

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2009

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UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2009

BOARD

Scott Morgan, President

Rich Minder
Mark Bradford
Bob Byers

Mary Loveland
Vanessa Sandburn
Marlene Merrill

OFFICERS

Superintendent
Treasurer
Clerk

Rick Doll
Katharine S. Johnson
Janice Dunn

Enrollment	10,418
Assessed valuation	\$975,462,934

	<u>Budget</u>	<u>Levy</u>
Budgeted Funds		
General	\$ 69,081,212	20.00
Supplemental General	21,415,176	20.10
Adult Basic Education	535,000	-
At Risk (4 Year Old)	675,000	-
Adult Supplemental Education	25,981	-
At Risk (K-12)	5,125,000	-
Bilingual Education	625,000	-
Virtual Education	4,500,000	-
Capital Outlay	13,500,000	5.99
Driver Training	141,000	-
Food Service	5,000,000	-
Professional Development	350,000	-
Parent Education Program	300,000	-
Summer School	150,000	-
Special Education	19,500,000	-
Cost of Living	1,333,930	-
Vocational Education	1,500,000	-
KPERs Special Retirement Contribution	5,766,617	-
Grants	3,984,628	-
Bond and Interest	10,940,586	9.81
Special Assessment	<u>375,000</u>	<u>1.62</u>
	<u>\$ 164,824,130</u>	<u>57.52</u>

UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2009

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Lawrence, Kansas
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LOWENTHAL, WEBB & ODERMANN, P.A.

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

We have audited the accompanying financial statements of the Unified School District No. 497 (the District), Lawrence, Kansas, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2008. In our report dated January 13, 2009 on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified opinion as to presentation on the Kansas prescribed basis of accounting.

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 Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

As disclosed in Note 1, the District prepares its financial statements on a basis of accounting prescribed by the State of Kansas which demonstrates compliance with the cash basis and budget laws of the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of those differences is also described in Note 1.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009 or the respective changes in financial position thereof for the year then ended.

Also, in our opinion, except for the July, 2009 receipt of the final state aid payment for the fiscal year ended June 30, 2009 being recorded in June, 2009, the financial statements referred to above present fairly, in all material respects, the fund cash and unencumbered cash balances of the District as of June 30, 2009, and its cash receipts and expenditures by fund, and fund budget to actual comparisons, for the year ended, taken as a whole, on the prescribed basis of accounting described in Note 1.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas prescribed basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2008, from which such partial information was derived.

In accordance with "Government Auditing Standards," we have also issued our report dated December 9, 2009, 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of the District taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U. S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Lowenthal, Welt & Odummann, P.A.

December 9, 2009

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2009

Funds	Restated	Prior Year	Cash	Expenditures	Ending	Outstanding	Ending
	Beginning				Unencumbered	Encumbrances	
	Unencumbered	Cancelled	Receipts		Unencumbered	and Accounts	Cash
	Cash	Encumbrances			Cash	Payable	Balance
	Balance				Balance		Balance
Funds							
Governmental Fund Types:							
General Fund	\$ 27	\$ -	\$ 69,823,028	\$ 69,823,055	\$ -	\$ 3,288,223	\$ 3,288,223
Special Revenue Funds:							
Supplemental General	1,625,493	-	20,969,549	21,415,176	1,179,866	98,918	1,278,784
Adult Basic Education	341,304	-	314,630	388,610	267,324	12,733	280,057
At Risk (4 Year Old)	343,634	-	372,055	605,299	110,390	2,582	112,972
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	126,199	-	5,125,000	4,785,790	465,409	31,465	496,874
Bilingual Education	19,075	-	605,000	546,361	77,714	4,005	81,719
Virtual Education	-	-	4,500,000	4,167,061	332,939	180,523	513,462
Capital Outlay	6,810,711	-	7,161,146	8,134,109	5,837,748	2,449,670	8,287,418
Driver Training	50,677	-	46,062	43,765	52,974	20,252	73,226
Food Service	395,525	-	4,303,334	4,208,197	490,662	123,205	613,867
Professional Development	148,750	-	253,867	228,046	174,571	44,094	218,665
Parent Education Program	41,437	-	185,584	159,969	67,052	829	67,881
Summer School	123,383	-	21,925	18,777	126,531	6,813	133,344
Special Education	4,197,844	-	19,719,291	18,249,789	5,667,346	339,558	6,006,904
Cost of Living	-	-	1,376,982	1,376,982	-	-	-
Vocational Education	183,990	-	1,310,000	1,258,934	235,056	5,730	240,786
KPERS Special Retirement Contribution	-	-	4,682,703	4,682,703	-	-	-
Contingency Reserve	3,502,590	-	3,328,402	-	6,830,992	-	6,830,992
Textbook Rental	291,505	-	847,452	266,741	872,216	98,638	970,854
Student Material Revolving	300,243	-	283,863	91,019	493,087	4,553	497,640
Grants	597,974	-	3,391,650	3,843,755	145,869	259,252	405,121
Gate Receipts	5,304	-	597,767	601,730	1,341	-	1,341
Debt Service Funds:							
Bond and Interest	10,347,292	-	10,551,108	10,939,586	9,958,814	-	9,958,814
Special Assessment	463,124	-	52,617	100,171	415,570	-	415,570
Capital Project Funds	7,875,368	-	2,755,953	10,534,309	97,012	4,229,346	4,326,358
Proprietary Fund Types:							
Internal Service Funds:							
School Workers' Compensation Reserve	683,710	-	661,645	265,994	1,079,361	-	1,079,361
Health Care Services Reserve	3,401,671	-	9,239,946	8,526,480	4,115,137	6,238	4,121,375
Fiduciary Fund Types:							
Private Purpose Trust Funds	529,370	-	272,049	313,019	488,400	15,780	504,180
Total Reporting Entity							
(Excluding Agency Funds)	\$ 42,432,182	\$ -	\$ 172,752,608	\$ 175,575,427	\$ 39,609,363	\$ 11,222,407	\$ 50,831,770

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash (Continued)
For the Year Ended June 30, 2009

Composition of Cash:		
U.S. Bank		
Checking Accounts	\$ 40,781,977	
Savings Accounts	<u>7,615</u>	
Total U.S. Bank		\$ 40,789,592
Douglas County Bank		
Certificates of Deposit	3,200	
Checking Accounts	<u>117,513</u>	
Total Douglas County Bank		120,713
Commerce Bank		
Certificates of Deposit	2,003,921	
Checking Accounts	<u>17,597</u>	
Total Commerce Bank		2,021,518
University National Bank - Checking		195
United Missouri Bank - Checking		1,389,104
Landmark National Bank - Checking		282
Kansas Municipal Investment Pool		7,866,443
Cash on Hand		<u>1,279</u>
Total Cash		52,189,126
Less Agency Funds per Statement 4		<u>[1,357,356]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 50,831,770</u>

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

STATEMENT 2

UNIFIED SCHOOL DISTRICT NO. 497
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2009

<u>Funds</u>	Certified <u>Budget</u>	Adjustment to Comply with <u>Legal Max Budget</u>	Adjustment for Qualifying <u>Budget Credits</u>	Total Budget for <u>Comparison</u>	Expenditures Chargeable to Current Year <u>Budget</u>	Variance Positive <u>[Negative]</u>
General Fund	\$ 69,081,212	\$ [424,932]	\$ 1,168,357	\$ 69,824,637	\$ 69,823,055	\$ 1,582
Special Revenues Funds:						
Supplemental General	21,415,176	-	-	21,415,176	21,415,176	-
Adult Basic Education	535,000	-	-	535,000	388,610	146,390
At Risk (4 Year Old)	675,000	-	-	675,000	605,299	69,701
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	5,125,000	-	-	5,125,000	4,785,790	339,210
Bilingual Education	625,000	-	-	625,000	546,361	78,639
Virtual Education	4,500,000	-	-	4,500,000	4,167,061	332,939
Capital Outlay	13,500,000	-	-	13,500,000	8,134,109	5,365,891
Driver Training	141,000	-	-	141,000	43,765	97,235
Food Service	5,000,000	-	-	5,000,000	4,208,197	791,803
Professional Development	350,000	-	-	350,000	228,046	121,954
Parent Education Program	300,000	-	-	300,000	159,969	140,031
Summer School	150,000	-	-	150,000	18,777	131,223
Special Education	19,500,000	-	-	19,500,000	18,249,789	1,250,211
Cost of Living	1,333,930	-	-	1,333,930	1,333,930	-
Vocational Education	1,500,000	-	-	1,500,000	1,258,934	241,066
KPERs Special Retirement Contribution	5,766,617	-	-	5,766,617	4,682,703	1,083,914
Grants	3,984,628	-	-	3,984,628	3,843,755	140,873
Debt Service Funds:						
Bond and Interest	10,940,586	-	-	10,940,586	10,939,586	1,000
Special Assessment	375,000	-	-	375,000	100,171	274,829

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 18,169,101	\$ 18,097,714	\$ 17,151,860	\$ 945,854
Delinquent tax	313,022	159,258	252,504	[93,246]
Motor vehicle tax	4,212	-	-	-
State Aid:				
Equalization aid	36,400,137	39,442,913	40,253,271	[810,358]
Juvenile detention center	367,416	404,800	-	404,800
Special education aid	10,742,504	10,918,476	11,409,600	[491,124]
In lieu of taxes - I.R.B.s	15,632	14,268	13,977	291
Miscellaneous	25,575	22,042	-	22,042
Reimbursed expenses	<u>626,607</u>	<u>763,557</u>	<u>-</u>	<u>763,557</u>
Total Cash Receipts	<u>66,664,206</u>	<u>69,823,028</u>	<u>\$ 69,081,212</u>	<u>\$ 741,816</u>
Expenditures and Transfers				
Instruction	30,896,027	29,451,023	\$ 32,881,677	\$ 3,430,654
Student support services	645,383	493,777	732,937	239,160
Instructional support	1,214,915	1,163,855	1,326,562	162,707
General administration	871,942	762,233	914,625	152,392
School administration	4,612,972	4,533,615	4,851,187	317,572
Operations and maintenance	6,538,191	6,649,702	6,262,062	[387,640]
Transportation	237,359	239,541	235,000	[4,541]
Central administration	3,369,501	3,832,975	3,519,437	[313,538]
Transfers out	18,277,889	22,696,334	18,357,725	[4,338,609]
Adjustment to comply with legal max budget	-	-	[424,932]	[424,932]
Adjustment for qualifying budget credits	-	-	1,168,357	1,168,357
Total Expenditures and Transfers	<u>66,664,179</u>	<u>69,823,055</u>	<u>\$ 69,824,637</u>	<u>\$ 1,582</u>
Receipts Over [Under] Expenditures	27	[27]		
Unencumbered Cash, Beginning	<u>-</u>	<u>27</u>		
Unencumbered Cash, Ending	<u>\$ 27</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Supplemental General Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 18,519,335	\$ 19,299,242	\$ 18,034,728	\$ 1,264,514
Delinquent tax	254,576	159,039	257,950	[98,911]
Motor vehicle tax	1,351,972	1,496,927	1,483,393	13,534
In lieu of taxes - I.R.B.s	14,041	14,341	13,613	728
Total Cash Receipts	<u>20,139,924</u>	<u>20,969,549</u>	<u>\$ 19,789,684</u>	<u>\$ 1,179,865</u>
Expenditures and Transfers				
Instruction	-	-	\$ 3,410,601	\$ 3,410,601
Student support services	1,838,362	1,808,124	2,063,037	254,913
Instructional support	1,869,538	1,927,415	2,117,038	189,623
General administration	-	-	68,500	68,500
School administration	-	-	702,000	702,000
Operations and maintenance	-	-	705,000	705,000
Transportation	2,014,630	2,059,997	2,300,000	240,003
Central administration	-	-	392,000	392,000
Transfers out	13,983,696	15,619,640	9,657,000	[5,962,640]
Total Expenditures and Transfers	<u>19,706,226</u>	<u>21,415,176</u>	<u>\$ 21,415,176</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	433,698	[445,627]		
Unencumbered Cash, Beginning	<u>1,191,795</u>	<u>1,625,493</u>		
Unencumbered Cash, Ending	<u>\$ 1,625,493</u>	<u>\$ 1,179,866</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Adult Basic Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive <u>[Negative]</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 144,756	\$ 143,912	\$ 138,220	\$ 5,692
Delinquent tax	3,851	1,404	2,012	[608]
Motor vehicle tax	12,300	12,224	12,011	213
Federal aid	81,806	97,988	97,988	-
State aid	51,218	51,946	52,345	[399]
In lieu of taxes - I.R.B.s	112	107	110	[3]
Investment income	5,727	-	5,000	[5,000]
Reimbursed expenses	79	-	-	-
Miscellaneous	7,691	7,049	10,000	[2,951]
Total Cash Receipts	<u>307,540</u>	<u>314,630</u>	<u>\$ 317,686</u>	<u>\$ [3,056]</u>
Expenditures and Transfers				
Instruction	275,830	276,464	\$ 414,860	\$ 138,396
Instructional support staff	62,508	91,698	83,490	[8,208]
General administration	22,223	-	32,150	32,150
Operations and maintenance	-	-	4,500	4,500
Transfers out	20,262	20,448	-	[20,448]
Total Expenditures and Transfers	<u>380,823</u>	<u>388,610</u>	<u>\$ 535,000</u>	<u>\$ 146,390</u>
Receipts Over [Under] Expenditures	[73,283]	[73,980]		
Unencumbered Cash, Beginning	<u>414,587</u>	<u>341,304</u>		
Unencumbered Cash, Ending	<u>\$ 341,304</u>	<u>\$ 267,324</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ -	\$ -	\$ 19,913	\$ [19,913]
Miscellaneous	139,505	152,055	200,000	[47,945]
Donations	100,000	-	-	-
Transfers in	<u>410,000</u>	<u>220,000</u>	<u>300,000</u>	<u>[80,000]</u>
Total Cash Receipts	<u>649,505</u>	<u>372,055</u>	<u>\$ 519,913</u>	<u>\$ [147,858]</u>
Expenditures and Transfers				
Instruction	295,219	320,139	\$ 398,250	\$ 78,111
Student support services	49,805	55,387	58,800	3,413
Instructional support staff	6,708	8,138	10,050	1,912
School administration	107,157	109,435	115,300	5,865
Operations and maintenance	78,137	70,845	92,600	21,755
Transfers out	<u>59,524</u>	<u>41,355</u>	<u>-</u>	<u>[41,355]</u>
Total Expenditures and Transfers	<u>596,550</u>	<u>605,299</u>	<u>\$ 675,000</u>	<u>\$ 69,701</u>
Receipts Over [Under] Expenditures	52,955	[233,244]		
Unencumbered Cash, Beginning	<u>290,679</u>	<u>343,634</u>		
Unencumbered Cash, Ending	<u>\$ 343,634</u>	<u>\$ 110,390</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Adult Supplemental Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures and Transfers				
Instruction	-	-	\$ 25,981	\$ 25,981
Total Expenditures and Transfers	<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>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	<u>\$ 4,057,000</u>	<u>\$ 5,125,000</u>	<u>\$ 5,073,125</u>	<u>\$ 51,875</u>
Total Cash Receipts	<u>4,057,000</u>	<u>5,125,000</u>	<u>\$ 5,073,125</u>	<u>\$ 51,875</u>
Expenditures and Transfers				
Instruction	3,566,073	4,348,436	\$ 5,125,000	\$ 776,564
Transportation	840	1,223	-	[1,223]
Transfers out	<u>372,199</u>	<u>436,131</u>	-	<u>[436,131]</u>
Total Expenditures and Transfers	<u>3,939,112</u>	<u>4,785,790</u>	<u>\$ 5,125,000</u>	<u>\$ 339,210</u>
Receipts Over [Under] Expenditures	117,888	339,210		
Unencumbered Cash, Beginning	<u>8,311</u>	<u>126,199</u>		
Unencumbered Cash, Ending	<u>\$ 126,199</u>	<u>\$ 465,409</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 550,000	\$ 605,000	\$ 625,000	\$ [20,000]
Total Cash Receipts	<u>550,000</u>	<u>605,000</u>	<u>\$ 625,000</u>	<u>\$ [20,000]</u>
Expenditures and Transfers				
Instruction	387,361	424,282	\$ 505,000	\$ 80,718
Student support services	12,777	11,358	17,000	5,642
Instructional support	90,945	73,785	100,000	26,215
School administration	240	-	3,000	3,000
Transfers out	49,796	36,936	-	[36,936]
Total Expenditures and Transfers	<u>541,119</u>	<u>546,361</u>	<u>\$ 625,000</u>	<u>\$ 78,639</u>
Receipts Over [Under] Expenditures	8,881	58,639		
Unencumbered Cash, Beginning	<u>10,194</u>	<u>19,075</u>		
Unencumbered Cash, Ending	<u>\$ 19,075</u>	<u>\$ 77,714</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Virtual Education Fund
For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Miscellaneous	\$ -	\$ 240,000	\$ [240,000]
Transfers in	<u>4,500,000</u>	<u>4,260,000</u>	<u>240,000</u>
Total Cash Receipts	<u>4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ -</u>
Expenditures and Transfers			
Instruction	3,524,226	\$ 4,007,206	\$ 482,980
Student support services	45,291	17,630	[27,661]
Instructional support	27,492	21,875	[5,617]
School administration	367,869	388,659	20,790
Operations and maintenance	35,376	64,630	29,254
Transfers out	<u>166,807</u>	<u>-</u>	<u>[166,807]</u>
Total Expenditures and Transfers	<u>4,167,061</u>	<u>\$ 4,500,000</u>	<u>\$ 332,939</u>
Receipts Over [Under] Expenditures	332,939		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 332,939</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 7,234,931	\$ 5,796,929	\$ 5,572,333	\$ 224,596
Delinquent tax	105,455	63,848	100,560	[36,712]
Motor vehicle tax	529,542	609,143	604,035	5,108
In lieu of taxes - I.R.B.s	5,459	4,275	5,545	[1,270]
Investment income	537,075	255,118	200,000	55,118
Reimbursements	338	459	-	459
Miscellaneous	493,567	414,431	500,000	[85,569]
Flood control	10,531	16,943	10,000	6,943
Total Cash Receipts	<u>8,916,898</u>	<u>7,161,146</u>	<u>\$ 6,992,473</u>	<u>\$ 168,673</u>
Expenditures and Transfers				
Instruction	2,236,448	811,011	\$ 2,000,000	\$ 1,188,989
Student support services	59,230	124	25,000	24,876
Instructional support	64,778	804,688	150,000	[654,688]
General administration	2,201	4,797	25,000	20,203
School administration	4,370	20,363	25,000	4,637
Business services	21,418	-	-	-
Operations and maintenance	683,893	416,560	250,000	[166,560]
Central support services	-	551,687	25,000	[526,687]
Other support services	18,219	74,640	250,000	175,360
Facility acquisition and construction services	4,850,460	5,447,702	10,750,000	5,302,298
Transfers out	-	2,537	-	[2,537]
Total Expenditures and Transfers	<u>7,941,017</u>	<u>8,134,109</u>	<u>\$ 13,500,000</u>	<u>\$ 5,365,891</u>
Receipts Over [Under] Expenditures	975,881	[972,963]		
Unencumbered Cash, Beginning	<u>5,834,830</u>	<u>6,810,711</u>		
Unencumbered Cash, Ending	<u>\$ 6,810,711</u>	<u>\$ 5,837,748</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Driver Training Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 31,618	\$ 10,526	\$ 43,200	\$ [32,674]
Charges for services	<u>34,440</u>	<u>35,536</u>	<u>55,000</u>	<u>[19,464]</u>
Total Cash Receipts	<u>66,058</u>	<u>46,062</u>	<u>\$ 98,200</u>	<u>\$ [52,138]</u>
Expenditures and Transfers				
Instruction	50,565	37,408	\$ 120,750	\$ 83,342
Instructional support	41	618	250	[368]
Operations and maintenance	12,681	5,530	8,000	2,470
Transportation	-	-	12,000	12,000
Transfers out	<u>-</u>	<u>209</u>	<u>-</u>	<u>[209]</u>
Total Expenditures and Transfers	<u>63,287</u>	<u>43,765</u>	<u>\$ 141,000</u>	<u>\$ 97,235</u>
Receipts Over [Under] Expenditures	2,771	2,297		
Unencumbered Cash, Beginning	<u>47,906</u>	<u>50,677</u>		
Unencumbered Cash, Ending	<u>\$ 50,677</u>	<u>\$ 52,974</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 1,963,229	\$ 2,131,106	\$ 2,022,603	\$ 108,503
State aid	50,025	48,333	53,930	[5,597]
Charges for services	2,102,238	2,119,204	2,797,064	[677,860]
Investment income	23,221	4,691	50,000	[45,309]
Total Cash Receipts	<u>4,138,713</u>	<u>4,303,334</u>	<u>\$ 4,923,597</u>	<u>\$ [620,263]</u>
Expenditures and Transfers				
Food service operation	4,092,343	4,120,195	\$ 5,000,000	\$ 879,805
Transfers out	-	88,002	-	[88,002]
Total Expenditures and Transfers	<u>4,092,343</u>	<u>4,208,197</u>	<u>\$ 5,000,000</u>	<u>\$ 791,803</u>
Receipts Over [Under] Expenditures	46,370	95,137		
Unencumbered Cash, Beginning	<u>349,155</u>	<u>395,525</u>		
Unencumbered Cash, Ending	<u>\$ 395,525</u>	<u>\$ 490,662</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Professional Development Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 23,285	\$ 34,787	\$ 31,825	\$ 2,962
Reimbursements	-	80	-	80
Transfers in	<u>219,000</u>	<u>219,000</u>	<u>219,000</u>	-
Total Cash Receipts	<u>242,285</u>	<u>253,867</u>	<u>\$ 250,825</u>	<u>\$ 3,042</u>
Expenditures and Transfers				
Instructional support	222,770	228,046	\$ 350,000	\$ 121,954
General administration	<u>189</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Transfers	<u>222,959</u>	<u>228,046</u>	<u>\$ 350,000</u>	<u>\$ 121,954</u>
Receipts Over [Under] Expenditures	19,326	25,821		
Unencumbered Cash, Beginning	<u>129,424</u>	<u>148,750</u>		
Unencumbered Cash, Ending	<u>\$ 148,750</u>	<u>\$ 174,571</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 127,846	\$ 134,689	\$ 190,000	\$ [55,311]
Donations	2,520	22,895	-	22,895
Miscellaneous	-	-	45,000	[45,000]
Transfers in	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Total Cash Receipts	<u>158,366</u>	<u>185,584</u>	<u>\$ 263,000</u>	<u>\$ [77,416]</u>
Expenditures and Transfers				
Support services	148,961	141,110	\$ 300,000	\$ 158,890
Instructional support staff	-	1,858	-	[1,858]
Transfers out	<u>17,541</u>	<u>17,001</u>	<u>-</u>	<u>[17,001]</u>
Total Expenditures and Transfers	<u>166,502</u>	<u>159,969</u>	<u>\$ 300,000</u>	<u>\$ 140,031</u>
Receipts Over [Under] Expenditures	[8,136]	25,615		
Unencumbered Cash, Beginning	<u>49,573</u>	<u>41,437</u>		
Unencumbered Cash, Ending	<u>\$ 41,437</u>	<u>\$ 67,052</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Summer School Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 24,820	\$ 21,920	\$ 50,000	\$ [28,080]
Reimbursements	-	5	-	5
Total Cash Receipts	<u>24,820</u>	<u>21,925</u>	<u>\$ 50,000</u>	<u>\$ [28,075]</u>
Expenditures and Transfers				
Instruction	20,017	18,640	\$ 145,100	\$ 126,460
Student support services	-	-	4,900	4,900
Instructional support staff	-	13	-	[13]
Transfers out	<u>282</u>	<u>124</u>	-	<u>[124]</u>
Total Expenditures and Transfers	<u>20,299</u>	<u>18,777</u>	<u>\$ 150,000</u>	<u>\$ 131,223</u>
Receipts Over [Under] Expenditures	4,521	3,148		
Unencumbered Cash, Beginning	<u>118,862</u>	<u>123,383</u>		
Unencumbered Cash, Ending	<u>\$ 123,383</u>	<u>\$ 126,531</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 4,578	\$ 7,559	\$ 5,000	\$ 2,559
Federal aid	2,795,422	2,297,369	3,083,706	[786,337]
Charges for services	255	-	-	-
Reimbursements	29,039	1,121,136	50,000	1,071,136
Transfers in	16,168,939	16,293,227	16,009,600	283,627
Total Cash Receipts	<u>18,998,233</u>	<u>19,719,291</u>	<u>\$ 19,148,306</u>	<u>\$ 570,985</u>
Expenditures and Transfers				
Instruction	11,611,853	12,489,994	\$ 14,062,080	\$ 1,572,086
Student support services	2,249,283	2,541,167	2,387,620	[153,547]
Instructional support staff	38,494	556,134	80,000	[476,134]
General administration	462,562	5,258	523,000	517,742
Operations and maintenance	14,344	26,893	47,300	20,407
Vehicle operating services	2,164,569	2,246,706	2,400,000	153,294
Transfers out	374,246	383,637	-	[383,637]
Total Expenditures and Transfers	<u>16,915,351</u>	<u>18,249,789</u>	<u>\$ 19,500,000</u>	<u>\$ 1,250,211</u>
Receipts Over [Under] Expenditures	2,082,882	1,469,502		
Unencumbered Cash, Beginning	<u>2,114,962</u>	<u>4,197,844</u>		
Unencumbered Cash, Ending	<u>\$ 4,197,844</u>	<u>\$ 5,667,346</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Cost of Living Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 1,265,959	\$ 1,266,497	\$ 1,206,942	\$ 59,555
Delinquent tax	7,166	-	17,571	[17,571]
Motor vehicle tax	33,153	109,552	108,422	1,130
In lieu of taxes - I.R.B.s	<u>939</u>	<u>933</u>	<u>995</u>	<u>[62]</u>
Total Cash Receipts	<u>1,307,217</u>	<u>1,376,982</u>	<u>\$ 1,333,930</u>	<u>\$ 43,052</u>
Expenditures and Transfers				
State payment	<u>1,307,217</u>	<u>1,333,930</u>	<u>\$ 1,333,930</u>	<u>\$ -</u>
Total Expenditures and Transfers	<u>1,307,217</u>	<u>1,333,930</u>	<u>\$ 1,333,930</u>	<u>\$ -</u>
Excess local effort paid to the State of Kansas	<u>-</u>	<u>43,052</u>		
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Vocational Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 240	\$ -	\$ -	\$ -
Transfers in	<u>1,364,510</u>	<u>1,310,000</u>	<u>1,500,000</u>	<u>[190,000]</u>
Total Cash Receipts	<u>1,364,750</u>	<u>1,310,000</u>	<u>\$ 1,500,000</u>	<u>\$ [190,000]</u>
Expenditures and Transfers				
Instruction	1,104,401	1,076,590	\$ 1,390,000	\$ 313,410
Instructional support	83,859	78,342	99,000	20,658
General administration	3,524	-	-	-
Student activities	515	-	-	-
Operations and maintenance	4,398	4,011	11,000	6,989
Transfers out	<u>-</u>	<u>99,991</u>	<u>-</u>	<u>[99,991]</u>
Total Expenditures and Transfers	<u>1,196,697</u>	<u>1,258,934</u>	<u>\$ 1,500,000</u>	<u>\$ 241,066</u>
Receipts Over [Under] Expenditures	168,053	51,066		
Unencumbered Cash, Beginning	<u>15,937</u>	<u>183,990</u>		
Unencumbered Cash, Ending	<u>\$ 183,990</u>	<u>\$ 235,056</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
KPERs Special Retirement Contribution Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 4,271,568	\$ 4,682,703	\$ 5,766,617	\$ [1,083,914]
Total Cash Receipts	<u>4,271,568</u>	<u>4,682,703</u>	<u>\$ 5,766,617</u>	<u>\$ [1,083,914]</u>
Expenditures and Transfers				
Instruction	3,032,813	3,231,066	\$ 3,978,966	\$ 747,900
Student support services	85,431	327,789	403,663	75,874
Instructional support	85,431	234,135	288,331	54,196
General administration	42,715	93,654	115,332	21,678
School administration	427,156	327,789	403,663	75,874
Operations and maintenance	170,865	140,481	172,999	32,518
Central administration	128,148	234,135	288,331	54,196
Food service	<u>299,009</u>	<u>93,654</u>	<u>115,332</u>	<u>21,678</u>
Total Expenditures and Transfers	<u>4,271,568</u>	<u>4,682,703</u>	<u>\$ 5,766,617</u>	<u>\$ 1,083,914</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Contingency Reserve Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ 1,744,966	\$ 3,325,665
Miscellaneous	-	2,737
Total Cash Receipts	<u>1,744,966</u>	<u>3,328,402</u>
Expenditures and Transfers		
General administration	<u>8,499</u>	-
Total Expenditures and Transfers	<u>8,499</u>	-
Receipts Over [Under] Expenditures	1,736,467	3,328,402
Unencumbered Cash, Beginning	<u>1,766,123</u>	<u>3,502,590</u>
Unencumbered Cash, Ending	<u>\$ 3,502,590</u>	<u>\$ 6,830,992</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Textbook Rental Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 457,626	\$ 497,452
Transfers in	<u>200,000</u>	<u>350,000</u>
Total Cash Receipts	<u>657,626</u>	<u>847,452</u>
 Expenditures and Transfers		
Instruction	<u>571,001</u>	<u>266,741</u>
Total Expenditures and Transfers	<u>571,001</u>	<u>266,741</u>
 Receipts Over [Under] Expenditures	 86,625	 580,711
 Unencumbered Cash, Beginning	 <u>204,880</u>	 <u>291,505</u>
 Unencumbered Cash, Ending	 <u>\$ 291,505</u>	 <u>\$ 872,216</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Student Material Revolving Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 240,869	\$ 283,863
Total Cash Receipts	<u>240,869</u>	<u>283,863</u>
Expenditures and Transfers		
Instruction	<u>165,204</u>	<u>91,019</u>
Total Expenditures and Transfers	<u>165,204</u>	<u>91,019</u>
Receipts Over [Under] Expenditures	75,665	192,844
Unencumbered Cash, Beginning	<u>224,578</u>	<u>300,243</u>
Unencumbered Cash, Ending	<u>\$ 300,243</u>	<u>\$ 493,087</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Grants Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal Aid:				
Title I	\$ 1,723,623	\$ 1,642,295	\$ 1,685,531	\$ [43,236]
Title V	15,279	-	-	-
Title II A - Improving Teacher Quality	397,614	436,261	483,684	[47,423]
Title II D - Technology Literacy	17,190	14,960	-	14,960
Title IV - Safe Schools/Healthy Students	192,194	-	35,690	[35,690]
Drug Free Schools and Communities Act	44,757	35,170	-	35,170
21st Century Grant	380,934	249,732	249,732	-
Carl Perkins Vocational Act Program Improvement	100,679	96,019	-	96,019
Indian Education Grant	108,630	121,127	-	121,127
Reading First Grant	609,984	651,276	618,416	32,860
Title III-English as a Second Language	63,624	51,509	65,000	[13,491]
Johnson O'Malley Grant	20,899	5,869	-	5,869
Total Federal Aid	<u>3,675,407</u>	<u>3,304,218</u>	<u>3,138,053</u>	<u>166,165</u>
Other Cash Receipts:				
Other grants and donations	188,816	87,432	259,500	[172,068]
Donations	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>3,865,223</u>	<u>3,391,650</u>	<u>\$ 3,397,553</u>	<u>\$ [5,903]</u>
Expenditures and Transfers				
Instruction	2,281,508	2,368,279	\$ 2,738,728	\$ 370,449
Student support services	208,704	144,604	182,000	37,396
Instructional support staff	665,225	892,845	841,000	[51,845]
General administration	172,464	149,002	197,500	48,498
School administration	1,885	-	5,400	5,400
Operations and maintenance	971	-	-	-
Transportation	716	1,623	10,000	8,377
Central administration	4,427	-	10,000	10,000
Transfers out	206,837	287,402	-	[287,402]
Total Expenditures and Transfers	<u>3,542,737</u>	<u>3,843,755</u>	<u>\$ 3,984,628</u>	<u>\$ 140,873</u>
Receipts Over [Under] Expenditures	<u>322,486</u>	<u>[452,105]</u>		
Unencumbered Cash, Beginning	277,509	599,995		
Prior Period Adjustment	<u>-</u>	<u>[2,021]</u>		
Unencumbered Cash, Beginning, Restated	<u>277,509</u>	<u>597,974</u>		
Unencumbered Cash, Ending	<u>\$ 599,995</u>	<u>\$ 145,869</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 8,936,407	\$ 9,558,234	\$ 9,058,990	\$ 499,244
Delinquent tax	167,320	86,661	123,475	[36,814]
Motor vehicle tax	846,211	844,941	830,971	13,970
In lieu of taxes - I.R.B.s	7,401	7,001	7,629	[628]
Investment income	450,548	54,271	100,000	[45,729]
Miscellaneous	5	-	-	-
Total Cash Receipts	<u>10,407,892</u>	<u>10,551,108</u>	<u>\$ 10,121,065</u>	<u>\$ 430,043</u>
Expenditures and Transfers				
Bond principal	5,230,000	6,785,000	\$ 6,785,000	\$ -
Interest	4,414,713	4,154,586	4,154,586	-
Commissions	-	-	1,000	1,000
Total Expenditures and Transfers	<u>9,644,713</u>	<u>10,939,586</u>	<u>\$ 10,940,586</u>	<u>\$ 1,000</u>
Receipts Over [Under] Expenditures	763,179	[388,478]		
Unencumbered Cash, Beginning	<u>9,584,113</u>	<u>10,347,292</u>		
Unencumbered Cash, Ending	<u>\$ 10,347,292</u>	<u>\$ 9,958,814</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Special Assessment Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 165,002	\$ 35,784	\$ 33,795	\$ 1,989
Delinquent tax	3,136	-	2,280	[2,280]
Motor vehicle tax	16,319	15,410	15,176	234
In lieu of taxes - I.R.B.'s	130	23	141	[118]
Reimbursed expenses	<u>1,352</u>	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total Cash Receipts	<u>185,939</u>	<u>52,617</u>	<u>\$ 51,392</u>	<u>\$ 1,225</u>
Expenditures and Transfers				
Capital outlay	<u>122,505</u>	<u>100,171</u>	<u>\$ 375,000</u>	<u>\$ 274,829</u>
Total Expenditures and Transfers	<u>122,505</u>	<u>100,171</u>	<u>\$ 375,000</u>	<u>\$ 274,829</u>
Receipts Over [Under] Expenditures	63,434	[47,554]		
Unencumbered Cash, Beginning	<u>399,690</u>	<u>463,124</u>		
Unencumbered Cash, Ending	<u>\$ 463,124</u>	<u>\$ 415,570</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Capital Project Funds *
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	2009		2005		1999		Totals Actual Current Year
	Athletic Field Improvements		School Building Improvements		School Building Improvements		
	Actual Current Year	Actual Prior Year	Actual Current Year	Actual Prior Year	Actual Current Year	Actual Current Year	
Cash Receipts							
Investment income	\$ -	\$ 569,788	\$ 47,537	\$ 7,512	\$ 350	\$ 47,887	\$ 47,887
Lease proceeds	2,708,066	-	-	-	-	2,708,066	2,708,066
Total Cash Receipts	<u>2,708,066</u>	<u>569,788</u>	<u>47,537</u>	<u>7,512</u>	<u>350</u>	<u>2,755,953</u>	<u>2,755,953</u>
Expenditures and Transfers							
Instruction	-	389,875	7,050	-	-	7,050	7,050
General administration	-	1,000	-	-	-	-	-
Business services	4,875	827,303	93,512	-	-	98,387	98,387
Building repair and remodeling	<u>8,223,419</u>	<u>10,824,601</u>	<u>2,205,453</u>	<u>92,211</u>	<u>-</u>	<u>10,428,872</u>	<u>10,428,872</u>
Total Expenditures and Transfers	<u>8,228,294</u>	<u>12,042,779</u>	<u>2,306,015</u>	<u>92,211</u>	<u>-</u>	<u>10,534,309</u>	<u>10,534,309</u>
Receipts Over [Under] Expenditures	[5,520,228]	[11,472,991]	[2,258,478]	[84,699]	350	[7,778,356]	[7,778,356]
Unencumbered Cash, Beginning	-	<u>19,340,847</u>	<u>7,867,856</u>	<u>92,211</u>	<u>7,512</u>	<u>7,875,368</u>	<u>7,875,368</u>
Unencumbered Cash, Ending	<u>\$ [5,520,228]</u>	<u>\$ 7,867,856</u>	<u>\$ 5,609,378</u>	<u>\$ 7,512</u>	<u>\$ 7,862</u>	<u>\$ 97,012</u>	<u>\$ 97,012</u>

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
School Workers' Compensation Reserve Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 42,338	\$ 4,620
Transfers in	457,832	599,463
Reimbursements	<u>219</u>	<u>57,562</u>
Total Cash Receipts	<u>500,389</u>	<u>661,645</u>
 Expenditures and Transfers		
Instruction	178,749	257,158
General administration	82,166	8,836
Other support services	<u>81,213</u>	<u>-</u>
Total Expenditures and Transfers	<u>342,128</u>	<u>265,994</u>
 Receipts Over [Under] Expenditures	 158,261	 395,651
 Unencumbered Cash, Beginning	 <u>525,449</u>	 <u>683,710</u>
 Unencumbered Cash, Ending	 <u>\$ 683,710</u>	 <u>\$ 1,079,361</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Health Care Services Reserve Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 1,962,286	\$ 1,647,162
Investment income	71,777	14,706
Transfers in	8,162,025	7,321,199
Miscellaneous	<u>220,476</u>	<u>256,879</u>
Total Cash Receipts	<u>10,416,564</u>	<u>9,239,946</u>
Expenditures and Transfers		
Group insurance	7,635,424	8,347,196
Other insurance services	<u>601,998</u>	<u>179,284</u>
Total Expenditures and Transfers	<u>8,237,422</u>	<u>8,526,480</u>
Receipts Over [Under] Expenditures	2,179,142	713,466
Unencumbered Cash, Beginning	<u>1,222,529</u>	<u>3,401,671</u>
Unencumbered Cash, Ending	<u>\$ 3,401,671</u>	<u>\$ 4,115,137</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2009

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
ELEMENTARY SCHOOLS				
Broken Arrow Elementary				
Enrichment	\$ -	\$ 4,002	\$ 4,002	\$ -
Total Broken Arrow Activity Funds	-	4,002	4,002	-
Cordley Elementary				
Student Council	135	-	-	135
Just Say No Club	1	-	-	1
Library Media	-	2,319	2,319	-
Cordley Instructional Enhancement	-	3,716	3,716	-
Chess Club	-	2,294	2,294	-
Yearbook	-	3,779	3,779	-
Total Cordley Activity Funds	136	12,108	12,108	136
Deerfield Elementary				
Student Council	1,006	3,099	1,216	2,889
Poet In Residence	-	449	449	-
Library Book Club	-	2,420	2,420	-
Picture Fund	-	3,465	3,465	-
Coke Machine	-	2,484	2,484	-
Yearbook	-	4,288	4,288	-
Total Deerfield Activity Funds	1,006	16,205	14,322	2,889
Hillcrest Elementary				
Picture Club	-	1,526	1,526	-
6th Grade Trip	-	1,020	-	1,020
Total Hillcrest Activity Funds	-	2,546	1,526	1,020
Kennedy Elementary				
Student Enrichment	-	2,363	1,665	698
Staff Enrichment	-	21	21	-
Yearbook	-	80	80	-
Library Media	-	809	736	73
Total Kennedy Activity Funds	-	3,273	2,502	771
Langston Hughes Elementary				
Picture Fund	-	4,024	4,024	-
Field Trips	-	3,380	3,380	-
Library Media	-	910	910	-
Total Langston Hughes Activity Funds	-	8,314	8,314	-
New York Elementary				
Student Council	-	294	294	-
Total New York Activity Funds	-	294	294	-
Pinckney Elementary				
Library Club	-	1,158	1,158	-
Total Pinckney Activity Funds	-	1,158	1,158	-
Prairie Park Elementary				
Student Council	57	349	-	406
Developmental Fund	-	4,513	4,513	-
Total Prairie Park Activity Funds	57	4,862	4,513	406
Quail Run Elementary				
Picture Fund	-	2,893	2,893	-
Total Quail Run Activity Fund	-	2,893	2,893	-

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2009

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Receipts	Ending Cash Balance
ELEMENTARY SCHOOLS (Continued)				
Schwegler Elementary				
Pictures	\$ -	\$ 2,187	\$ 2,187	\$ -
Yearbook	[5]	2,521	2,516	-
Library	-	254	254	-
Total Schwegler Activity Funds	<u>[5]</u>	<u>4,962</u>	<u>4,957</u>	<u>-</u>
Sunflower Elementary				
Student Council	1,410	2,472	3,180	702
Library Fund	-	4,119	4,119	-
Picture Fund	[8]	14,330	14,322	-
Total Sunflower Activity Funds	<u>1,402</u>	<u>20,921</u>	<u>21,621</u>	<u>702</u>
Sunset Hill Elementary				
Library Birthday Club	-	309	309	-
Student Council	305	-	-	305
Field Trip Activities	-	134	134	-
Picture Fund	-	845	236	609
Total Sunset Hill Activity Funds	<u>305</u>	<u>1,288</u>	<u>679</u>	<u>914</u>
Wakarusa Valley Elementary				
Library	-	67	67	-
Chess Program	-	3,553	3,553	-
Enhancement	-	1,914	1,632	282
Yearbook	-	10	10	-
Total Wakarusa Valley Activity Funds	<u>-</u>	<u>5,544</u>	<u>5,262</u>	<u>282</u>
Woodlawn Elementary				
Instructional Enrichment	-	1,880	1,880	-
Pop Fund	-	581	581	-
Lost Library Books	-	116	116	-
Student Council	262	-	-	262
Total Woodlawn Activity Funds	<u>262</u>	<u>2,577</u>	<u>2,577</u>	<u>262</u>
Total Elementary School Activity Funds	<u>3,163</u>	<u>90,947</u>	<u>86,728</u>	<u>7,382</u>

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2009

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
JUNIOR HIGH SCHOOLS				
Central Junior High School				
Art	\$ 22	\$ -	\$ 22	\$ -
Awards and Recognitions	59	3,284	3,343	-
Band	12	-	12	-
Creative Sewing	15	-	15	-
Excalibur	2,332	6,373	6,417	2,288
Exploration Tech	5	-	5	-
Family and Consumer Science	5	-	5	-
Foods	30	-	30	-
Freshman Fund	2,830	382	1,447	1,765
History Day	2,598	1,828	1,302	3,124
Model UN	-	853	853	-
Opportunity Central MM	3,567	28,242	31,809	-
Pep Club	244	1,658	1,662	240
Play Co-Curricular	43	-	43	-
Photography	20	-	20	-
Sales Tax	325	1,095	845	575
Speech and Drama	1,769	1,363	613	2,519
Student Council	2,074	676	1,582	1,168
National Junior Honor Society	229	100	-	329
Yearbook	1,832	8,460	7,791	2,501
Total Central Junior High Activity Funds	18,011	54,314	57,816	14,509
South Junior High School				
Junior Players	4,956	3,521	2,859	5,618
Car Club	47	-	-	47
International Club	16	480	310	186
Adventure Club	3,298	10,491	11,424	2,365
Hispanic Club	751	-	751	-
Physical Education	3,320	-	1,260	2,060
Student Council	6,558	7,018	11,102	2,474
Yearbook	18	9,406	9,499	[75]
South Singers	3,589	4,401	4,472	3,518
Cougar Club	403	78	481	-
Cheerleaders	1,078	706	330	1,454
Band	26	1,204	1,161	69
Orchestra	2,803	9,405	9,873	2,335
Black Male Brothers	895	741	978	658
Kay Club	387	-	387	-
Women of Color	1,495	866	1,405	956
Native American Youth Leaders	20	-	-	20
Spanish Club	568	-	-	568
Rodeo Club	849	6,465	6,512	802
Spirit Club	45	-	-	45
Total South Junior High Activity Funds	31,122	54,782	62,804	23,100
Southwest Junior High School				
Student Council	5,729	20,235	21,224	4,740
Cheerleaders	23	3,700	3,723	-
Chess Club	1	125	-	126
Drama Club	-	125	-	125
Math Club	-	125	-	125
Science Club	-	125	-	125
Social Awareness Group	-	125	-	125
Volleyball	-	1,347	1,347	-
BelCanto	6,647	10,789	17,436	-
Yearbook	1,947	13,462	15,409	-
Seventh Grade Activities	-	2,149	2,149	-
Drama	2,550	3,511	6,061	-
Eighth Grade Activities	682	145	827	-
Enrichment	4,702	8,991	13,693	-
ER	863	1,559	2,422	-
Ninth Grade Activities	57	1,153	1,210	-
SITE	28	-	28	-
International Club	90	225	-	315
SPED Project	34	149	183	-
Student Assistance	50	20	70	-
T-Shirt	7	1,039	1,046	-
Band	58	2,272	2,330	-
Special Lunch Parties	17	-	17	-
SW Business Partners	668	1,000	1,668	-
MAD	16	-	16	-
Orchestra	134	585	719	-
Library Book Fair/Fines	388	2,452	2,840	-
ID Supplies	2,512	219	2,731	-
Global Studies	506	-	506	-
Total Southwest Junior High Activity Funds	27,709	75,627	97,655	5,681

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2009

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
JUNIOR HIGH SCHOOLS (Continued)				
West Junior High School				
Pep Club	\$ 929	\$ 5,298	\$ 5,393	\$ 834
Speech and Drama	1,891	3,089	3,273	1,707
Student Council	6,407	12,705	12,561	6,551
Newspaper	179	-	-	179
Yearbook	87	13,731	13,019	799
Chorale	2,188	11,296	13,734	[250]
Instrumental Music	2	1,471	1,415	58
Gaugert Band Funds	23	-	14	9
Track	117	2,508	2,625	-
TechnoHawks	7	71	-	78
Leadership/Girl Power	150	-	150	-
Gifted	659	1,068	1,358	369
Lippman's Activity Fund	100	200	300	-
Principal's Fund	238	250	355	133
Boys Freshman Basketball Team	-	840	-	840
Functional Skills Projects	36	-	-	36
Total West Junior High Activity Funds	<u>13,013</u>	<u>52,527</u>	<u>54,197</u>	<u>11,343</u>
Total Junior High School Activity Funds	<u>89,855</u>	<u>237,250</u>	<u>272,472</u>	<u>54,633</u>
HIGH SCHOOLS				
Lawrence High School				
Alliance for Social Awareness	122	-	-	122
American Indian Club	596	7,141	7,695	42
Amnesty International Club	29	-	-	29
Auto Club	1,024	1,398	-	2,422
Aviation Club	108	-	-	108
Bike Club	205	-	-	205
Biology Club	105	-	-	105
Black American Club	160	-	-	160
Business Professionals	-	6,796	6,707	89
Chess Club	802	49	400	451
Class of 2007	1,906	-	1,906	-
Class of 2008	498	-	498	-
Class of 2009	51	7,629	6,599	1,081
Class of 2010	1	587	531	57
Class of 2011	-	905	886	19
Computer Club	91	-	-	91
Disc Golf Club	29	-	-	29
DECA Lion's Den Merchandise	48	43,752	43,410	390
DECA Club	1,940	11,052	12,826	166
DECA Chesty's Brew	-	4,070	3,963	107
Environmental Club	240	486	469	257
Ewertmania	22	-	-	22
Family, Careers, Community Leaders	1	130	131	-
Fellowship of Christian Athletes	1	-	-	1
French Club	550	100	102	548
Future Farmers of America	364	3,622	3,986	-
Game Club	193	-	-	193
Gay and Straight Alliance	260	-	260	-
Geography Club	446	-	-	446
German Club	935	180	223	892
Graffiti Magazine	39	300	250	89
GCTL/FYI	219	760	800	179
International Club	1,163	937	867	1,233
Jewelry Shop	968	788	792	964
Key Club	413	331	307	437
Latin Club	3,577	3,807	3,903	3,481
Latin Club - Courtyard	297	1,025	937	385
Media Club	139	50	-	189
National Art Honor Society	2	310	-	312
National Honor Society	1,173	1,163	1,005	1,331
Outdoor Leadership Experience	2	-	-	2
Ski Club	25	-	-	25
Spanish Club	407	423	459	371
Subtotals to Statement 4, page 5 of 6	<u>19,151</u>	<u>97,791</u>	<u>99,912</u>	<u>17,030</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2009

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOLS (Continued)				
Lawrence High School				
Subtotals from Statement 4, page 4 of 6	\$ 19,151	\$ 97,791	\$ 99,912	\$ 17,030
Student Council	7,160	10,585	8,878	8,867
Table Tennis Club	344	-	104	240
Teachers of Tomorrow	235	136	129	242
Theater Drama Club	511	899	-	1,410
VICA/CIT	1,971	3,175	2,644	2,502
Writers Club	1	-	-	1
Y.E.K.	1	-	-	1
Young Democrats	57	310	292	75
Youth in Local Government	137	-	-	137
Athletics-Wedd's Powerade	508	3,383	3,891	-
Cap N Gown	10,997	9,412	20,409	-
C.P. Engineering Competition	420	4,254	4,674	-
Chesty Duds	123	-	123	-
CloseUp Foundation	66	-	66	-
Breakfast By Gentleman	250	249	499	-
Diplomas, Past Years	279	2	281	-
Directed Studies	200	-	200	-
Film Festival/Showtime	999	817	1,816	-
F&CS Interior Design Proj.	111	-	111	-
French IV Trip	3	-	3	-
History Day Competition	1,030	961	1,991	-
Heritage Panel	200	-	200	-
Lions Pride	2,175	10,489	12,664	-
Lions Pride - Pop Machines	216	1,247	1,463	-
Lions Pride - Tailgate Crew	-	44	44	-
Link Crew	994	300	1,294	-
Mock Trial	125	-	125	-
Model UN	-	9,274	9,274	-
Math Problem Solving	660	280	940	-
Music Student Accounts	7,442	-	7,442	-
Richard Wright Project	600	200	800	-
NASA Robot Project	843	-	843	-
Nurse Supply	96	-	96	-
Special Fruit Sales-Music	74	10,167	10,241	-
Student Planners	2,256	63	2,319	-
Take a Second Make a Difference	519	450	969	-
Welding Projects	825	23	848	-
Woodshop Projects	1,399	857	2,256	-
Camera Rental Fee	-	345	345	-
Total Lawrence High Activity Funds	<u>62,978</u>	<u>165,713</u>	<u>198,186</u>	<u>30,505</u>
Free State High School				
Bike Club	42	-	-	42
Badminton Club	4	-	-	4
Biology Club	25	-	-	25
Business Professionals	1,126	4,476	3,234	2,368
Chess Club	60	-	-	60
Class of 1998	299	-	299	-
Class of 1999	1,001	-	1,001	-
Class of 2000	500	-	-	500
Class of 2001	500	-	-	500
Class of 2002	1,001	-	-	1,001
Class of 2003	4,154	-	-	4,154
Class of 2004	2,512	-	-	2,512
Class of 2005	4,577	-	-	4,577
Class of 2006	3,064	-	-	3,064
Class of 2007	1,138	-	-	1,138
Class of 2008	4,307	-	-	4,307
Class of 2009	209	8,649	6,102	2,756
Class of 2010	-	261	261	-
Computer Club	340	4	-	344
Diversity Club	-	50	20	30
Future Farmers of America	27	10,729	10,263	493
French Club	139	-	95	44
Advanced Placement /Knowledge Master	1,000	-	-	1,000
GCTL/FYI	1,401	1,143	1,547	997
Key Club	393	550	672	271
Multicultural Club	197	-	197	-
Film Club	2,806	3,700	2,090	4,416
Young Socialist Club	36	-	36	-
Subtotals to Statement 4, page 6 of 6	<u>30,858</u>	<u>29,562</u>	<u>25,817</u>	<u>34,603</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2009

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
HIGH SCHOOLS (Continued)				
Free State High School				
Subtotals from Statement 4, page 5 of 6	\$ 30,858	\$ 29,562	\$ 25,817	\$ 34,603
Math Team	309	260	479	90
National Honor Society	3,396	2,025	1,709	3,712
Outdoor Club	190	-	-	190
Anime	72	-	-	72
Philosophy Club	-	252	252	-
Native American Club	-	217	-	217
Science Olympiad	746	-	505	241
Student Council	1,740	9,539	11,279	-
Thespians	776	1,741	2,517	-
VICA/CIT	1,542	2,481	2,070	1,953
Social Awareness Club	32	5,149	4,562	619
Writers Club	363	-	-	363
Young Democrats Club	-	133	-	133
Baseball Account	5,424	16,054	15,406	6,072
Cap & Gown Rental	29	12,908	12,937	-
Camera Rental & Repair	756	925	79	1,602
CloseUp Foundation	656	981	1,534	103
Model UN	741	27,246	26,940	1,047
Free State Football	2,271	14,192	13,445	3,018
Free State Boys Soccer	1,050	10,030	8,464	2,616
Firebird Fund	3,032	2,059	2,735	2,356
Industrial Tech - Special Projects	396	-	-	396
Free State Girls Soccer	1,081	18,284	18,917	448
Free State Girls Basketball	145	8,318	8,463	-
Parking Fines	2,639	2,082	345	4,376
Free State Boys Basketball	969	4,226	4,796	399
Student Planners	13,621	118	918	12,821
Free State Cross Country/Track	-	24,341	24,034	307
Special Education	-	525	496	29
Free State Boys Tennis	11	-	-	11
Free State Girls Tennis	-	486	-	486
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	322	680	427	575
Girls Golf	350	572	677	245
Weight & Film Room	2,242	-	-	2,242
Battle of the Bands	951	170	300	821
Grounds Beautification	4,644	-	3,787	857
DECA Student Trips	-	3	-	3
Green & Silver	3,347	2,548	4,140	1,755
LINK	59	444	385	118
Spirit Squad	1,034	2,581	3,615	-
Autism	-	196	-	196
Free State Softball	1,759	5,328	4,005	3,082
Testing Fund	7,464	31,943	32,527	6,880
Jewelry/Metal	-	160	-	160
Gay/Straight Alliance	24	127	25	126
Work Books	49	12,141	12,172	18
Free State Wrestling	288	3,931	4,193	26
Cartridge Recyclers	355	-	50	305
Volleyball	1,236	4,715	4,097	1,854
Winter Game Intramurals	-	1,095	1,095	-
Firebird Pride	2,094	-	1,055	1,039
Track Special Program	-	3,000	-	3,000
Jan Guth Memorial/Band	1,215	-	407	808
Bowling	5	2,596	2,490	111
Photo Enrichment	325	186	232	279
Girls Swim/Dive	317	4,009	3,902	424
Boys Swim/Dive	258	2,261	2,083	436
DUB Club	329	805	845	289
Sales Tax	-	20,925	20,925	-
Total Free State High Activity Funds	<u>101,712</u>	<u>294,550</u>	<u>292,133</u>	<u>104,129</u>
Total High School Activity Funds	<u>164,690</u>	<u>460,263</u>	<u>490,319</u>	<u>134,634</u>
Total Student Activity Funds	<u>257,708</u>	<u>788,460</u>	<u>849,519</u>	<u>196,649</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	11,213	32,986	35,754	8,445
School and District Accounts	8,923	1,076,850	1,080,090	5,683
Payroll Clearing Fund	1,172,001	72,132,980	72,158,629	1,146,352
Concessions Fund	449	218	440	227
Total Other Agency Funds	<u>1,192,586</u>	<u>73,243,034</u>	<u>73,274,913</u>	<u>1,160,707</u>
Total Agency Funds	<u>\$ 1,450,294</u>	<u>\$ 74,031,494</u>	<u>\$ 74,124,432</u>	<u>\$ 1,357,356</u>

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

STATEMENT 5

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts, Expenditures and Unencumbered Cash
Gate Receipts and School Project Funds
For the Year Ended June 30, 2009

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts</u>							
JUNIOR HIGH SCHOOLS							
Central Junior High School	\$ -	\$ -	\$ 15,814	\$ 15,814	\$ -	\$ -	\$ -
South Junior High School	1,589	-	8,389	9,978	-	-	-
Southwest Junior High School	2,443	-	14,780	17,223	-	-	-
West Junior High School	1,143	-	9,631	9,408	1,366	-	1,366
Total Junior High School Gate Receipts	<u>5,175</u>	<u>-</u>	<u>48,614</u>	<u>52,423</u>	<u>1,366</u>	<u>-</u>	<u>1,366</u>
HIGH SCHOOL							
Lawrence High School							
Activity Tickets and Other	-	-	26,044	26,044	-	-	-
Athletics	-	-	53,846	53,846	-	-	-
Band	-	-	120,750	120,750	-	-	-
NSF Rebate	15	-	160	175	-	-	-
Theater/Showtime	126	-	41,590	41,716	-	-	-
Total Lawrence High School	<u>141</u>	<u>-</u>	<u>242,390</u>	<u>242,531</u>	<u>-</u>	<u>-</u>	<u>-</u>
Free State High School							
Activity Tickets and Other	[12]	-	36,519	36,532	[25]	-	[25]
Athletics	-	-	97,428	97,428	-	-	-
Band	-	-	17,868	17,868	-	-	-
Free State Media	-	-	61	61	-	-	-
Encore	-	-	46,568	46,568	-	-	-
Vocal	-	-	108,319	108,319	-	-	-
Total Free State High School	<u>[12]</u>	<u>-</u>	<u>306,763</u>	<u>306,776</u>	<u>[25]</u>	<u>-</u>	<u>[25]</u>
Total High School Gate Receipts	<u>129</u>	<u>-</u>	<u>549,153</u>	<u>549,307</u>	<u>[25]</u>	<u>-</u>	<u>[25]</u>
Total Gate Receipts	<u>\$ 5,304</u>	<u>\$ -</u>	<u>\$ 597,767</u>	<u>\$ 601,730</u>	<u>\$ 1,341</u>	<u>\$ -</u>	<u>\$ 1,341</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts, Expenditures and Unencumbered Cash
Private Purpose Trust Funds
For the Year Ended June 30, 2009

FUNDS	Beginning	Prior	Restated	Prior Year	Cash	Cash	Ending	Outstanding	Ending
	Unencumbered		Unencumbered						
	Cash	Period	Cash	Encumbrances	Receipts	Expenditures	Cash	and Accounts	Cash
	Balance	Adjustment	Balance				Balance	Payable	Balance
South Junior High School									
SJHS/Alexander	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
SJHS/Haskell CoOp	329	-	329	-	-	117	212	-	212
SJHS/Optimists	500	-	500	-	-	172	328	-	328
SJHS/McDonalds	289	-	289	-	-	87	202	-	202
SJHS/Cougar Relief	-	-	-	-	250	126	124	-	124
Total South Junior High Private Purpose Trust Funds	2,118	-	2,118	-	250	502	1,866	-	1,866
West Junior High School									
Wolf Creek Biology Donation	18	-	18	-	-	-	18	-	18
Opportunity West	2,208	-	2,208	-	18,302	19,126	1,384	-	1,384
Total West Junior High Private Purpose Trust Funds	2,226	-	2,226	-	18,302	19,126	1,402	-	1,402
Lawrence High School									
Teen Suicide Prevention	1,017	-	1,017	-	-	1,017	-	-	-
Heart of a Lion Fund	1,988	-	1,988	-	7,967	9,955	-	-	-
Testing	4,444	-	4,444	-	22,261	26,705	-	-	-
Total Lawrence High Private Purpose Trust Funds	7,449	-	7,449	-	30,228	37,677	-	-	-
Other									
Youth Development Fund	662	[662]	-	-	-	-	-	-	-
Social Service Fund	1,193	[1,193]	-	-	-	-	-	-	-
Local Donations Fund	271,623	[6,804]	264,819	-	219,403	236,949	247,273	15,780	263,053
Total Other Private Purpose Trust Funds	273,478	[8,659]	264,819	-	219,403	236,949	247,273	15,780	263,053

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts, Expenditures and Unencumbered Cash
Private Purpose Trust Funds
For the Year Ended June 30, 2009

<u>FUNDS</u>	Beginning Cash Balance	Prior Period Adjustment	Restated Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Central Junior High School								
Tom Olin Memorial	\$ 54	\$ -	\$ 54	\$ -	\$ 15	\$ 39	\$ -	\$ 39
Teresa Lail Memorial	330	-	330	-	-	330	-	330
Duver Memorial	1,150	-	1,150	-	54	1,096	-	1,096
Alicia A. Chavez Memorial Fund	2,699	-	2,699	-	107	2,592	-	2,592
Total Central Junior High Private Purpose Trust Funds	<u>4,233</u>	<u>-</u>	<u>4,233</u>	<u>-</u>	<u>176</u>	<u>4,057</u>	<u>-</u>	<u>4,057</u>
West Junior High School								
Carson Memorial	1,151	-	1,151	33	90	1,094	-	1,094
Cunningham Memorial	3,139	-	3,139	-	225	2,914	-	2,914
Total West Junior High Private Purpose Trust Funds	<u>4,290</u>	<u>-</u>	<u>4,290</u>	<u>33</u>	<u>315</u>	<u>4,008</u>	<u>-</u>	<u>4,008</u>
Lawrence High School								
School District Landscaping	3,597	-	3,597	601	4,198	-	-	-
Jennifer Trapp Memorial	580	-	580	-	-	580	-	580
Total Lawrence High School Private Purpose Trust Funds	<u>4,177</u>	<u>-</u>	<u>4,177</u>	<u>601</u>	<u>4,198</u>	<u>580</u>	<u>-</u>	<u>580</u>
Lawrence Public Schools								
Lawrence High School Memorials Memorial Funds	143,222	[143,222]	-	-	-	-	-	-
Anna Heffner Memorial Fund	12,620	227,438	240,058	3,232	14,076	229,214	-	229,214
Anna Heffner Memorial Fund	73,536	[73,536]	-	-	-	-	-	-
Total District Private Purpose Trust Funds	<u>229,378</u>	<u>10,680</u>	<u>240,058</u>	<u>3,232</u>	<u>14,076</u>	<u>229,214</u>	<u>-</u>	<u>229,214</u>
Total Private Purpose Trust Funds	<u>\$527,349</u>	<u>\$ 2,021</u>	<u>\$ 529,370</u>	<u>\$272,049</u>	<u>\$ 313,019</u>	<u>\$ 488,400</u>	<u>\$ 15,780</u>	<u>\$504,180</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

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 has no component units.

Reimbursed Expenses

Expenditures in the amount of \$763,557 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

Basis of Accounting. These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The District has a GAAP waiver, which allows it to use this prescribed basis of accounting. When a local government adopts a Kansas GAAP waiver, KSA 75-1120a specifically requires that the government must prepare its "financial statements and financial reports...on the basis of cash receipts and disbursements as adjusted to show compliance with the cash-basis and budget laws of this state." KSA 72-6417 requires that any general fund state aid payment that is due to be paid in June but is paid after that "shall be recorded and accounted for by the school districts as a receipt for the school year ending on the preceding June 30."

To attempt to reconcile this statutory conflict, the prescribed basis of accounting requires that state aid payments due in June but received in July be recorded in July of the following year in the financial statements. Compliance with KSA 72-6417 is required to be presented in the notes to the financial statements. The District has chosen to present its state aid payments due in June but received in July in the financial statements for the year ended June 30, 2009 rather than in July of the following fiscal year which is not in compliance with the Kansas prescribed basis of accounting. These payments were \$5,813,381 in the General Fund, \$33,672 in the Parent Education Program Fund and \$15,074 in the Professional Development Fund.

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the fund financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Cash

Cash as reported in the financial statements includes all bank checking, saving accounts, certificates of deposit, money market accounts, and U.S. Treasury obligations of the District as of June 30, 2009, stated at cost which approximates market.

Fund Descriptions

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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2009:

Governmental Funds

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds - to account for the accumulation of resources for, and the payments of, interest and principal and related costs, on general long-term debt.

Capital Project Funds - to account for the financial resources segregated for the acquisition of major capital facilities.

Proprietary Funds

Internal Service Funds - to account for the operations that provide service to other funds on a cost-reimbursement basis.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Fund Descriptions (Continued)

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the District in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds.

The private purpose trust funds consist of various funds created to meet specific requests of the contributors.

The Board authorized by resolution to establish a fund in which memorial gifts may be deposited. The fund is named the Memorial Fund. The corpus of the fund is to be kept intact. The earnings from the fund are restricted for the purpose of assisting certain eligible students to complete their high school education.

Other private purpose trust funds are maintained at or for the benefit of certain individual schools.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds. 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget for year ended June 30, 2009 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 statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, internal service funds, trust funds and the following special revenue funds: Contingency Reserve, Textbook Rental, Student Material Revolving, Gate Receipts and School Projects.

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, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Ad Valorem Tax Revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1 and become delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits and Investments

The District's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the District is located or an adjacent county and that the bank provide an acceptable rate for active funds.

The District's investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that at the District invest its idle funds in only temporary notes of the District, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. treasuries or notes, the Municipal Investment Pool (KMIP) and certain other investments if the municipality has extended investment authority. Maturities of the above investments may not exceed two years by statute.

Some of the District's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 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 KSA 10-131.

At June 30, 2009, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Certificate of Deposit	\$ 2,007,121	NA
Kansas Municipal Investment Pool	<u>7,866,443</u>	S&P AAf/S1+
Total fair value	<u>\$ 9,873,564</u>	

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 2 - Deposits and Investments (Continued)

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 US 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.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402.

NOTE 3 - 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>
2009 Construction	\$ 9,050,000	\$ 8,228,294
2005 Construction	63,000,000	62,507,129
1999 Construction	17,899,785	17,861,474

The 2009 Athletics Fields and Equipment Capital Leases included \$9.05 million for construction and improvements to District athletic facilities and equipment. As of June 30, 2009, the remaining project authorization available was \$821,706.

The 2005 School Building Improvements Bonds and Refunding Bonds included \$63 million for construction and improvements to District facilities. As of June 30, 2009, the remaining project authorization available was \$492,871.

The 1999 School Building Improvements and Refunding Bonds included \$17.90 million for construction and improvements to District facilities. As of June 30, 2009, the remaining project authorization available was \$38,311.

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District long-term debt including capital leases:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>
General Obligation Bonds			
2004A Refunding	11/15/2004	\$ 9,810,000	3.00 - 3.75%
2006A Refunding & Improvement	6/15/2006	84,630,000	4.00 - 5.00%
Capital Leases			
Copiers/Duplicators	2/18/2005	577,937	5.04%
Energy Savings Equipment	7/12/2006	1,683,575	4.90%
Athletics Fields/Equipment - Phase I	1/15/2009	4,800,000	4.98%
Athletics Fields/Equipment - Phase II	4/1/2009	4,250,000	5.10%

Total proceeds from the Athletics Fields/Equipment – Phase 1 & II Capital Leases had not been received as of June 30, 2009.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 4 - Long-Term Debt (Continued)

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The ratio of net bonded debt to the assessed valuation as of June 30, 2009 was 10%.

Following is a summary of changes in long-term debt for the year ended June 30, 2009:

<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>
General Obligation Bonds				
1998 Refunding	\$ 2,675,000	\$ -	\$ 2,675,000	\$ -
1999 Construction	90,000	-	90,000	-
2004A Refunding	9,660,000	-	1,120,000	8,540,000
2006A Refunding & Improvement	83,615,000	-	2,900,000	80,715,000
Capital Leases				
Copiers/Duplicators	204,709	-	131,105	73,604
Energy Savings Equipment	1,565,462	-	79,412	1,486,050
Athletics Fields/Equipment - Phase I	-	2,742,566	-	2,742,566
Athletics Fields/Equipment - Phase II	-	42,000	-	42,000
 Total	 <u>\$ 97,810,171</u>	 <u>\$ 2,784,566</u>	 <u>\$ 6,995,517</u>	 <u>\$ 93,599,220</u>

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

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2009-10	\$ 7,510,000	\$ 3,864,760	\$ 11,374,760
2010-11	8,270,000	3,550,648	11,820,648
2011-12	8,780,000	3,213,873	11,993,873
2012-13	9,140,000	2,844,253	11,984,253
2013-14	7,065,000	2,493,685	9,558,685
2014-19	21,060,000	8,886,213	29,946,213
2019-24	18,615,000	4,621,375	23,236,375
2024-26	<u>8,815,000</u>	<u>446,125</u>	<u>9,261,125</u>
 Total	 <u>\$ 89,255,000</u>	 <u>\$ 29,920,932</u>	 <u>\$ 119,175,932</u>

Continuing disclosure requirements under SEC Rule 15c 2-12 (b)(5) are as follows with financial statement page reference:

- | | |
|-------------------------------|--------------------|
| 1. Assessed valuation | Page i |
| 2. Property tax levy in mills | Page i |
| 3. Ad valorem tax collections | Pages 6 through 32 |
| 4. Ratio of net bonded debt | Page 47 |

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 4 - Long-Term Debt (Continued)

The following displays annual debt service requirements to maturity for the capital leases for the full proceeds amounts:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2009-10	\$ 907,309	\$ 442,151	\$ 1,349,460
2010-11	807,688	470,256	1,277,944
2011-12	849,451	432,371	1,281,822
2012-13	892,556	392,623	1,285,179
2013-14	942,067	350,731	1,292,798
2014-19	5,506,803	984,316	6,491,119
2019-24	572,022	119,048	691,070
2024-25	<u>131,758</u>	<u>6,456</u>	<u>138,214</u>
 Total	 <u>\$ 10,609,654</u>	 <u>\$ 3,197,952</u>	 <u>\$ 13,807,606</u>

NOTE 5 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2009, the liability for accrued vacation pay was \$591,586. A current portion, ten days, is reflected in the financial statements as follows:

<u>Funds</u>	<u>Amount</u>
General	\$ 242,558
Adult Basic Education	5,755
At Risk (4 Year Old)	170
Virtual Education	5,421
Capital Outlay	11,149
Food Service	6,543
Special Education	9,666
Vocational Education	<u>1,441</u>
 Total	 <u>\$ 282,703</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 6 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 South Kansas Avenue, Topeka, Kansas 66603-3803).

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 6.97% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas contributions to KPERs for the District employees for the years ending June 30, 2009, 2008, and 2007, were \$4,682,703, \$4,271,568, and \$3,748,086, respectively, equal to the required contributions for each year.

NOTE 7 - Termination Benefits

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

The benefits from this plan are computed using a formula based upon salary, age, and KPERs service credit and are payable over a five year period in January of each year. The cost of this plan in the fiscal year ended June 30, 2009, was \$1,165,592. The outstanding liability reflected in the financial statements for the retirees payable in January 2010, is as follows:

<u>Funds</u>	<u>Amount</u>
General	\$ 1,014,772
Special Education	141,276
Vocational Education	<u>10,318</u>
Total	<u>\$ 1,166,366</u>

The outstanding liability payable from January 2010, through January 2014, is \$3,366,618. Above, only the January, 2010, payment is reflected in the financial statements as an accounts payable.

NOTE 8 - Risk Management

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 8 - Risk Management (Continued)

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, 2009, such interfund premiums did not exceed reimbursable expenditures.

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

Unpaid claims, July 1, 2008	\$ 583,532
Incurred claims (including IBNRs)	302,949
Claim payments and adjustments	<u>[253,551]</u>
Unpaid claims, June 30, 2009	<u>\$ 632,930</u>

NOTE 9 - 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 effect on the financial statements of the District at June 30, 2009.

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

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

NOTE 10 - Statutory Violations

Negative cash balances at June 30, 2009 in the following Student Organization Funds violate KSA 10-1113: South Junior High School Yearbook Fund and West Junior High School Chorale Fund. A negative cash balance at June 30, 2009 in the Free State High School Activity Tickets and Other Fund violates KSA 10-1113.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 11 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Bilingual Education	K.S.A. 72-6428	\$ 5,000
General	Special Education	K.S.A. 72-6428	11,409,600
General	Vocational Education	K.S.A. 72-6428	10,000
General	Virtual Education	K.S.A. 72-6428	4,500,000
General	At Risk (4 Year Old)	K.S.A. 72-6428	10,000
General	At Risk (K-12)	K.S.A. 72-6428	2,425,000
General	Contingency Reserve	K.S.A. 72-6428	3,325,665
General	Textbook Rental	K.S.A. 72-6428	200,000
General	Health Care Services Reserve	K.S.A. 72-6428	585,211
General	School Workers' Compensation Reserve	K.S.A. 72-6428	225,858
Supplemental General	Bilingual Education	K.S.A. 72-6433	600,000
Supplemental General	Special Education	K.S.A. 72-6433	4,883,627
Supplemental General	Vocational Education	K.S.A. 72-6433	1,300,000
Supplemental General	Health Care Services Reserve	K.S.A. 72-6433	5,317,300
Supplemental General	School Workers' Compensation Reserve	K.S.A. 72-6428	211,713
Supplemental General	Professional Development	K.S.A. 72-6433	219,000
Supplemental General	Parent Education Program	K.S.A. 72-6433	28,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	210,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	2,700,000
Supplemental General	Textbook Rental	K.S.A. 72-6433	150,000
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,943
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	18,505
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	13,737
Grants	Health Care Services Reserve	K.S.A. 72-8415a	273,665
Parent Education	School Workers' Compensation Reserve	K.S.A. 44-505e	745
Parent Education	Health Care Services Reserve	K.S.A. 72-8415a	16,256
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	124
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	88,002
Capital Outlay	School Workers' Compensation Reserve	K.S.A. 44-505e	2,537
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	209
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,073
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	34,863
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	23,683
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	412,448
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	2,168
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	39,187
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	5,968
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	94,023
Virtual School	School Workers' Compensation Reserve	K.S.A. 44-505e	9,573
Virtual School	Health Care Services Reserve	K.S.A. 72-8415a	157,234
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	11,130
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	372,507
Total			<u>\$ 39,896,554</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 12 – Restatements

During the 2009 fiscal year, the District elected to reclassify and consolidate several grant, donation, and memorial funds. These changes in presentation resulted in the following restatements to beginning unencumbered cash.

	<u>Grants Fund</u>	<u>Youth Development Fund</u>	<u>Social Service Fund</u>	<u>Local Donations Fund</u>	<u>Lawrence High School Memorials</u>	<u>Memorial Funds</u>	<u>Anna Hefner Memorial Fund</u>
Unencumbered Cash Balance June 30, 2008	\$ 599,995	\$ 662	\$ 1,193	\$ 271,623	\$ 143,222	\$ 12,620	\$ 73,536
Adjustment to Reclassify and Consolidate Funds	<u>[2,021]</u>	<u>[662]</u>	<u>[1,193]</u>	<u>[6,804]</u>	<u>[143,222]</u>	<u>227,438</u>	<u>[73,536]</u>
Unencumbered Cash Balance June 30, 2008, Restated	<u>\$ 597,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,819</u>	<u>\$ -</u>	<u>\$ 240,058</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Interior</u>					
Indian Education Assistance to Schools	15.130	\$ 6,267	\$ 126,996	\$ 143,735	\$ [10,472]
Total Direct U.S. Department of Interior		<u>6,267</u>	<u>126,996</u>	<u>143,735</u>	<u>[10,472]</u>
<u>U.S. Department of Education</u>					
Twenty-First Century Community Learning Centers Passed Through Kansas State Department of Education	84.287	23,961	249,732	270,446	3,247
Title I Grants to Local Educational Agencies	84.010	152,109	1,642,295	1,727,455	66,949
Special Education Grants to States	84.027	386	2,057,862	2,057,862	386
Special Education Discretionary	84.027	53,502	163,244	161,803	54,943
Vocational Education Basic Grants to States	84.048	[2,423]	96,019	88,077	5,519
Special Education Preschool Grants	84.173	-	76,263	76,263	-
Safe and Drug Free Schools and Communities State Grants	84.186	875	35,170	35,780	265
Innovative Education Program Strategies	84.298	6,352	-	1,155	5,197
Education Technology State Grants	84.318	309	14,960	8,851	6,418
Reading First	84.357	81,536	651,276	616,552	116,260
English Language Acquisition Grants	84.365	20,040	51,509	65,385	6,164
Improving Teacher Quality State Grants	84.367	182,924	436,261	675,066	[55,881]
Adult Education - EI Civics	84.002	-	97,988	97,988	-
Title II-Part B Mathematics & Science Partnership	84.366	-	102	102	-
Title VI-State Assessments	84.369	-	95	95	-
Youth Risk Behavior Survey	93.938	-	750	750	-
Youth Risk Behavior Survey Special Project FY09	93.938	-	100	100	-
Total Direct or Passed Through Kansas State Department of Education		<u>519,571</u>	<u>5,573,626</u>	<u>5,883,730</u>	<u>209,467</u>
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
School Breakfast Program	10.553	-	400,395	400,395	-
National School Lunch Program	10.555	-	1,662,213	1,662,213	-
Summer Food Service Program for Children	10.559	-	68,498	68,498	-
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		<u>-</u>	<u>2,131,106</u>	<u>2,131,106</u>	<u>-</u>
Total		<u>\$ 525,838</u>	<u>\$ 7,831,728</u>	<u>\$ 8,158,571</u>	<u>\$ 198,995</u>

The notes to the schedule of expenditures of federal awards 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, 2009

1. General

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

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 497
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified (Prescribed Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? ___ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 84.367 84.010	Special Education Grants to States Improving Teacher Quality State Grants Title I

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ___ Yes X No

UNIFIED SCHOOL DISTRICT NO. 497
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended June 30, 2009

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>
Title I	2009-1	Personnel costs not supported by required documentation in five instances out of a sample of twenty-five selected for the audit.	OMB Circular A-87 Attachment B	Not determined	Adopt policy and procedures to comply with the federal time keeping rules	Agrees

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Current Status</u>
Special Education Grants to States	2008-1	Personnel costs not supported by required documentation. State of Kansas Department of Education maintains that its quarterly LEA personnel reporting system meets the OMB Circular A-87 Attachment B rules	OMB Circular A-87 Attachment B	Not determined	Adopt policy requiring compliance with the federal time keeping rules if the state system does not qualify	Agrees	Resolved
Title I, 21st Century Community Learning Centers and Reading First	2008-2	Personnel costs not supported by required documentation	OMB Circular A-87 Attachment B	Not determined	Adopt policy and procedures to comply with the federal time keeping rules	Agrees	Unresolved - Repeated at 2009-1
Title I	2008-3	Cordley Elementary School did not meet the required poverty levels to qualify as a continuing schoolwide program	34 CFR Section 200.25	Not determined	Adopt policy and procedures to comply with requirements.	Agrees	Resolved

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**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 the financial statements of the Unified School District No. 497, (the District), Lawrence, Kansas, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 9, 2009, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the Kansas prescribed basis of accounting such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of 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 Unified School District No. 497, Lawrence, Kansas, in a separate letter dated December 9, 2009.

This communication is intended solely for the information and use of the Board of Education, administration, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Lowenthal, Wett & Odummann, P.A.

December 9, 2009

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Unified School District No. 497 (the District), Lawrence, Kansas, with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2009. Major federal financial programs are identified in the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-1. The District's response to the finding in that same section has not been audited by us and accordingly, we express no opinion on it.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This communication is intended solely for the information and use of the Board of Education, administration, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Lowenthal, Wett & Odermann, P.A.

December 9, 2009