282,505	335,310	\$ 608,736	\$ 273,426
Student support services	19,923	20,640	22,933	2,293
Instructional support staff	39,331	41,531	68,331	26,800
Transfers out	23,615	28,953	-	[28,953]
Total Expenditures	<u>365,374</u>	<u>426,434</u>	<u>\$ 700,000</u>	<u>\$ 273,566</u>
Receipts Over [Under] Expenditures	294,008	[159,967]		
Unencumbered Cash, Beginning	<u>619,728</u>	<u>913,736</u>		
Unencumbered Cash, Ending	<u>\$ 913,736</u>	<u>\$ 753,769</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 202,712	\$ 251,631	\$ 210,000	\$ 41,631
Reimbursed expenses	1,130	-	-	-
Transfers in	94,633	150,000	150,000	-
Total Receipts	<u>298,475</u>	<u>401,631</u>	<u>\$ 360,000</u>	<u>\$ 41,631</u>
Expenditures				
Instruction	339,147	335,389	\$ 529,600	\$ 194,211
Student support services	48,161	48,651	57,850	9,199
Instructional support staff	11,100	-	29,300	29,300
School administration	79,098	80,720	93,250	12,530
Transfers out	46,490	43,454	-	[43,454]
Total Expenditures	<u>523,996</u>	<u>508,214</u>	<u>\$ 710,000</u>	<u>\$ 201,786</u>
Receipts Over [Under] Expenditures	[225,521]	[106,583]		
Unencumbered Cash, Beginning	<u>578,586</u>	<u>353,065</u>		
Unencumbered Cash, Ending	<u>\$ 353,065</u>	<u>\$ 246,482</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, 2016  
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	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	<u>-</u>	<u>-</u>	\$ 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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 1,851,881	\$ 4,015,457	\$ 5,000,000	\$ [984,543]
Reimbursed expenses	<u>11,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>1,863,423</u>	<u>4,015,457</u>	<u>\$ 5,000,000</u>	<u>\$ [984,543]</u>
Expenditures				
Instruction	4,330,949	3,599,633	\$ 4,962,073	\$ 1,362,440
Instructional support staff	34,405	34,482	37,927	3,445
Transfers out	<u>482,620</u>	<u>381,342</u>	<u>-</u>	<u>[381,342]</u>
Total Expenditures	<u>4,847,974</u>	<u>4,015,457</u>	<u>\$ 5,000,000</u>	<u>\$ 984,543</u>
Receipts Over [Under] Expenditures	[2,984,551]	-		
Unencumbered Cash, Beginning	<u>2,984,551</u>	<u>-</u>		
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 and Budget  
Bilingual Education Fund  
Regulatory Basis  
For the Year Ended June 30, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 646,808	\$ 1,769,649	\$ 2,250,000	\$ [480,351]
Reimbursed expenses	<u>1,333</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>648,141</u>	<u>1,769,649</u>	<u>\$ 2,250,000</u>	<u>\$ [480,351]</u>
Expenditures				
Instruction	382,926	1,395,257	\$ 1,937,000	\$ 541,743
Student support services	101,327	103,446	103,000	[446]
Instructional support	152,971	115,447	210,000	94,553
Transfers out	<u>71,671</u>	<u>155,499</u>	<u>-</u>	<u>[155,499]</u>
Total Expenditures	<u>708,895</u>	<u>1,769,649</u>	<u>\$ 2,250,000</u>	<u>\$ 480,351</u>
Receipts Over [Under] Expenditures	[60,754]	-		
Unencumbered Cash, Beginning	<u>60,754</u>	<u>-</u>		
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 and Budget  
Virtual Education Fund  
Regulatory Basis  
For the Year Ended June 30, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursed expenses	\$ 5,239	\$ -	\$ -	\$ -
Transfers in	<u>3,885,761</u>	<u>4,284,297</u>	<u>6,000,000</u>	<u>[1,715,703]</u>
Total Receipts	<u>3,891,000</u>	<u>4,284,297</u>	<u>\$ 6,000,000</u>	<u>\$ [1,715,703]</u>
Expenditures				
Instruction	4,119,407	3,563,652	\$ 5,338,900	\$ 1,775,248
Student support services	940	-	-	-
Instructional support	13,102	9,295	15,600	6,305
School administration	516,514	495,974	582,000	86,026
Operations and maintenance	46,390	34,630	63,500	28,870
Other supplemental services	-	3,560	-	[3,560]
Transfers out	<u>197,360</u>	<u>177,186</u>	<u>-</u>	<u>[177,186]</u>
Total Expenditures	<u>4,893,713</u>	<u>4,284,297</u>	<u>\$ 6,000,000</u>	<u>\$ 1,715,703</u>
Receipts Over [Under] Expenditures	[1,002,713]	-		
Unencumbered Cash, Beginning	<u>1,002,713</u>	-		
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 and Budget  
Capital Outlay Fund  
Regulatory Basis  
For the Year Ended June 30, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 7,864,308	\$ 8,014,816	\$ 7,653,716	\$ 361,100
Delinquent tax	102,379	78,032	120,268	[42,236]
Motor vehicle tax	752,113	932,075	663,991	268,084
Investment income	19,064	17,855	21,673	[3,818]
Reimbursed expenses	29,452	91,676	-	91,676
Lease proceeds	-	3,001,151	-	3,001,151
Miscellaneous	443,340	231,810	3,500,000	[3,268,190]
State aid	177,300	-	-	-
Flood control	19,994	1,452	17,500	[16,048]
<b>Total Receipts</b>	<u>9,407,950</u>	<u>12,368,867</u>	<u>\$ 11,977,148</u>	<u>\$ 391,719</u>
<b>Expenditures</b>				
Instruction	2,792,119	6,527,935	\$ 4,700,000	\$ [1,827,935]
Student support services	106	3,748	25,000	21,252
Instructional support	86,893	370,493	135,000	[235,493]
General administration	970	-	25,000	25,000
School administration	100,080	44,720	25,000	[19,720]
Operations and maintenance	300,953	412,536	300,000	[112,536]
Central support services	328,444	554,482	625,000	70,518
Other support services	204,511	168,789	100,000	[68,789]
Facility acquisition and construction services	6,294,240	6,321,194	11,600,000	5,278,806
<b>Total Expenditures</b>	<u>10,108,316</u>	<u>14,403,897</u>	<u>\$ 17,535,000</u>	<u>\$ 3,131,103</u>
Receipts Over [Under] Expenditures	[700,366]	[2,035,030]		
Unencumbered Cash, Beginning	<u>7,168,065</u>	<u>6,467,699</u>		
Unencumbered Cash, Ending	<u>\$ 6,467,699</u>	<u>\$ 4,432,669</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 10,044	\$ 9,384	\$ 9,975	\$ [591]
Charges for services	<u>21,285</u>	<u>20,200</u>	<u>50,000</u>	<u>[29,800]</u>
Total Receipts	<u>31,329</u>	<u>29,584</u>	<u>\$ 59,975</u>	<u>\$ [30,391]</u>
Expenditures				
Instruction	28,558	31,239	\$ 86,500	\$ 55,261
Instructional support	6,709	7,634	2,500	[5,134]
Operations and maintenance	4,173	5,027	16,000	10,973
Transfers out	<u>158</u>	<u>172</u>	<u>-</u>	<u>[172]</u>
Total Expenditures	<u>39,598</u>	<u>44,072</u>	<u>\$ 105,000</u>	<u>\$ 60,928</u>
Receipts Over [Under] Expenditures	[8,269]	[14,488]		
Unencumbered Cash, Beginning	<u>58,389</u>	<u>50,120</u>		
Unencumbered Cash, Ending	<u>\$ 50,120</u>	<u>\$ 35,632</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 2,817,299	\$ 2,839,313	\$ 2,822,904	\$ 16,409
State aid	45,395	45,113	47,600	[2,487]
Charges for services	1,885,074	1,861,495	3,029,496	[1,168,001]
Investment income	108	59	-	59
Total Receipts	<u>4,747,876</u>	<u>4,745,980</u>	<u>\$ 5,900,000</u>	<u>\$ [1,154,020]</u>
Expenditures				
Food service operation	4,563,766	4,469,485	\$ 6,000,000	\$ 1,530,515
Transfers out	262,985	265,568	-	[265,568]
Total Expenditures	<u>4,826,751</u>	<u>4,735,053</u>	<u>\$ 6,000,000</u>	<u>\$ 1,264,947</u>
Receipts Over [Under] Expenditures	[78,875]	10,927		
Unencumbered Cash, Beginning	<u>1,094,888</u>	<u>1,016,013</u>		
Unencumbered Cash, Ending	<u>\$ 1,016,013</u>	<u>\$ 1,026,940</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 2,102	\$ 300	\$ -	\$ 300
Donations	-	300	-	300
Transfers in	<u>320,150</u>	<u>308,975</u>	<u>690,000</u>	<u>[381,025]</u>
Total Receipts	<u>322,252</u>	<u>309,575</u>	<u>\$ 690,000</u>	<u>\$ [380,425]</u>
Expenditures				
Instructional support	566,980	309,037	\$ 690,000	\$ 380,963
Student support services	320	400	-	[400]
Other supplemental service	4,476	-	-	-
Transfers out	<u>527</u>	<u>138</u>	<u>-</u>	<u>[138]</u>
Total Expenditures	<u>572,303</u>	<u>309,575</u>	<u>\$ 690,000</u>	<u>\$ 380,425</u>
Receipts Over [Under] Expenditures	[250,051]	-		
Unencumbered Cash, Beginning	<u>250,051</u>	<u>-</u>		
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 and Budget  
Parent Education Program Fund  
Regulatory Basis  
For the Year Ended June 30, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 126,962	\$ 138,000	\$ 138,000	\$ -
Miscellaneous	30,360	43,500	-	43,500
Transfers in	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total Receipts	<u>175,322</u>	<u>199,500</u>	<u>\$ 156,000</u>	<u>\$ 43,500</u>
Expenditures				
Support services	162,507	184,065	\$ 224,115	\$ 40,050
Instructional support staff	2,243	3,912	5,000	1,088
Transfers out	<u>18,935</u>	<u>22,211</u>	<u>-</u>	<u>[22,211]</u>
Total Expenditures	<u>183,685</u>	<u>210,188</u>	<u>\$ 229,115</u>	<u>\$ 18,927</u>
Receipts Over [Under] Expenditures	[8,363]	[10,688]		
Unencumbered Cash, Beginning	<u>81,478</u>	<u>73,115</u>		
Unencumbered Cash, Ending	<u>\$ 73,115</u>	<u>\$ 62,427</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 41,974	\$ 39,588	\$ 25,000	\$ 14,588
Total Receipts	<u>41,974</u>	<u>39,588</u>	<u>\$ 25,000</u>	<u>\$ 14,588</u>
Expenditures				
Instruction	22,670	37,453	\$ 222,549	\$ 185,096
Transfers out	<u>81</u>	<u>125,168</u>	<u>-</u>	<u>[125,168]</u>
Total Expenditures	<u>22,751</u>	<u>162,621</u>	<u>\$ 222,549</u>	<u>\$ 59,928</u>
Receipts Over [Under] Expenditures	19,223	[123,033]		
Unencumbered Cash, Beginning	<u>178,327</u>	<u>197,550</u>		
Unencumbered Cash, Ending	<u>\$ 197,550</u>	<u>\$ 74,517</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
State aid	\$ 5,682	\$ 5,949	\$ 7,500	\$ [1,551]
Federal aid	2,383,388	2,385,343	3,140,000	[754,657]
Charges for services	-	-	25,000	[25,000]
Reimbursed expenses	752,755	747,718	-	747,718
Transfers in	18,233,281	18,466,701	18,641,250	[174,549]
<b>Total Receipts</b>	<u>21,375,106</u>	<u>21,605,711</u>	<u>\$ 21,813,750</u>	<u>\$ [208,039]</u>
<b>Expenditures</b>				
Instruction	13,609,851	13,729,076	\$ 17,267,000	\$ 3,537,924
Student support services	3,165,278	3,409,752	3,840,000	430,248
Instructional support staff	1,097,231	1,044,966	1,395,000	350,034
General administration	2,082	-	-	-
Operations and maintenance	10,301	6,189	13,000	6,811
Vehicle operating services	2,950,913	2,768,147	2,975,000	206,853
Other supplemental services	-	-	10,000	10,000
Transfers out	2,367,220	2,211,191	-	[2,211,191]
<b>Total Expenditures</b>	<u>23,202,876</u>	<u>23,169,321</u>	<u>\$ 25,500,000</u>	<u>\$ 2,330,679</u>
Receipts Over [Under] Expenditures	[1,827,770]	[1,563,610]		
Unencumbered Cash, Beginning	<u>8,904,126</u>	<u>7,076,356</u>		
Unencumbered Cash, Ending	<u>\$ 7,076,356</u>	<u>\$ 5,512,746</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	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	\$ 1,179,263	\$ 1,456,751	\$ 1,473,399	\$ [16,648]
Delinquent tax	15,648	11,802	18,036	[6,234]
Motor vehicle tax	105,235	144,969	99,298	45,671
Total Receipts	<u>1,300,146</u>	<u>1,613,522</u>	<u>\$ 1,590,733</u>	<u>\$ 22,789</u>
Expenditures				
State payment	<u>1,290,500</u>	<u>1,571,491</u>	<u>\$ 1,609,073</u>	<u>\$ 37,582</u>
Total Expenditures	<u>1,290,500</u>	<u>1,571,491</u>	<u>\$ 1,609,073</u>	<u>\$ 37,582</u>
Receipts Over [Under] Expenditures	9,646	42,031		
Unencumbered Cash, Beginning	<u>8,694</u>	<u>18,340</u>		
Unencumbered Cash, Ending	<u>\$ 18,340</u>	<u>\$ 60,371</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursed expenses	\$ 56,427	\$ 914	\$ -	\$ 914
State aid	-	-	5,023	[5,023]
Miscellaneous	465	100	-	100
Transfers in	<u>1,569,332</u>	<u>1,913,080</u>	<u>2,494,977</u>	<u>[581,897]</u>
Total Receipts	<u>1,626,224</u>	<u>1,914,094</u>	<u>\$ 2,500,000</u>	<u>\$ [585,906]</u>
Expenditures				
Instruction	1,716,732	1,568,734	\$ 2,309,261	\$ 740,527
Instructional support	165,118	164,657	162,466	[2,191]
Operations and maintenance	-	30,786	4,000	[26,786]
Student transportation services	-	-	24,273	24,273
Transfers out	<u>146,476</u>	<u>149,917</u>	<u>-</u>	<u>[149,917]</u>
Total Expenditures	<u>2,028,326</u>	<u>1,914,094</u>	<u>\$ 2,500,000</u>	<u>\$ 585,906</u>
Receipts Over [Under] Expenditures	[402,102]	-		
Unencumbered Cash, Beginning	<u>402,102</u>	-		
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 and Budget  
KPERS Special Retirement Contribution Fund  
Regulatory Basis  
For the Year Ended June 30, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 7,115,475	\$ -	\$ -	\$ -
Transfers in	-	6,090,694	9,001,076	[2,910,382]
Total Receipts	<u>7,115,475</u>	<u>6,090,694</u>	<u>\$ 9,001,076</u>	<u>\$ [2,910,382]</u>
Expenditures				
Instruction	4,906,431	4,238,185	\$ 6,263,362	\$ 2,025,177
Student support services	546,326	467,953	691,560	223,607
Instructional support	419,224	362,614	535,886	173,272
General administration	34,900	30,865	45,614	14,749
School administration	443,081	373,774	552,378	178,604
Operations and maintenance	313,598	219,030	323,691	104,661
Other supplemental services	247,125	239,131	353,398	114,267
Food service	204,790	159,142	235,187	76,045
Total Expenditures	<u>7,115,475</u>	<u>6,090,694</u>	<u>\$ 9,001,076</u>	<u>\$ 2,910,382</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, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ 10,364	\$ -
Transfers in	<u>598,912</u>	<u>-</u>
Total Receipts	<u>609,276</u>	<u>-</u>
Expenditures		
Instruction	-	53,190
Instructional support	38,719	250
General administration	148,409	-
Other supplemental services	97,137	42,700
Transfers out	<u>-</u>	<u>25,602</u>
Total Expenditures	<u>284,265</u>	<u>121,742</u>
Receipts Over [Under] Expenditures	325,011	[121,742]
Unencumbered Cash, Beginning	6,146,082	6,471,093
Prior Year Cancelled Encumbrances	<u>-</u>	<u>58,957</u>
Unencumbered Cash, Ending	<u>\$ 6,471,093</u>	<u>\$ 6,408,308</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, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 821,929	\$ 824,546
Total Receipts	<u>821,929</u>	<u>824,546</u>
Expenditures		
Instruction	1,345,657	779,099
Total Expenditures	<u>1,345,657</u>	<u>779,099</u>
Receipts Over [Under] Expenditures	[523,728]	45,447
Unencumbered Cash, Beginning	<u>1,430,205</u>	<u>906,477</u>
Unencumbered Cash, Ending	<u>\$ 906,477</u>	<u>\$ 951,924</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal Aid:				
Title I	\$ 1,698,436	\$ 1,975,242	\$ 1,880,000	\$ 95,242
Title II A - Improving Teacher Quality	433,218	331,942	425,000	[93,058]
Carl Perkins Vocational Act Program Improvement	96,170	87,503	-	87,503
Title III-English as a Second Language	61,217	87,666	95,000	[7,334]
Johnson O'Malley Grant	129,488	150,055	-	150,055
Food Backpacks	119,758	-	-	-
Total Federal Aid	<u>2,538,287</u>	<u>2,632,408</u>	<u>2,400,000</u>	<u>232,408</u>
Other Receipts:				
Other grants and donations	<u>53,480</u>	<u>68,746</u>	<u>325,000</u>	<u>[256,254]</u>
Total Receipts	<u>2,591,767</u>	<u>2,701,154</u>	<u>\$ 2,725,000</u>	<u>\$ [23,846]</u>
Expenditures				
Instruction	1,976,266	2,046,266	\$ 1,640,332	\$ [405,934]
Student support services	114,388	111,771	127,000	15,229
Instructional support staff	318,661	239,165	720,500	481,335
General administration	6,425	6,597	200	[6,397]
Transportation	170,895	136,168	-	[136,168]
Food service operation	122,811	-	-	-
Transfers out	265,683	244,501	-	[244,501]
Total Expenditures	<u>2,975,129</u>	<u>2,784,468</u>	<u>\$ 2,488,032</u>	<u>\$ [296,436]</u>
Receipts Over [Under] Expenditures	[383,362]	[83,314]		
Unencumbered Cash, Beginning	<u>226,088</u>	<u>[157,274]</u>		
Unencumbered Cash, Ending	<u>\$ [157,274]</u>	<u>\$ [240,588]</u>		

See independent auditor's report on the financial statements.

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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	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	\$ 10,165,139	\$ 10,217,895	\$ 9,755,569	\$ 462,326
Delinquent tax	147,291	107,409	155,368	[47,959]
Motor vehicle tax	1,006,760	1,216,601	872,273	344,328
State aid	482,730	473,501	503,950	[30,449]
Investment income	5	32	-	32
Bond proceeds	-	75,949	-	75,949
Transfers in	-	285,869	-	285,869
Total Receipts	<u>11,801,925</u>	<u>12,377,256</u>	<u>\$ 11,287,160</u>	<u>\$ 1,090,096</u>
Expenditures				
Bond principal	7,500,000	7,050,000	\$ 7,050,000	\$ -
Interest	<u>3,297,475</u>	<u>3,914,619</u>	<u>5,548,745</u>	<u>1,634,126</u>
Total Expenditures	<u>10,797,475</u>	<u>10,964,619</u>	<u>\$ 12,598,745</u>	<u>\$ 1,634,126</u>
Receipts Over [Under] Expenditures	1,004,450	1,412,637		
Unencumbered Cash, Beginning	<u>12,519,194</u>	<u>13,523,644</u>		
Unencumbered Cash, Ending	<u>\$ 13,523,644</u>	<u>\$ 14,936,281</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, 2016  
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	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	\$ 64,066	\$ 12,622	\$ 11,172	\$ 1,450
Delinquent tax	852	775	1,003	[228]
Motor vehicle tax	5,140	4,959	1,842	3,117
Reimbursed expenses	<u>16,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>86,636</u>	<u>18,356</u>	<u>\$ 14,017</u>	<u>\$ 4,339</u>
Expenditures				
Capital outlay	<u>83,952</u>	<u>14,605</u>	<u>\$ 260,000</u>	<u>\$ 245,395</u>
Total Expenditures	<u>83,952</u>	<u>14,605</u>	<u>\$ 260,000</u>	<u>\$ 245,395</u>
Receipts Over [Under] Expenditures	2,684	3,751		
Unencumbered Cash, Beginning	<u>428,519</u>	<u>431,203</u>		
Unencumbered Cash, Ending	<u>\$ 431,203</u>	<u>\$ 434,954</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, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Investment income	\$ 1,694,143	\$ 2,165,987
Bond proceeds	<u>36,000,000</u>	<u>20,500,000</u>
Total Receipts	<u>37,694,143</u>	<u>22,665,987</u>
Expenditures		
Instruction	2,275	-
General administration	52,048	1,716
Operations and maintenance	635,939	688,387
Business services	256,093	115,313
Food service operation	825,186	17,839
Building repair and remodeling	16,046,683	24,657,716
Transfers out	<u>-</u>	<u>285,869</u>
Total Expenditures	<u>17,818,224</u>	<u>25,766,840</u>
Receipts Over [Under] Expenditures	19,875,919	[3,100,853]
Unencumbered Cash, Beginning	<u>[14,959,421]</u>	<u>4,916,498</u>
Unencumbered Cash, Ending	<u>\$ 4,916,498</u>	<u>\$ 1,815,645</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, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 352,905	\$ 352,968
Reimbursed expenses	<u>6,445</u>	<u>1,161</u>
Total Receipts	<u>359,350</u>	<u>354,129</u>
Expenditures		
Instruction	276,064	260,102
General administration	<u>121,039</u>	<u>121,949</u>
Total Expenditures	<u>397,103</u>	<u>382,051</u>
Receipts Over [Under] Expenditures	[37,753]	[27,922]
Unencumbered Cash, Beginning	<u>2,229,355</u>	<u>2,191,602</u>
Unencumbered Cash, Ending	<u>\$ 2,191,602</u>	<u>\$ 2,163,680</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, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 1,756,093	\$ 1,744,326
Transfers in	<u>8,159,861</u>	<u>7,619,496</u>
Total Receipts	<u>9,915,954</u>	<u>9,363,822</u>
 Expenditures		
Group insurance	10,419,383	11,012,778
Other insurance services	<u>-</u>	<u>50,485</u>
Total Expenditures	<u>10,419,383</u>	<u>11,063,263</u>
 Receipts Over [Under] Expenditures	 [503,429]	 [1,699,441]
 Unencumbered Cash, Beginning	 <u>6,745,385</u>	 <u>6,241,956</u>
 Unencumbered Cash, Ending	 <u>\$ 6,241,956</u>	 <u>\$ 4,542,515</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497  
Trust Funds  
Schedule of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2016

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Central Middle School							
Tom Olin Memorial	\$ 145	\$ -	\$ -	\$ 40	\$ 105	\$ -	\$ 105
Teresa Lail Memorial	258	-	-	-	258	-	258
Duver Memorial	796	-	-	60	736	-	736
Alicia A. Chavez Memorial Fund	2,043	-	48	2,091	-	-	-
South Middle School							
Haskell CoOp	-	-	149	149	-	-	-
West Middle School							
Opportunity West	12,143	-	6,795	11,011	7,927	-	7,927
Carson Memorial	946	-	2	-	948	-	948
Cunningham Memorial	1,267	-	250	111	1,406	-	1,406
Lawrence Public Schools							
Memorial Funds	222,801	-	5,036	3,863	223,974	-	223,974
Local Donations Fund	664,218	-	770,077	276,666	1,157,629	19,899	1,177,528
Total Other Private Purpose Trust Funds	<u>\$ 904,617</u>	<u>\$ -</u>	<u>\$ 782,357</u>	<u>\$ 293,991</u>	<u>\$ 1,392,983</u>	<u>\$ 19,899</u>	<u>\$ 1,412,882</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, 2016

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>ELEMENTARY SCHOOLS</b>				
Broken Arrow Elementary				
Lost Library Books	\$ -	\$ 119	\$ 119	\$ -
Total Broken Arrow Activity Funds	<u>-</u>	<u>119</u>	<u>119</u>	<u>-</u>
Cordley Elementary				
Library Media	-	55	42	13
Instructional Enhancement	-	1,494	1,494	-
Chess Club	-	200	-	200
Yearbook	-	2,171	2,171	-
Total Cordley Activity Funds	<u>-</u>	<u>3,920</u>	<u>3,707</u>	<u>213</u>
Deerfield Elementary				
PTA Donations	-	125	125	-
Library Funds	-	56	56	-
Coke Machine	-	482	482	-
Yearbook	-	2,997	2,997	-
CCM Rebate	-	10	10	-
Total Deerfield Activity Funds	<u>-</u>	<u>3,670</u>	<u>3,670</u>	<u>-</u>
Hillcrest Elementary				
Field Trips	-	970	970	-
Library Media	-	229	229	-
Pop Machine	-	618	618	-
Total Hillcrest Activity Funds	<u>-</u>	<u>1,817</u>	<u>1,817</u>	<u>-</u>
Kennedy Elementary				
Library Media	-	176	176	-
Total Kennedy Activity Funds	<u>-</u>	<u>176</u>	<u>176</u>	<u>-</u>
Langston Hughes Elementary				
Field Trips	-	5,175	5,175	-
Library Media	-	113	113	-
Recorder Fund	-	249	249	-
Total Langston Hughes Activity Funds	<u>-</u>	<u>5,537</u>	<u>5,537</u>	<u>-</u>
Prairie Park Elementary				
Student Council	1,545	3,294	3,531	1,308
Music	-	276	276	-
Chess Club	-	4,023	4,023	-
Total Prairie Park Activity Funds	<u>1,545</u>	<u>7,593</u>	<u>7,830</u>	<u>1,308</u>
Quail Run Elementary				
Yearbook	-	2,575	2,575	-
Coke Machine	-	585	585	-
Field Trips	-	2,237	2,237	-
Library	-	192	192	-
Total Quail Run Activity Funds	<u>-</u>	<u>5,589</u>	<u>5,589</u>	<u>-</u>
Schwegler Elementary				
Yearbook	-	2,091	2,091	-
Library	-	118	118	-
Total Schwegler Activity Funds	<u>-</u>	<u>2,209</u>	<u>2,209</u>	<u>-</u>
Sunflower Elementary				
Student Council	2,570	2,985	2,348	3,207
Library Fund	-	41	41	-
Pop Machine Money	-	1,374	1,374	-
Picture Fund	-	3,478	3,478	-
Total Sunflower Activity Funds	<u>2,570</u>	<u>7,878</u>	<u>7,241</u>	<u>3,207</u>
Sunset Hill Elementary				
Lost Library Books	-	94	94	-
Total Sunset Hill Activity Funds	<u>-</u>	<u>94</u>	<u>94</u>	<u>-</u>
Woodlawn Elementary				
Student Council	112	-	112	-
Total Woodlawn Activity Funds	<u>112</u>	<u>-</u>	<u>112</u>	<u>-</u>
Total Elementary School Activity Funds	<u>4,227</u>	<u>38,602</u>	<u>38,101</u>	<u>4,728</u>



UNIFIED SCHOOL DISTRICT NO. 497  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2016

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>MIDDLE SCHOOLS</b>				
Central Middle School				
Chess Club	\$ 235	\$ -	\$ -	\$ 235
Excalibur	2,952	2,919	317	5,554
Freshman Fund	197	-	-	197
Garden Club	81	1,249	520	810
Builder's Club	196	80	268	8
History Day	1,393	-	-	1,393
Pep Club	-	218	157	61
Black Leadership Group	148	-	-	148
Science Olympiad	516	100	369	247
Model UN / Gifted	97	630	645	82
Math Olympiad	22	-	-	22
Summer Basketball Camp	48	-	48	-
Music Department	26	-	26	-
P.E. Department	53	-	53	-
Tennis	16	15	31	-
Volleyball Program	249	850	1,099	-
Wrestling Program	207	-	207	-
Boys BB Program	639	140	779	-
Girls BB Program	101	140	241	-
Football Program	1,110	217	1,327	-
Student Incentive Program	1,752	-	1,752	-
Opportunity Central	15,035	22,714	37,749	-
Central Development Funds	-	123	123	-
Awards and Recognitions	-	34	34	-
Speech and Drama	2,079	1,484	1,031	2,532
Student Council	1,122	459	453	1,128
Red Ribbon	310	-	-	310
National Junior Honor Society	329	-	-	329
Yearbook	49	4,621	2,150	2,520
<b>Total Central Middle School Activity Funds</b>	<b>28,962</b>	<b>35,993</b>	<b>49,379</b>	<b>15,576</b>
<b>South Middle School</b>				
Junior Players	4,241	4,951	4,010	5,182
International Club	754	-	-	754
Adventure Club	4,096	1,729	3,100	2,725
Physical Education	273	-	-	273
Student Council	6,038	20,409	15,488	10,959
Yearbook	2,406	4,470	6,852	24
South Singers	1,542	2,748	3,351	939
Cheerleaders	134	-	32	102
Band	358	-	307	51
Orchestra	5,851	2,555	5,451	2,955
Black Male Brothers	334	573	440	467
Women of Color	188	-	-	188
Garden Club	952	42	424	570
Cougar Grrrrl Power	213	-	-	213
Honor the Circle	158	-	-	158
S4EE (Students for Equity Excellence)	4	-	-	4
<b>Total South Middle School Activity Funds</b>	<b>27,542</b>	<b>37,477</b>	<b>39,455</b>	<b>25,564</b>
<b>Southwest Middle School</b>				
Student Council	12,448	20,768	17,709	15,507
Stucco-Bulldog Help	181	194	-	375
CIT3 Rewards	-	804	426	378
Chess Club	1,615	10	70	1,555
Math Club	539	100	95	544
Garden Fund	190	8,408	7,114	1,484
Future City Group	619	500	268	851
AVID	554	44	492	106
Cheerleaders	-	181	181	-
International Club	-	79	79	-
Volleyball/Girls BB	-	635	635	-
Game Shirts/Athletic Programs	-	516	516	-
BelCanto	-	15,268	15,268	-
Yearbook	-	22,523	22,523	-
6th Grade Activities	-	1,247	1,247	-
Seventh Grade Activities	-	722	722	-
Drama	-	7,977	7,977	-
Eighth Grade Activities	-	2,887	2,887	-
Enrichment	-	19,896	19,896	-
ER	-	1,293	1,293	-
Newspaper	-	22	22	-
SPED project	-	124	124	-
SW Business Partners	-	2,384	2,384	-
Band	-	4,592	4,592	-
Orchestra	-	617	617	-
Library Book Fair/fines	-	2,391	2,391	-
Global Studies	-	732	732	-
ID Supplies	-	2,890	2,890	-
<b>Total Southwest Middle School Activity Funds</b>	<b>16,146</b>	<b>117,804</b>	<b>113,150</b>	<b>20,800</b>

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, 2016

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>MIDDLE SCHOOLS (Continued)</b>				
West Middle School	\$ 347	\$ -	\$ -	\$ 347
Cheerleading Club	5,281	7,609	7,626	5,264
Speech and Drama	1,907	6,948	5,042	3,813
Student Council	6,133	11,195	17,328	-
Yearbook	2,990	6,284	3,665	5,609
Chorale	1,241	522	1,099	664
Instrumental Music	-	3,704	3,704	-
Carnival Fundraiser from POWW	255	1,915	2,130	40
Morgenroth Band	14	-	-	14
Library Book Fund	729	-	383	346
Track	205	-	143	62
Gifted	260	178	281	157
Principal's Fund	410	-	-	410
8th Grade Boys Basketball Fund	100	-	-	100
8th Grade Football Fund	-	6,880	6,864	16
Magazine Fundraiser	600	-	130	470
8th Grade Team Activities	1,308	400	186	1,522
7th Grade Team Activities	271	400	447	224
6th Grade Team Activities	-	1,544	1,544	-
Scholastic Book Fair	-	4,993	4,993	-
Concessions	399	-	125	274
8th Grade Volleyball	434	21,734	21,831	337
8th Grade Worlds of Fun	185	-	185	-
Social Studies--Meinking	24	-	-	24
7th Grade Fundraising	-	149	104	45
Written and Illustrated	-	2,263	2,263	-
Girls Basketball	-	101	101	-
Cutest Pet Contest	-	3,355	3,355	-
7th Grade Royals Trip	-	170	170	-
8th Grade Fundraiser	-	180	166	14
Tennis	-	-	-	-
Total West Middle School Activity Funds	<u>23,093</u>	<u>80,524</u>	<u>83,865</u>	<u>19,752</u>
Total Middle School Activity Funds	<u>95,743</u>	<u>271,798</u>	<u>285,849</u>	<u>81,692</u>
<b>HIGH SCHOOLS</b>				
Lawrence High School				
American Indian Club	102	1,936	1,538	500
Auto/Power Mech Club	284	-	284	-
AVID	325	974	1,062	237
Chess Club	120	2,299	1,166	1,253
DECA Club	13	7,698	7,496	215
Environmental/Recycle Club	382	-	28	354
FCCLA	-	1,004	741	263
French Club	203	537	625	115
French Chicago Trip	-	1,572	1,322	250
Future Farmers of America	78	103	108	73
Game Club	193	-	193	-
Gay & Straight/Total Equality Alliance	238	102	126	214
GCTL/FYI	714	2,077	1,881	910
Geography Club	115	520	520	115
German Club	625	-	625	-
Habitat for Humanity Club	2,495	978	3,026	447
HALO - Hispanic American Leadership Org	100	1,021	101	1,020
HOSA	-	551	551	-
International Club	1,394	24	16	1,402
JAG	-	185	185	-
Jewelry Shop	952	-	-	952
Latin Club	484	3,376	3,802	58
Media Club	289	-	289	-
Mud Volleyball	-	2,116	2,116	-
Musical Festival	-	5,000	5,000	-
National Art Honor Society	47	-	41	6
National Honor Society	606	1,330	1,608	328
Pink Out	341	1,315	1,332	324
Prom	659	6,205	6,864	-
Rome Trip	-	7,060	-	7,060
Slam/Spoken Word Poetry Club	-	45	-	45
Spanish Club	7	-	-	7
SPED-ED Room	-	573	329	244
Student Council	1,358	9,255	8,772	1,841
Theater Drama Club	1,287	-	1,287	-
Subtotals to Schedule 4, page 4 of 5	<u>13,411</u>	<u>57,856</u>	<u>53,034</u>	<u>18,233</u>

UNIFIED SCHOOL DISTRICT NO. 497  
 Agency Funds  
 Summary of Receipts and Disbursements  
 Regulatory Basis  
 For the Year Ended June 30, 2016

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOLS (Continued)				
Lawrence High School				
Subtotals from Schedule 4, page 3 of 5	\$ 13,411	\$ 57,856	\$ 53,034	\$ 18,233
Walt Whitman Fund	277	-	-	277
Young Feminists	121	-	-	121
Young Democrats	63	-	-	63
After Prom	-	5,488	5,488	-
At Risk	-	210	210	-
Baseball Program	-	33,123	33,123	-
Boys Basketball Program	-	4,600	4,600	-
Boys Soccer Program	-	13,505	13,505	-
Cap N Gown	-	10,925	10,925	-
Cross Country Program	-	3,321	3,321	-
Culinary	-	260	260	-
Directed Studies	-	77	77	-
F&CS Interior Design Proj.	-	30	30	-
Film Festival/Showtime	-	1,557	1,557	-
French IV Trip	-	2	2	-
Gala	-	7,572	7,572	-
Girls Basketball Program	-	3,981	3,981	-
Girls Soccer Program	-	5,144	5,144	-
Heart of a Lion/Parking	-	9,725	9,725	-
Hip Hop/Step	-	66	66	-
History Day Competition	-	4,893	4,893	-
Intramurals	-	234	234	-
Lawrence Youth Symphony	-	5,711	5,711	-
Leadership Symposium	-	387	387	-
LHS Strength and Conditioning	-	1,568	1,568	-
Link Crew	-	422	422	-
Model UN	-	7,540	7,540	-
Music Student Accounts	-	89,996	89,996	-
Paws for Pals/Can We Talk	-	3,762	3,762	-
Softball Program	-	15,194	15,194	-
Tennis Program	-	2,551	2,551	-
Testing	-	40,246	40,246	-
Volleyball Program	-	10,559	10,559	-
Welding Projects	-	278	278	-
Woodshop Projects	-	958	958	-
Total Lawrence High Activity Funds	<u>13,872</u>	<u>341,741</u>	<u>336,919</u>	<u>18,694</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	821	-	30	791
Chess Club	732	-	210	522
Class of 2001	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	500	-	-	500
Class of 2012	500	-	-	500
Class of 2013	500	-	-	500
Class of 2014	103	-	-	103
Class of 2015	734	-	-	734
Class of 2016	-	29	-	29
Class of 2019	-	243	-	243
Computer Club	344	-	-	344
Cup Cake Club	-	213	-	213
Diversity Club	123	405	305	223
Environmental Club	69	-	-	69
Family Career & Community Leaders of America	802	7,159	6,913	1,048
Fellowship of Christian Athletes	264	-	-	264
Film Club/Firebird Productions	7,338	1,628	5,058	3,908
Free State Yoga Club	23	229	210	42
French Club	198	-	-	198
Future Farmers of America	983	3,920	3,893	1,010
FYI	1,767	168	1,595	340
Geography Club	2	-	-	2
JAG - Jobs for American's Graduate	12	146	158	-
Key Club	731	1,387	1,110	1,008
Lawrence Free Poetry Club	48	-	-	48
Math Team	209	-	198	11
National Honor Society	6,326	7,474	5,049	8,751
Native American Club	8	33	-	41
Subtotals to Schedule 4, page 5 of 5	<u>27,459</u>	<u>23,034</u>	<u>25,229</u>	<u>25,264</u>

## SCHEDULE 4

5 of 5

UNIFIED SCHOOL DISTRICT NO. 497  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2016

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
HIGH SCHOOLS (Continued)				
Free State High School				
Subtotals from Schedule 4, page 4 of 5	\$ 27,459	\$ 23,034	\$ 25,229	\$ 25,264
Philosophy Club	17	-	-	17
Pre-Med Club	100	-	-	100
Random Acts of Kindness	495	-	-	495
Science Olympiad	76	957	962	71
Spanish Club	6	-	-	6
STEP	298	281	563	16
Student Council	9,990	24,399	22,998	11,391
Sweater Club	34	-	-	34
Thespians	2,511	2,243	2,102	2,652
Tolkien Club	575	539	494	620
VICA/CIT	1,228	-	-	1,228
Writers Club	515	36	-	551
YARC-Youth Against Rape Culture	46	-	-	46
Young Democrats Club	97	-	-	97
Baseball Account	10,458	36,641	23,819	23,280
Cap & Gown Rental	-	9,411	9,411	-
Camera Rental & Repair	1,758	65	266	1,557
Model UN	878	9,350	9,926	302
Free State Football	8,475	9,881	12,747	5,609
Free State Boys Soccer	30	20,724	18,514	2,240
Firebird Fund	91	1,055	963	183
Engineering Club - Special Projects	726	3,974	2,865	1,835
Free State Girls Soccer	4,146	28,349	29,549	2,946
Free State Girls Basketball	2,569	5,735	6,152	2,152
Parking Fines	2,595	3,310	4,450	1,455
Free State Boys Basketball	-	17,657	17,047	610
Student Planners	2,620	55	-	2,675
Free State Cross Country/Track	5,642	55,778	59,753	1,667
Special Education	71	3,526	-	3,597
Free State Boys Tennis	744	389	766	367
Free State Girls Tennis	258	578	243	593
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	1,124	2,705	2,854	975
Girls Golf	572	697	586	683
Battle of the Bands	773	-	-	773
Grounds Beautification	610	432	321	721
Green & Silver	748	-	504	244
LINK	1,192	637	1,208	621
Autism	32	552	437	147
Freddie's Friends	43	-	-	43
SLEIPS	1,291	1,089	1,113	1,267
Can We Talk	1	496	322	175
LEAP	-	500	268	232
Shop Projects/Schwager	170	1,342	786	726
Free State Football (Additional)	74	-	-	74
Free State Softball	19,921	12,396	13,913	18,404
Testing Fund	4,736	45,441	47,483	2,694
Jewelry/Metal	1,967	371	41	2,297
Band Program (Additional)	6,022	25,252	29,283	1,991
Baseball (Additional)	1,769	-	-	1,769
Gay/Straight Alliance	111	-	-	111
Welding/Industrial Technology	56	-	-	56
Work Books	-	5,177	3,097	2,080
Free State Wrestling	1,424	2,507	3,758	173
Cartridge Recyclers	253	-	-	253
Volleyball	3,846	6,869	5,157	5,558
Winter Game Intramurals	449	-	-	449
Winter Classic Program	-	3,904	3,904	-
Firebird Pride	467	-	-	467
The Early Bird	291	578	567	302
Renaissance Committee	466	1,766	1,871	361
Bowling	2,837	5,256	4,656	3,437
Photo Enrichment	820	-	200	620
Girls Swim/Dive	1,032	9,016	10,048	-
Boys Swim/Dive	1,367	7,388	7,425	1,330
River City Baseball	-	22,313	19,438	2,875
CORE/DUB Club	400	-	-	400
Total Free State High Activity Funds	<u>139,572</u>	<u>414,651</u>	<u>408,059</u>	<u>146,164</u>
Total High School Activity Funds	<u>153,444</u>	<u>756,392</u>	<u>744,978</u>	<u>164,858</u>
Total Student Activity Funds	<u>253,414</u>	<u>1,066,792</u>	<u>1,068,928</u>	<u>251,278</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	26,844	47,074	66,863	7,055
Health Reimbursement Account Fund	96,680	-	96,680	-
School and District Accounts	3,856	209,154	216,876	[3,866]
Payroll Clearing Fund	[2,603,743]	89,339,120	88,090,684	[1,355,307]
Concessions Fund	5,158	1,506	414	6,250
Total Other Agency Funds	<u>[2,471,205]</u>	<u>89,596,854</u>	<u>88,471,517</u>	<u>[1,345,868]</u>
Total Agency Funds	<u>\$ [2,217,791]</u>	<u>\$ 90,663,646</u>	<u>\$ 89,540,445</u>	<u>\$ [1,094,590]</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497  
 District Activity Funds  
 Schedule of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2016

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							
Activity Tickets and Other	\$ 25	\$ -	\$ 18,124	\$ 18,149	\$ -	\$ -	\$ -
Athletics	-	-	122,499	122,499	-	-	-
Band	-	-	12,678	12,678	-	-	-
Theater/Showtime	-	-	26,979	26,979	-	-	-
Free State High School							
Activity Tickets and Other	-	-	35,426	35,426	-	-	-
Athletics	-	-	167,279	165,479	1,800	-	1,800
Band	-	-	14,693	14,693	-	-	-
Encore	-	-	55,022	55,022	-	-	-
Vocal	-	-	46,510	46,510	-	-	-
Central Middle School							
Gate Receipts	1,044	-	3,115	4,159	-	-	-
South Middle School							
Gate Receipts	-	-	9,868	9,868	-	-	-
Southwest Middle School							
Gate Receipts	-	-	7,342	7,342	-	-	-
West Middle School							
Gate Receipts	3,373	-	6,565	5,258	4,680	-	4,680
<b>Total District Activity Funds</b>	<b>\$ 4,442</b>	<b>\$ -</b>	<b>\$ 526,100</b>	<b>\$ 524,062</b>	<b>\$ 6,480</b>	<b>\$ -</b>	<b>\$ 6,480</b>

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, 2016

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	\$ [16,108]	\$ 150,055	\$ 130,399	\$ 3,548
Total Direct U.S. Department of Interior		<u>[16,108]</u>	<u>150,055</u>	<u>130,399</u>	<u>3,548</u>
<u>U.S. Department of Education</u>					
Passed Through Kansas State Department of Education					
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	-	2,246,662	2,246,662	-
Special Education Discretionary	84.027	[1,199]	76,744	75,545	-
Special Education Preschool Grants	84.173	-	61,937	61,937	-
Title I Grants to Local Educational Agencies	84.010	[227,124]	1,975,242	1,970,196	[222,078]
Vocational Education Basic Grants to States	84.048	[4,101]	87,503	82,473	929
English Language Acquisition Grants	84.365	[1,284]	87,666	89,268	[2,886]
Improving Teacher Quality State Grants	84.367	<u>11,643</u>	<u>331,942</u>	<u>376,910</u>	<u>[33,325]</u>
Total U.S. Department of Education Passed Through Kansas State Department of Education		<u>[222,065]</u>	<u>4,867,696</u>	<u>4,902,991</u>	<u>[257,360]</u>
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
Youth Risk Behavior Survey	93.938	-	450	450	-
Total U.S. Department of Health and Human Services Passed Through Kansas Department of Education		<u>-</u>	<u>450</u>	<u>450</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	484,551	484,551	-
National School Lunch Program	10.555	-	2,185,299	2,185,299	-
Summer Food Service Program for Children	10.559	-	<u>169,463</u>	<u>169,463</u>	<u>-</u>
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		<u>-</u>	<u>2,839,313</u>	<u>2,839,313</u>	<u>-</u>
Total		<u>\$ [238,173]</u>	<u>\$ 7,857,514</u>	<u>\$ 7,873,153</u>	<u>\$ [253,812]</u>

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, 2016

1. Organization

Unified School District No. 497, Lawrence, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2016.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2016

UNIFIED SCHOOL DISTRICT NO. 497  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2016

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 Uniform Guidance	___ Yes <u>X</u> No

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	___ Yes <u>X</u> No



UNIFIED SCHOOL DISTRICT NO. 497  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2016

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2016.

**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. 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.

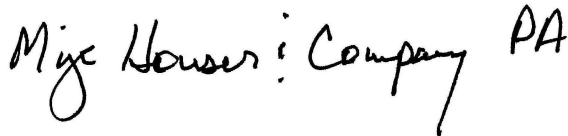
Compliance and Other Matters

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 21, 2016.

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.

Lawrence, KS  
November 21, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2016. 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 State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance 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, 2016.

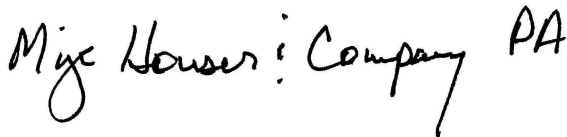
Report on Internal Control Over Compliance

The 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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 charged 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 the internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Uniform Guidance. 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.

Lawrence, KS  
November 21, 2016