

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2010

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UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2010

BOARD

Rich Minder, President

Scott Morgan
Mark Bradford
Bob Byers

Mary Loveland
Vanessa Sandburn
Marlene Merrill

OFFICERS

Superintendent
Treasurer
Clerk

Rick Doll
Katharine S. Johnson
Janice Dunn

Enrollment	10,605
Assessed valuation	\$963,038,628

	<u>Budget</u>	<u>Levy</u>
Budgeted Funds		
General	\$ 67,091,930	20.00
Supplemental General	22,009,804	18.69
Adult Basic Education	530,000	-
At Risk (4 Year Old)	700,000	-
Adult Supplemental Education	25,981	-
At Risk (K-12)	6,000,000	-
Bilingual Education	625,000	-
Virtual Education	6,000,000	-
Capital Outlay	14,000,000	5.97
Driver Training	141,000	-
Food Service	5,000,000	-
Professional Development	350,000	-
Parent Education Program	300,000	-
Summer School	150,000	-
Special Education	22,250,000	-
Cost of Living	1,345,714	-
Vocational Education	1,600,000	-
KPERs Special Retirement Contribution	5,806,551	-
Grants	5,463,406	-
Bond and Interest	11,375,760	11.72
Special Assessment	250,000	1.49
	\$ 171,015,146	57.87

UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2010

Table of Contents

	<u>Page Number</u>
 INTRODUCTORY SECTION	
Title Page	i
Table of Contents	ii - iii
 FINANCIAL SECTION	
Independent Auditor's Report on Financial Statements and Supplementary Information	1 - 2
 STATEMENT 1	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3 - 4
 STATEMENT 2	
Summary of Expenditures - Actual and Budget	5
 STATEMENT 3	
Statement of Cash Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	6
Supplemental General Fund	7
Adult Basic Education Fund	8
At Risk (4 Year Old) Fund	9
Adult Supplemental Education Fund	10
At Risk (K-12) Fund	11
Bilingual Education Fund	12
Virtual Education Fund	13
Capital Outlay Fund	14
Driver Training Fund	15
Food Service Fund	16
Professional Development Fund	17
Parent Education Program Fund	18
Summer School Fund	19
Special Education Fund	20
Cost of Living Fund	21
Vocational Education Fund	22
KPERs Special Retirement Contribution Fund	23
Contingency Reserve Fund	24
Textbook Rental Fund	25
Student Material Revolving Fund	26
Grants Fund	27
Bond and Interest Fund	28
Special Assessment Fund	29
Capital Project Funds	30
School Workers' Compensation Reserve Fund	31
Health Care Services Reserve Fund	32

UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2010

Table of Contents - Continued

	<u>Page Number</u>
STATEMENT 4	
Statement of Cash Receipts and Cash Disbursements Student Organization Funds and Other Agency Funds	33 - 38
STATEMENT 5	
Statement of Cash Receipts, Expenditures and Unencumbered Cash Gate Receipts and School Project Funds	39
STATEMENT 6	
Statement of Cash Receipts, Expenditures and Unencumbered Cash Private Purpose Trust Funds	40 - 41
Notes to the Financial Statements	42 - 51
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	52
Notes to the Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	54 - 55
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 Standard"	56 - 57
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with "OMB Circular A-13"	58 - 59

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, 2010, 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, 2009. In our report dated December 9, 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, 2010 or the respective changes in financial position thereof for the year then ended.

Also, in our opinion, except for the July, 2010 receipt of the final state aid payment for the fiscal year ended June 30, 2010 being recorded in June, 2010, 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, 2010, 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, 2009, from which such partial information was derived.

In accordance with "Government Auditing Standards," we have also issued our report dated January 4, 2011, 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.

January 4, 2011

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2010

Funds	Beginning	Prior Year Cancelled Encumbrances	Cash		Ending	Outstanding	Ending Cash Balance
	Unencumbered Cash Balance		Receipts	Expenditures	Unencumbered Cash Balance	Encumbrances and Accounts Payable	
Governmental Fund Types:							
General Fund	\$ -	\$ -	\$ 64,417,272	\$ 64,417,272	\$ -	\$ 1,770,796	\$ 1,770,796
Special Revenue Funds:							
Supplemental General	1,179,866	-	21,867,269	21,806,556	1,240,579	1,367,264	2,607,843
Adult Basic Education	267,324	-	309,879	396,110	181,093	11,328	192,421
At Risk (4 Year Old)	110,390	-	819,014	605,981	323,423	1,639	325,062
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	465,409	-	5,500,000	5,344,088	621,321	8,366	629,687
Bilingual Education	77,714	-	605,000	585,616	97,098	37,238	134,336
Virtual Education	332,939	-	4,450,000	4,215,561	567,378	44,091	611,469
Capital Outlay	5,837,748	300	7,980,423	9,323,413	4,495,058	2,205,124	6,700,182
Driver Training	52,974	-	39,924	38,327	54,571	16,672	71,243
Food Service	490,662	-	4,335,421	3,943,345	882,738	44,618	927,356
Professional Development	174,571	-	268,083	167,067	275,587	39,499	315,086
Parent Education Program	67,052	-	156,544	159,915	63,681	380	64,061
Summer School	126,531	-	29,170	22,255	133,446	4,001	137,447
Special Education	5,667,346	-	20,803,270	19,213,510	7,257,106	239,986	7,497,092
Cost of Living	-	-	1,360,873	1,360,873	-	-	-
Vocational Education	235,056	-	1,500,000	1,267,427	467,629	27,484	495,113
KPERS Special Retirement Contribution	-	-	4,766,815	4,766,815	-	2,415,664	2,415,664
Contingency Reserve	6,830,992	-	-	-	6,830,992	-	6,830,992
Textbook Rental	872,216	-	481,100	444,331	908,985	402,695	1,311,680
Student Material Revolving	493,087	-	263,764	186,996	569,855	10,932	580,787
Grants	145,869	-	3,578,756	3,595,330	129,295	118,130	247,425
Gate Receipts	1,341	-	500,383	497,667	4,057	-	4,057
Debt Service Funds:							
Bond and Interest	9,958,814	-	11,843,888	11,374,760	10,427,942	-	10,427,942
Special Assessment	415,570	-	42,908	97,831	360,647	-	360,647
Capital Projects Fund	97,012	563	5,234,434	3,555,852	1,776,157	742,866	2,519,023
Proprietary Fund Types:							
Internal Service Funds:							
School Workers' Compensation Reserve	1,079,361	-	1,019,444	424,966	1,673,839	-	1,673,839
Health Care Services Reserve	4,115,137	-	10,539,641	8,475,639	6,179,139	6,028	6,185,167
Fiduciary Fund Types:							
Private Purpose Trust Funds	488,400	-	242,837	197,229	534,008	31,521	565,529
Total Reporting Entity (Excluding Agency Funds)	\$ 39,609,363	\$ 863	\$ 172,956,112	\$ 166,484,732	\$ 46,081,606	\$ 9,546,322	\$ 55,627,928

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash (Continued)
For the Year Ended June 30, 2010

Composition of Cash:		
U.S. Bank		
Checking Accounts	\$ 49,950,483	
Savings Accounts	<u>7,616</u>	
Total U.S. Bank		\$ 49,958,099
Douglas County Bank		
Certificates of Deposit	3,200	
Checking Accounts	<u>117,009</u>	
Total Douglas County Bank		120,209
Commerce Bank		
Certificates of Deposit	4,821	
Checking Accounts	<u>25,751</u>	
Total Commerce Bank		30,572
University National Bank - Checking		175
United Missouri Bank - Checking		1,524,797
Peoples Bank - Checking		215
Kansas Municipal Investment Pool		5,007,518
Cash on Hand		<u>1,179</u>
Total Cash		56,642,764
Less Agency Funds per Statement 4		<u>[1,014,836]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 55,627,928</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, 2010

<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	\$ 67,091,930	\$ [3,674,246]	\$ 999,588	\$ 64,417,272	\$ 64,417,272	\$ -
Special Revenues Funds:						
Supplemental General	22,009,804	[203,248]	-	21,806,556	21,806,556	-
Adult Basic Education	530,000	-	-	530,000	396,110	133,890
At Risk (4 Year Old)	700,000	-	-	700,000	605,981	94,019
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	6,000,000	-	-	6,000,000	5,344,088	655,912
Bilingual Education	625,000	-	-	625,000	585,616	39,384
Virtual Education	6,000,000	-	-	6,000,000	4,215,561	1,784,439
Capital Outlay	14,000,000	-	-	14,000,000	9,323,413	4,676,587
Driver Training	141,000	-	-	141,000	38,327	102,673
Food Service	5,000,000	-	-	5,000,000	3,943,345	1,056,655
Professional Development	350,000	-	-	350,000	167,067	182,933
Parent Education Program	300,000	-	-	300,000	159,915	140,085
Summer School	150,000	-	-	150,000	22,255	127,745
Special Education	22,500,000	-	-	22,500,000	19,213,510	3,286,490
Cost of Living	1,345,714	-	-	1,345,714	1,345,714	-
Vocational Education	1,600,000	-	-	1,600,000	1,267,427	332,573
KPERs Special Retirement Contribution	5,806,551	-	-	5,806,551	4,766,815	1,039,736
Grants	5,463,406	-	-	5,463,406	3,595,330	1,868,076
Debt Service Funds:						
Bond and Interest	11,375,760	-	-	11,375,760	11,374,760	1,000
Special Assessment	250,000	-	-	250,000	97,831	152,169

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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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	\$ 18,097,714	\$ 17,597,527	\$ 16,857,091	\$ 740,436
Delinquent tax	159,258	236,405	252,831	[16,426]
State Aid:				
Equalization aid	39,442,913	33,069,278	37,187,708	[4,118,430]
Juvenile detention center	404,800	252,903	-	252,903
Special education aid	10,918,476	9,635,895	9,925,000	[289,105]
Federal aid	-	2,869,300	2,869,300	-
In lieu of taxes - I.R.B.s	14,268	583	-	583
Miscellaneous	22,042	8,696	-	8,696
Reimbursed expenses	<u>763,557</u>	<u>746,685</u>	-	<u>746,685</u>
Total Cash Receipts	<u>69,823,028</u>	<u>64,417,272</u>	<u>\$ 67,091,930</u>	<u>\$ [2,674,658]</u>
Expenditures and Transfers				
Instruction	29,451,023	26,083,308	\$ 30,692,430	\$ 4,609,122
Student support services	493,777	2,300,818	538,500	[1,762,318]
Instructional support	1,163,855	2,301,575	1,191,000	[1,110,575]
General administration	762,233	548,685	775,000	226,315
School administration	4,533,615	1,399,902	4,705,000	3,305,098
Operations and maintenance	6,649,702	6,347,493	7,030,000	682,507
Transportation	239,541	209,015	250,000	40,985
Other supplemental services	3,832,975	2,180,149	3,010,000	829,851
Transfers out	22,696,334	23,046,327	18,900,000	[4,146,327]
Adjustment to comply with legal max budget	-	-	[3,674,246]	[3,674,246]
Adjustment for qualifying budget credits	-	-	999,588	999,588
Total Expenditures and Transfers	<u>69,823,055</u>	<u>64,417,272</u>	<u>\$ 64,417,272</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[27]	-	-	-
Unencumbered Cash, Beginning	<u>27</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
Supplemental General Fund
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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	\$ 19,299,242	\$ 17,529,039	\$ 17,823,952	\$ [294,913]
Delinquent tax	159,039	241,259	270,007	[28,748]
Motor vehicle tax	1,496,927	1,570,098	1,573,814	[3,716]
In lieu of taxes - I.R.B.s	14,341	544	-	544
State aid	-	1,884,552	2,563,262	[678,710]
Federal aid	-	641,777	-	641,777
Total Cash Receipts	<u>20,969,549</u>	<u>21,867,269</u>	<u>\$ 22,231,035</u>	<u>\$ [363,766]</u>
Expenditures and Transfers				
Instruction	-	740,559	\$ 3,554,744	\$ 2,814,185
Student support services	1,808,124	226,464	3,103,060	2,876,596
Instructional support	1,927,415	684,730	2,095,000	1,410,270
General administration	-	113,140	5,000	[108,140]
School administration	-	2,992,379	200,000	[2,792,379]
Operations and maintenance	-	31,697	400,000	368,303
Transportation	2,059,997	1,869,580	2,225,000	355,420
Other supplemental services	-	2,637,868	350,000	[2,287,868]
Transfers out	15,619,640	12,510,139	10,077,000	[2,433,139]
Adjustment to comply with legal max budget	-	-	[203,248]	[203,248]
Total Expenditures and Transfers	<u>21,415,176</u>	<u>21,806,556</u>	<u>\$ 21,806,556</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[445,627]	60,713		
Unencumbered Cash, Beginning	<u>1,625,493</u>	<u>1,179,866</u>		
Unencumbered Cash, Ending	<u>\$ 1,179,866</u>	<u>\$ 1,240,579</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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	\$ 143,912	\$ 139,495	\$ 134,495	\$ 5,000
Delinquent tax	1,404	1,874	2,014	[140]
Motor vehicle tax	12,224	12,093	12,097	[4]
Federal aid	97,988	94,947	90,393	4,554
State aid	51,946	54,258	55,341	[1,083]
In lieu of taxes - I.R.B.s	107	4	-	4
Miscellaneous	<u>7,049</u>	<u>7,208</u>	<u>7,000</u>	<u>208</u>
Total Cash Receipts	<u>314,630</u>	<u>309,879</u>	<u>\$ 301,340</u>	<u>\$ 8,539</u>
Expenditures and Transfers				
Instruction	276,464	275,403	\$ 418,500	\$ 143,097
Student support services	-	4,154	-	[4,154]
Instructional support staff	91,698	94,580	111,500	16,920
Transfers out	<u>20,448</u>	<u>21,973</u>	<u>-</u>	<u>[21,973]</u>
Total Expenditures and Transfers	<u>388,610</u>	<u>396,110</u>	<u>\$ 530,000</u>	<u>\$ 133,890</u>
Receipts Over [Under] Expenditures	[73,980]	[86,231]		
Unencumbered Cash, Beginning	<u>341,304</u>	<u>267,324</u>		
Unencumbered Cash, Ending	<u>\$ 267,324</u>	<u>\$ 181,093</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ -	\$ -	\$ 25,000	\$ [25,000]
Miscellaneous	152,055	319,014	300,000	19,014
Donations	-	200,000	-	200,000
Transfers in	<u>220,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Cash Receipts	<u>372,055</u>	<u>819,014</u>	<u>\$ 625,000</u>	<u>\$ 194,014</u>
Expenditures and Transfers				
Instruction	320,139	304,206	\$ 406,000	\$ 101,794
Student support services	55,387	60,181	62,201	2,020
Instructional support staff	8,138	-	11,801	11,801
School administration	109,435	113,092	122,998	9,906
Operations and maintenance	70,845	73,077	97,000	23,923
Transfers out	<u>41,355</u>	<u>55,425</u>	<u>-</u>	<u>[55,425]</u>
Total Expenditures and Transfers	<u>605,299</u>	<u>605,981</u>	<u>\$ 700,000</u>	<u>\$ 94,019</u>
Receipts Over [Under] Expenditures	[233,244]	213,033		
Unencumbered Cash, Beginning	<u>343,634</u>	<u>110,390</u>		
Unencumbered Cash, Ending	<u>\$ 110,390</u>	<u>\$ 323,423</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	<u>\$ 5,125,000</u>	<u>\$ 5,500,000</u>	<u>\$ 5,600,000</u>	<u>\$ [100,000]</u>
Total Cash Receipts	<u>5,125,000</u>	<u>5,500,000</u>	<u>\$ 5,600,000</u>	<u>\$ [100,000]</u>
Expenditures and Transfers				
Instruction	4,348,436	4,881,317	\$ 6,000,000	\$ 1,118,683
Instructional support	-	95	-	[95]
Transportation	1,223	1,118	-	[1,118]
Transfers out	<u>436,131</u>	<u>461,558</u>	-	<u>[461,558]</u>
Total Expenditures and Transfers	<u>4,785,790</u>	<u>5,344,088</u>	<u>\$ 6,000,000</u>	<u>\$ 655,912</u>
Receipts Over [Under] Expenditures	339,210	155,912		
Unencumbered Cash, Beginning	<u>126,199</u>	<u>465,409</u>		
Unencumbered Cash, Ending	<u>\$ 465,409</u>	<u>\$ 621,321</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 605,000	\$ 605,000	\$ 605,000	\$ -
Total Cash Receipts	<u>605,000</u>	<u>605,000</u>	<u>\$ 605,000</u>	<u>\$ -</u>
Expenditures and Transfers				
Instruction	424,282	453,916	\$ 512,900	\$ 58,984
Student support services	11,358	15,061	22,100	7,039
Instructional support	73,785	61,106	90,000	28,894
Transfers out	<u>36,936</u>	<u>55,533</u>	<u>-</u>	<u>[55,533]</u>
Total Expenditures and Transfers	<u>546,361</u>	<u>585,616</u>	<u>\$ 625,000</u>	<u>\$ 39,384</u>
Receipts Over [Under] Expenditures	58,639	19,384		
Unencumbered Cash, Beginning	<u>19,075</u>	<u>77,714</u>		
Unencumbered Cash, Ending	<u>\$ 77,714</u>	<u>\$ 97,098</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ -	\$ -	\$ 140,000	\$ [140,000]
Transfers in	<u>4,500,000</u>	<u>4,450,000</u>	<u>5,660,000</u>	<u>[1,210,000]</u>
Total Cash Receipts	<u>4,500,000</u>	<u>4,450,000</u>	<u>\$ 5,800,000</u>	<u>\$ [1,350,000]</u>
Expenditures and Transfers				
Instruction	3,524,226	3,557,523	\$ 5,421,000	\$ 1,863,477
Student support services	45,291	26,421	57,000	30,579
Instructional support	27,492	21,639	42,500	20,861
School administration	367,869	383,405	421,000	37,595
Operations and maintenance	35,376	44,821	58,500	13,679
Transfers out	<u>166,807</u>	<u>181,752</u>	<u>-</u>	<u>[181,752]</u>
Total Expenditures and Transfers	<u>4,167,061</u>	<u>4,215,561</u>	<u>\$ 6,000,000</u>	<u>\$ 1,784,439</u>
Receipts Over [Under] Expenditures	332,939	234,439		
Unencumbered Cash, Beginning	<u>-</u>	<u>332,939</u>		
Unencumbered Cash, Ending	<u>\$ 332,939</u>	<u>\$ 567,378</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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	\$ 5,796,929	\$ 5,590,018	\$ 5,379,997	\$ 210,021
Delinquent tax	63,848	82,627	80,480	2,147
Motor vehicle tax	609,143	568,516	564,302	4,214
In lieu of taxes - I.R.B.s	4,275	174	-	174
Investment income	255,118	18,523	50,000	[31,477]
Reimbursements	459	3,383	-	3,383
Miscellaneous	414,431	665,047	3,000,000	[2,334,953]
Capital lease proceeds	-	1,034,796	-	1,034,796
Flood control	16,943	17,339	10,000	7,339
Total Cash Receipts	<u>7,161,146</u>	<u>7,980,423</u>	<u>\$ 9,084,779</u>	<u>\$ [1,104,356]</u>
Expenditures and Transfers				
Instruction	811,011	2,050,969	\$ 2,115,000	\$ 64,031
Student support services	124	-	250,000	250,000
Instructional support	804,688	90,910	600,000	509,090
General administration	4,797	-	25,000	25,000
School administration	20,363	2,424	25,000	22,576
Operations and maintenance	416,560	184,528	300,000	115,472
Central support services	551,687	179,737	625,000	445,263
Other support services	74,640	73,879	50,000	[23,879]
Facility acquisition and construction services	5,447,702	6,700,356	10,010,000	3,309,644
Transfers out	2,537	40,610	-	[40,610]
Total Expenditures and Transfers	<u>8,134,109</u>	<u>9,323,413</u>	<u>\$ 14,000,000</u>	<u>\$ 4,676,587</u>
Receipts Over [Under] Expenditures	[972,963]	[1,342,990]		
Unencumbered Cash, Beginning	6,810,711	5,837,748		
Prior Year Cancelled Encumbrances	-	300		
Unencumbered Cash, Ending	<u>\$ 5,837,748</u>	<u>\$ 4,495,058</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 10,526	\$ 7,750	\$ 20,000	\$ [12,250]
Charges for services	<u>35,536</u>	<u>32,174</u>	<u>70,000</u>	<u>[37,826]</u>
Total Cash Receipts	<u>46,062</u>	<u>39,924</u>	<u>\$ 90,000</u>	<u>\$ [50,076]</u>
Expenditures and Transfers				
Instruction	37,408	31,410	\$ 110,000	\$ 78,590
Instructional support	618	923	-	[923]
Operations and maintenance	5,530	5,820	6,000	180
Transportation	-	-	25,000	25,000
Transfers out	<u>209</u>	<u>174</u>	<u>-</u>	<u>[174]</u>
Total Expenditures and Transfers	<u>43,765</u>	<u>38,327</u>	<u>\$ 141,000</u>	<u>\$ 102,673</u>
Receipts Over [Under] Expenditures	2,297	1,597		
Unencumbered Cash, Beginning	<u>50,677</u>	<u>52,974</u>		
Unencumbered Cash, Ending	<u>\$ 52,974</u>	<u>\$ 54,571</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
Food Service Fund
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 2,131,106	\$ 2,204,199	\$ 1,742,604	\$ 461,595
State aid	48,333	46,606	49,677	[3,071]
Charges for services	2,119,204	2,081,712	3,287,006	[1,205,294]
Investment income	<u>4,691</u>	<u>2,904</u>	<u>5,000</u>	<u>[2,096]</u>
Total Cash Receipts	<u>4,303,334</u>	<u>4,335,421</u>	<u>\$ 5,084,287</u>	<u>\$ [748,866]</u>
Expenditures and Transfers				
Food service operation	4,120,195	3,852,570	\$ 5,000,000	\$ 1,147,430
Transfers out	<u>88,002</u>	<u>90,775</u>	<u>-</u>	<u>[90,775]</u>
Total Expenditures and Transfers	<u>4,208,197</u>	<u>3,943,345</u>	<u>\$ 5,000,000</u>	<u>\$ 1,056,655</u>
Receipts Over [Under] Expenditures	95,137	392,076		
Unencumbered Cash, Beginning	<u>395,525</u>	<u>490,662</u>		
Unencumbered Cash, Ending	<u>\$ 490,662</u>	<u>\$ 882,738</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 34,787	\$ -	\$ -	\$ -
Donations	-	3,500	-	3,500
Reimbursements	80	83	-	83
Transfers in	<u>219,000</u>	<u>264,500</u>	<u>219,000</u>	<u>45,500</u>
Total Cash Receipts	<u>253,867</u>	<u>268,083</u>	<u>\$ 219,000</u>	<u>\$ 49,083</u>
Expenditures and Transfers				
Instructional support	228,046	159,231	\$ 350,000	\$ 190,769
Other supplemental service	-	7,285	-	[7,285]
Transfers out	-	551	-	[551]
Total Expenditures and Transfers	<u>228,046</u>	<u>167,067</u>	<u>\$ 350,000</u>	<u>\$ 182,933</u>
Receipts Over [Under] Expenditures	25,821	101,016		
Unencumbered Cash, Beginning	<u>148,750</u>	<u>174,571</u>		
Unencumbered Cash, Ending	<u>\$ 174,571</u>	<u>\$ 275,587</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 134,689	\$ 134,689	\$ 134,689	\$ -
Donations	22,895	3,855	-	3,855
Miscellaneous	-	-	80,500	[80,500]
Transfers in	<u>28,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total Cash Receipts	<u>185,584</u>	<u>156,544</u>	<u>\$ 233,189</u>	<u>\$ [76,645]</u>
Expenditures and Transfers				
Support services	141,110	141,664	\$ 285,500	\$ 143,836
Instructional support staff	1,858	1,272	14,500	13,228
Transfers out	<u>17,001</u>	<u>16,979</u>	<u>-</u>	<u>[16,979]</u>
Total Expenditures and Transfers	<u>159,969</u>	<u>159,915</u>	<u>\$ 300,000</u>	<u>\$ 140,085</u>
Receipts Over [Under] Expenditures	25,615	[3,371]		
Unencumbered Cash, Beginning	<u>41,437</u>	<u>67,052</u>		
Unencumbered Cash, Ending	<u>\$ 67,052</u>	<u>\$ 63,681</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 21,920	\$ 29,160	\$ 50,000	\$ [20,840]
Reimbursements	<u>5</u>	<u>10</u>	<u>-</u>	<u>10</u>
Total Cash Receipts	<u>21,925</u>	<u>29,170</u>	<u>\$ 50,000</u>	<u>\$ [20,830]</u>
Expenditures and Transfers				
Instruction	18,640	22,125	\$ 145,100	\$ 122,975
Student support services	-	-	4,900	4,900
Instructional support staff	13	11	-	[11]
Transfers out	<u>124</u>	<u>119</u>	<u>-</u>	<u>[119]</u>
Total Expenditures and Transfers	<u>18,777</u>	<u>22,255</u>	<u>\$ 150,000</u>	<u>\$ 127,745</u>
Receipts Over [Under] Expenditures	3,148	6,915		
Unencumbered Cash, Beginning	<u>123,383</u>	<u>126,531</u>		
Unencumbered Cash, Ending	<u>\$ 126,531</u>	<u>\$ 133,446</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 7,559	\$ 14,468	\$ 7,500	\$ 6,968
Federal aid	2,297,369	3,556,903	3,381,067	175,836
Reimbursements	1,121,136	896,572	1,078,000	[181,428]
Donations	-	500	-	500
Transfers in	<u>16,293,227</u>	<u>16,334,827</u>	<u>14,875,000</u>	<u>1,459,827</u>
Total Cash Receipts	<u>19,719,291</u>	<u>20,803,270</u>	<u>\$ 19,341,567</u>	<u>\$ 1,461,703</u>
Expenditures and Transfers				
Instruction	12,489,994	12,398,433	\$ 15,443,400	\$ 3,044,967
Student support services	2,541,167	2,360,909	3,288,000	927,091
Instructional support staff	556,134	392,405	886,000	493,595
General administration	5,258	[3,209]	10,000	13,209
Operations and maintenance	26,893	23,979	51,600	27,621
Vehicle operating services	2,246,706	2,029,264	2,810,000	780,736
Other supplemental services	-	-	11,000	11,000
Transfers out	<u>383,637</u>	<u>2,011,729</u>	<u>-</u>	<u>[2,011,729]</u>
Total Expenditures and Transfers	<u>18,249,789</u>	<u>19,213,510</u>	<u>\$ 22,500,000</u>	<u>\$ 3,286,490</u>
Receipts Over [Under] Expenditures	1,469,502	1,589,760		
Unencumbered Cash, Beginning	<u>4,197,844</u>	<u>5,667,346</u>		
Unencumbered Cash, Ending	<u>\$ 5,667,346</u>	<u>\$ 7,257,106</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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	\$ 1,266,497	\$ 1,255,240	\$ 1,222,503	\$ 32,737
Delinquent tax	-	-	17,568	[17,568]
Motor vehicle tax	109,552	105,594	105,643	[49]
In lieu of taxes - I.R.B.s	<u>933</u>	<u>39</u>	<u>-</u>	<u>39</u>
Total Cash Receipts	<u>1,376,982</u>	<u>1,360,873</u>	<u>\$ 1,345,714</u>	<u>\$ 15,159</u>
Expenditures and Transfers				
State payment	<u>1,333,930</u>	<u>1,345,714</u>	<u>\$ 1,345,714</u>	<u>\$ -</u>
Total Expenditures and Transfers	<u>1,333,930</u>	<u>1,345,714</u>	<u>\$ 1,345,714</u>	<u>\$ -</u>
Excess local effort paid to the State of Kansas	<u>43,052</u>	<u>15,159</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 1,310,000	\$ 1,500,000	\$ 1,500,000	\$ -
Total Cash Receipts	<u>1,310,000</u>	<u>1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>
Expenditures and Transfers				
Instruction	1,076,590	1,067,047	\$ 1,495,000	\$ 427,953
Instructional support	78,342	86,232	91,000	4,768
Operations and maintenance	4,011	9,471	14,000	4,529
Transfers out	<u>99,991</u>	<u>104,677</u>	<u>-</u>	<u>[104,677]</u>
Total Expenditures and Transfers	<u>1,258,934</u>	<u>1,267,427</u>	<u>\$ 1,600,000</u>	<u>\$ 332,573</u>
Receipts Over [Under] Expenditures	51,066	232,573		
Unencumbered Cash, Beginning	<u>183,990</u>	<u>235,056</u>		
Unencumbered Cash, Ending	<u>\$ 235,056</u>	<u>\$ 467,629</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 4,682,703	\$ 4,766,815	\$ 5,806,551	\$ [1,039,736]
Total Cash Receipts	<u>4,682,703</u>	<u>4,766,815</u>	<u>\$ 5,806,551</u>	<u>\$ [1,039,736]</u>
Expenditures and Transfers				
Instruction	3,231,066	3,389,054	\$ 4,128,273	\$ 739,219
Student support services	327,789	313,512	381,895	68,383
Instructional support	234,135	290,642	354,037	63,395
General administration	93,654	41,039	49,991	8,952
School administration	327,789	313,582	381,980	68,398
Operations and maintenance	140,481	197,655	240,767	43,112
Other supplemental services	234,135	102,072	124,336	22,264
Food service	<u>93,654</u>	<u>119,259</u>	<u>145,272</u>	<u>26,013</u>
Total Expenditures and Transfers	<u>4,682,703</u>	<u>4,766,815</u>	<u>\$ 5,806,551</u>	<u>\$ 1,039,736</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, 2010 and 2009

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ 3,325,665	\$ -
Miscellaneous	<u>2,737</u>	<u>-</u>
Total Cash Receipts	<u>3,328,402</u>	<u>-</u>
Expenditures and Transfers		
General administration	<u>-</u>	<u>-</u>
Total Expenditures and Transfers	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	3,328,402	-
Unencumbered Cash, Beginning	<u>3,502,590</u>	<u>6,830,992</u>
Unencumbered Cash, Ending	<u>\$ 6,830,992</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, 2010 and 2009

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 497,452	\$ 481,100
Transfers in	<u>350,000</u>	<u>-</u>
Total Cash Receipts	<u>847,452</u>	<u>481,100</u>
 Expenditures and Transfers		
Instruction	<u>266,741</u>	<u>444,331</u>
Total Expenditures and Transfers	<u>266,741</u>	<u>444,331</u>
 Receipts Over [Under] Expenditures	 580,711	 36,769
 Unencumbered Cash, Beginning	 <u>291,505</u>	 <u>872,216</u>
 Unencumbered Cash, Ending	 <u>\$ 872,216</u>	 <u>\$ 908,985</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, 2010 and 2009

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 283,863	\$ 263,764
Total Cash Receipts	<u>283,863</u>	<u>263,764</u>
Expenditures and Transfers		
Instruction	<u>91,019</u>	<u>186,996</u>
Total Expenditures and Transfers	<u>91,019</u>	<u>186,996</u>
Receipts Over [Under] Expenditures	192,844	76,768
Unencumbered Cash, Beginning	<u>300,243</u>	<u>493,087</u>
Unencumbered Cash, Ending	<u>\$ 493,087</u>	<u>\$ 569,855</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal Aid:				
Title I	\$ 1,642,295	\$ 2,368,762	\$ 3,158,406	\$ [789,644]
Title V	-	4,223	-	4,223
Title II A - Improving Teacher Quality	436,261	556,496	750,000	[193,504]
Title II D - Technology Literacy	14,960	11,032	-	11,032
Title IV - Safe Schools/Healthy Students	-	-	40,000	[40,000]
Drug Free Schools and Communities Act	35,170	35,402	-	35,402
21st Century Grant	249,732	77,539	300,000	[222,461]
Carl Perkins Vocational Act Program Improvement	96,019	104,094	-	104,094
Indian Education Grant	121,127	124,067	-	124,067
Reading First Grant	651,276	170,339	650,000	[479,661]
Title III-English as a Second Language	51,509	53,081	65,000	[11,919]
Homeless Child Grant	-	10,544	-	10,544
Johnson O'Malley Grant	5,869	26,081	-	26,081
Total Federal Aid	3,304,218	3,541,660	4,963,406	[1,421,746]
Other Cash Receipts:				
Other grants and donations	87,432	37,096	500,000	[462,904]
Total Cash Receipts	3,391,650	3,578,756	\$ 5,463,406	\$ [1,884,650]
Expenditures and Transfers				
Instruction	2,368,279	2,501,827	\$ 3,718,406	\$ 1,216,579
Student support services	144,604	161,261	184,000	22,739
Instructional support staff	892,845	283,296	1,375,000	1,091,704
General administration	149,002	130,769	156,000	25,231
Transportation	1,623	207,343	25,000	[182,343]
Other supplemental services	-	-	5,000	5,000
Transfers out	287,402	310,834	-	[310,834]
Total Expenditures and Transfers	3,843,755	3,595,330	\$ 5,463,406	\$ 1,868,076
Receipts Over [Under] Expenditures	[452,105]	[16,574]		
Unencumbered Cash, Beginning	599,995	145,869		
Prior Period Adjustment	[2,021]	-		
Unencumbered Cash, Beginning, Restated	597,974	145,869		
Unencumbered Cash, Ending	\$ 145,869	\$ 129,295		

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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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	\$ 9,558,234	\$ 10,944,531	\$ 10,534,298	\$ 410,233
Delinquent tax	86,661	120,616	131,835	[11,219]
Motor vehicle tax	844,941	758,367	758,485	[118]
In lieu of taxes - I.R.B.s	7,001	341	-	341
Investment income	54,271	12,171	50,000	[37,829]
Transfers in	-	7,862	-	7,862
Total Cash Receipts	<u>10,551,108</u>	<u>11,843,888</u>	<u>\$ 11,474,618</u>	<u>\$ 369,270</u>
Expenditures and Transfers				
Bond principal	6,785,000	7,510,000	\$ 7,510,000	\$ -
Interest	4,154,586	3,864,760	3,864,760	-
Commissions	-	-	1,000	1,000
Total Expenditures and Transfers	<u>10,939,586</u>	<u>11,374,760</u>	<u>\$ 11,375,760</u>	<u>\$ 1,000</u>
Receipts Over [Under] Expenditures	[388,478]	469,128		
Unencumbered Cash, Beginning	<u>10,347,292</u>	<u>9,958,814</u>		
Unencumbered Cash, Ending	<u>\$ 9,958,814</u>	<u>\$ 10,427,942</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, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	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	\$ 35,784	\$ 31,093	\$ 28,870	\$ 2,223
Delinquent tax	-	-	430	[430]
Motor vehicle tax	15,410	10,418	10,016	402
In lieu of taxes - I.R.B.'s	23	1	-	1
Reimbursed expenses	<u>1,400</u>	<u>1,396</u>	<u>1,500</u>	<u>[104]</u>
Total Cash Receipts	<u>52,617</u>	<u>42,908</u>	<u>\$ 40,816</u>	<u>\$ 2,092</u>
Expenditures and Transfers				
Capital outlay	<u>100,171</u>	<u>97,831</u>	<u>\$ 250,000</u>	<u>\$ 152,169</u>
Total Expenditures and Transfers	<u>100,171</u>	<u>97,831</u>	<u>\$ 250,000</u>	<u>\$ 152,169</u>
Receipts Over [Under] Expenditures	[47,554]	[54,923]		
Unencumbered Cash, Beginning	<u>463,124</u>	<u>415,570</u>		
Unencumbered Cash, Ending	<u>\$ 415,570</u>	<u>\$ 360,647</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 Projects Fund *
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 47,887	\$ 3,144
Lease proceeds	<u>2,708,066</u>	<u>5,231,290</u>
Total Cash Receipts	<u>2,755,953</u>	<u>5,234,434</u>
Expenditures and Transfers		
Instruction	7,050	-
Business services	98,387	68,342
Building repair and remodeling	10,428,872	3,479,648
Transfers out	<u>-</u>	<u>7,862</u>
Total Expenditures and Transfers	<u>10,534,309</u>	<u>3,555,852</u>
Receipts Over [Under] Expenditures	[7,778,356]	1,678,582
Unencumbered Cash, Beginning	7,875,368	97,012
Prior Year Cancelled Encumbrances	<u>-</u>	<u>563</u>
Unencumbered Cash, Ending	<u>\$ 97,012</u>	<u>\$ 1,776,157</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, 2010 and 2009

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 4,620	\$ -
Transfers in	599,463	1,018,411
Reimbursements	<u>57,562</u>	<u>1,033</u>
Total Cash Receipts	<u>661,645</u>	<u>1,019,444</u>
Expenditures and Transfers		
Instruction	257,158	327,576
General administration	<u>8,836</u>	<u>97,390</u>
Total Expenditures and Transfers	<u>265,994</u>	<u>424,966</u>
Receipts Over [Under] Expenditures	395,651	594,478
Unencumbered Cash, Beginning	<u>683,710</u>	<u>1,079,361</u>
Unencumbered Cash, Ending	<u>\$ 1,079,361</u>	<u>\$ 1,673,839</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, 2010 and 2009

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 1,647,162	\$ 1,400,496
Investment income	14,706	-
Transfers in	7,321,199	8,918,417
Miscellaneous	<u>256,879</u>	<u>220,728</u>
Total Cash Receipts	<u>9,239,946</u>	<u>10,539,641</u>
Expenditures and Transfers		
Group insurance	8,347,196	8,390,029
Other insurance services	179,284	74,360
Other supplemental services	<u>-</u>	<u>11,250</u>
Total Expenditures and Transfers	<u>8,526,480</u>	<u>8,475,639</u>
Receipts Over [Under] Expenditures	713,466	2,064,002
Unencumbered Cash, Beginning	<u>3,401,671</u>	<u>4,115,137</u>
Unencumbered Cash, Ending	<u>\$ 4,115,137</u>	<u>\$ 6,179,139</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, 2010

<u>FUNDS</u>	<u>Beginning Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending Cash</u> <u>Balance</u>
ELEMENTARY SCHOOLS				
Broken Arrow Elementary				
Enrichment	\$ -	\$ 3,214	\$ 3,214	\$ -
Total Broken Arrow Activity Funds	-	3,214	3,214	-
Cordley Elementary				
Student Council	135	-	135	-
Just Say No Club	1	-	1	-
Library Media	-	2,392	2,392	-
Cordley Instructional Enhancement	-	2,621	2,621	-
Chess Club	-	2,353	2,353	-
Spanish Club	-	1,555	1,555	-
Yearbook	-	4,874	4,874	-
Total Cordley Activity Funds	136	13,795	13,931	-
Deerfield Elementary				
Student Council	2,889	2,265	1,349	3,805
Poet In Residence	-	449	449	-
Library Book Club	-	2,500	2,500	-
Picture Fund	-	3,762	3,762	-
Coke Machine	-	1,784	1,784	-
Yearbook	-	4,513	4,513	-
Total Deerfield Activity Funds	2,889	15,273	14,357	3,805
Hillcrest Elementary				
Picture Club	-	1,105	1,255	[150]
6th Grade Trip	1,020	1,770	2,790	-
Total Hillcrest Activity Funds	1,020	2,875	4,045	[150]
Kennedy Elementary				
Student Enrichment	698	1,680	2,378	-
Staff Enrichment	-	21	21	-
Yearbook	-	80	80	-
Library Media	73	786	859	-
Total Kennedy Activity Funds	771	2,567	3,338	-
Langston Hughes Elementary				
Picture Fund	-	8,062	8,062	-
Field Trips	-	3,185	3,185	-
Library Media	-	1,085	1,085	-
Recorder Fund	-	194	194	-
Total Langston Hughes Activity Funds	-	12,526	12,526	-
New York Elementary				
Student Council	-	369	369	-
Total New York Activity Funds	-	369	369	-
Pinckney Elementary				
Library Club	-	1,230	1,230	-
Total Pinckney Activity Funds	-	1,230	1,230	-
Prairie Park Elementary				
Student Council	406	315	584	137
Developmental Fund	-	3,931	3,931	-
Total Prairie Park Activity Funds	406	4,246	4,515	137
Quail Run Elementary				
Picture Fund	-	3,388	3,388	-
Total Quail Run Activity Fund	-	3,388	3,388	-

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, 2010

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Receipts	Ending Cash Balance
ELEMENTARY SCHOOLS (Continued)				
Schwegler Elementary				
Pictures	\$ -	\$ 2,619	\$ 2,619	\$ -
Yearbook	-	2,467	2,467	-
Library	-	334	334	-
Total Schwegler Activity Funds	<u>-</u>	<u>5,420</u>	<u>5,420</u>	<u>-</u>
Sunflower Elementary				
Student Council	702	1,675	1,363	1,014
Library Fund	-	3,408	3,408	-
Picture Fund	-	13,682	13,682	-
Total Sunflower Activity Funds	<u>702</u>	<u>18,765</u>	<u>18,453</u>	<u>1,014</u>
Sunset Hill Elementary				
Library Birthday Club	-	309	309	-
Student Council	305	63	63	305
Field Trip Activities	-	134	134	-
Picture Fund	609	-	609	-
Total Sunset Hill Activity Funds	<u>914</u>	<u>506</u>	<u>1,115</u>	<u>305</u>
Wakarusa Valley Elementary				
Library	-	86	86	-
Chess Program	-	3,202	3,202	-
Enhancement	282	1,073	1,355	-
Yearbook	-	10	10	-
Total Wakarusa Valley Activity Funds	<u>282</u>	<u>4,371</u>	<u>4,653</u>	<u>-</u>
Woodlawn Elementary				
Instructional Enrichment	-	1,197	1,197	-
Pop Fund	-	728	728	-
Lost Library Books	-	121	121	-
Student Council	262	-	-	262
Total Woodlawn Activity Funds	<u>262</u>	<u>2,046</u>	<u>2,046</u>	<u>262</u>
Total Elementary School Activity Funds	<u>7,382</u>	<u>90,591</u>	<u>92,600</u>	<u>5,373</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, 2010

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
JUNIOR HIGH SCHOOLS				
Central Junior High School				
Chess Club	\$ -	\$ 958	\$ 858	\$ 100
Excalibur	2,288	12,033	12,487	1,834
Freshman Fund	1,765	396	2,089	72
History Day	3,124	-	100	3,024
Pep Club	240	3,007	2,214	1,033
Sales Tax	575	1,439	2,014	-
Speech and Drama	2,519	1,296	1,435	2,380
Student Council	1,168	2,115	2,410	873
National Junior Honor Society	329	-	-	329
Yearbook	2,501	5,826	5,432	2,895
Total Central Junior High Activity Funds	14,509	27,070	29,039	12,540
South Junior High School				
Junior Players	5,618	2,817	3,674	4,761
Car Club	47	-	-	47
International Club	186	-	-	186
Adventure Club	2,365	9,589	7,562	4,392
Physical Education	2,060	14	315	1,759
Student Council	2,474	6,783	8,884	373
Yearbook	[75]	7,512	7,437	-
South Singers	3,518	4,296	7,011	803
Cheerleaders	1,454	114	707	861
Band	69	1,041	1,069	41
Orchestra	2,335	12,201	8,735	5,801
Black Male Brothers	658	589	677	570
Women of Color	956	689	1,097	548
Native American Youth Leaders	20	-	-	20
Spanish Club	568	-	-	568
Rodeo Club	802	3,330	3,980	152
Spirit Club	45	-	-	45
Honor the Circle	-	283	100	183
Total South Junior High Activity Funds	23,100	49,258	51,248	21,110
Southwest Junior High School				
Student Council	4,740	17,092	17,479	4,353
Cheerleaders	-	2,218	2,218	-
Chess Club	126	-	-	126
Drama Club	125	-	125	-
Future City Group	-	250	-	250
KU/Barker Activities	-	1,000	369	631
Math Club	125	20	140	5
Science Club	125	-	120	5
Social Awareness Group	125	-	-	125
Volleyball	-	1,348	1,348	-
BelCanto	-	15,909	15,909	-
Yearbook	-	15,061	15,061	-
Seventh Grade Activities	-	2,321	2,321	-
Drama	-	6,781	6,781	-
Eighth Grade Activities	-	71	71	-
Enrichment	-	14,332	14,326	6
ER	-	1,968	1,968	-
Newspaper	-	365	365	-
Ninth Grade Activities	-	1,327	1,315	12
SITE	-	28	28	-
International Club	315	-	126	189
SPED Project	-	243	243	-
Special Lunch Parties	-	17	17	-
SW Business Partners	-	1,118	1,118	-
Band	-	2,804	2,804	-
Orchestra	-	801	801	-
T-Shirt	-	1,556	1,556	-
MAD	-	16	16	-
Student Assistance	-	70	70	-
Library Book Fair/Fines	-	2,211	2,211	-
Global Studies	-	506	506	-
ID Supplies	-	2,805	2,805	-
Field Trip/Bus Supplemental	-	1,206	1,206	-
Total Southwest Junior High Activity Funds	5,681	93,444	93,423	5,702

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, 2010

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
JUNIOR HIGH SCHOOLS (Continued)				
West Junior High School				
Pep Club	\$ 834	\$ 4,161	\$ 4,154	\$ 841
Speech and Drama	1,707	4,192	3,570	2,329
Student Council	6,551	10,592	11,939	5,204
Newspaper	179	-	174	5
Yearbook	799	14,166	11,534	3,431
Chorale	[250]	11,672	9,508	1,914
Instrumental Music	58	596	613	41
Carnival Fundraiser from POWW	-	731	731	-
Gaugert Band Funds	9	53	48	14
Library Book Fund	-	329	-	329
Track	-	8,269	7,776	493
TechnoHawks	78	-	-	78
Warhawk Apparel / Student Council	-	790	790	-
Gifted	369	516	401	484
Principal's Fund	133	-	106	27
Boys Freshman Basketball Team	840	675	1,100	415
Functional Skills Projects	36	-	-	36
Total West Junior High Activity Funds	<u>11,343</u>	<u>56,742</u>	<u>52,444</u>	<u>15,641</u>
Total Junior High School Activity Funds	<u>54,633</u>	<u>226,514</u>	<u>226,154</u>	<u>54,993</u>
HIGH SCHOOLS				
Lawrence High School				
Alliance for Social Awareness	122	-	-	122
American Indian Club	42	5,144	5,186	-
Amnesty International Club	29	-	-	29
Auto Club	2,422	206	984	1,644
Aviation Club	108	-	-	108
Bike Club	205	-	107	98
Biology Club	105	-	-	105
Black American Club	160	-	-	160
Business Professionals	89	1,963	1,868	184
Chess Club	451	1,521	1,093	879
Class of 2009	1,081	-	1,081	-
Class of 2010	57	8,451	7,143	1,365
Class of 2011	19	-	-	19
Class of 2012	-	1,218	896	322
Computer Club	91	-	-	91
Disc Golf Club	29	-	-	29
DECA Lion's Den Merchandise	390	50,690	48,285	2,795
DECA Club	166	1,853	1,759	260
DECA Chesty's Brew	107	3,721	3,189	639
Environmental Club	257	111	32	336
Ewertmania	22	-	-	22
Fellowship of Christian Athletes	1	-	-	1
French Club	548	-	60	488
Future Farmers of America	-	3,061	2,898	163
Game Club	193	-	-	193
Geography Club	446	-	213	233
German Club	892	-	-	892
Graffiti Magazine	89	250	250	89
GCTL/FYI	179	3,419	3,314	284
International Club	1,233	1,250	889	1,594
Jewelry Shop	964	102	30	1,036
Key Club	437	-	-	437
Latin Club	3,481	1,955	561	4,875
Latin Club - Courtyard	385	-	382	3
Media Club	189	-	-	189
National Art Honor Society	312	671	936	47
National Honor Society	1,331	1,164	1,248	1,247
Outdoor Leadership Experience	2	-	-	2
Ski Club	25	-	-	25
Spanish Club	371	257	469	159
Subtotals to Statement 4, page 5 of 6	<u>17,030</u>	<u>87,007</u>	<u>82,873</u>	<u>21,164</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, 2010

<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	\$ 17,030	\$ 87,007	\$ 82,873	\$ 21,164
Student Council	8,867	6,786	10,442	5,211
Table Tennis Club	240	-	200	40
Teachers of Tomorrow	242	88	256	74
Theater Drama Club	1,410	2,679	3,013	1,076
VICA/CIT	2,502	3,272	3,532	2,242
Writers Club	1	-	-	1
Y.E.K.	1	-	-	1
Young Democrats	75	-	-	75
Youth in Local Government	137	-	-	137
Athletics-Wedd's Powerade	-	197	197	-
Cap N Gown	-	10,348	10,348	-
C.P. Engineering Competition	-	474	474	-
Culinary	-	123	123	-
CloseUp Foundation	-	66	66	-
Hip Hop/Step	-	69	69	-
Breakfast By Gentleman	-	396	396	-
Diplomas, Past Years	-	395	395	-
Directed Studies	-	77	77	-
Film Festival/Showtime	-	2,243	2,243	-
F&CS Interior Design Proj.	-	30	30	-
French IV Trip	-	2	2	-
History Day Competition	-	1,931	1,931	-
Heritage Panel	-	200	200	-
Lions Pride	-	7,454	7,454	-
Lions Pride - Pop Machines	-	1,739	1,739	-
Lions Pride - Tailgate Crew	-	3	3	-
Link Crew	-	784	784	-
Mock Trial	-	125	125	-
Model UN	-	9,736	9,736	-
Math Problem Solving	-	675	675	-
Music Student Accounts	-	6,694	6,694	-
NASA Robot Project	-	907	907	-
Nurse Supply	-	96	96	-
Gala	-	8,160	8,160	-
Student Planners	-	2,329	2,329	-
At Risk	-	524	524	-
Welding Projects	-	848	848	-
Woodshop Projects	-	1,977	1,977	-
Camera Rental Fee	-	720	720	-
Total Lawrence High Activity Funds	30,505	159,154	159,638	30,021
Free State High School				
Bike Club	42	-	-	42
Badminton Club	4	-	-	4
Interfaith Forum	-	133	-	133
Biology Club	25	-	-	25
Business Professionals	2,368	4,116	4,764	1,720
Chess Club	60	-	47	13
Class of 2000	500	-	500	-
Class of 2001	500	-	-	500
Class of 2002	1,001	-	501	500
Class of 2003	4,154	-	3,654	500
Class of 2004	2,512	-	2,012	500
Class of 2005	4,577	-	4,077	500
Class of 2006	3,064	-	2,564	500
Class of 2007	1,138	-	638	500
Class of 2008	4,307	-	3,807	500
Class of 2009	2,756	19	2,275	500
Class of 2010	-	8,553	2,837	5,716
Computer Club	344	-	-	344
Diversity Club	30	368	349	49
Future Farmers of America	493	9,056	9,108	441
French Club	44	93,743	92,472	1,315
Advanced Placement /Knowledge Master	1,000	-	-	1,000
GCTL/FYI	997	4,797	4,060	1,734
Key Club	271	1,049	989	331
Film Club	4,416	3,684	3,274	4,826
Subtotals to Statement 4, page 6 of 6	34,603	125,518	137,928	22,193

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, 2010

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	\$ 34,603	\$ 125,518	\$ 137,928	\$ 22,193
Math Team	90	388	393	85
National Honor Society	3,712	3,040	2,411	4,341
Outdoor Club	190	-	190	-
Anime	72	-	-	72
Philosophy Club	-	366	349	17
Native American Club	217	-	50	167
Science Olympiad	241	-	186	55
Student Council	-	26,037	10,925	15,112
Thespians	-	1,766	1,524	242
Tolkien Club	-	296	214	82
VICA/CIT	1,953	1,530	2,489	994
Social Awareness Club	619	8,344	8,459	504
Writers Club	363	64	97	330
Young Democrats Club	133	-	-	133
Baseball Account	6,072	22,900	18,306	10,666
Cap & Gown Rental	-	9,254	9,254	-
Camera Rental & Repair	1,602	915	100	2,417
CloseUp Foundation	103	1,537	1,640	-
Model UN	1,047	18,023	18,505	565
Free State Football	3,018	9,133	10,446	1,705
Free State Boys Soccer	2,616	10,637	12,724	529
Firebird Fund	2,356	666	2,225	797
Industrial Tech - Special Projects	396	-	-	396
Free State Girls Soccer	448	16,493	15,677	1,264
Free State Girls Basketball	-	6,519	6,336	183
Parking Fines	4,376	1,858	3,177	3,057
Free State Boys Basketball	399	757	1,025	131
Student Planners	12,821	89	4,309	8,601
Free State Cross Country/Track	307	28,893	28,803	397
Special Education	29	4,043	3,865	207
Free State Boys Tennis	11	890	901	-
Free State Girls Tennis	486	57	349	194
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	575	620	484	711
Girls Golf	245	1,028	792	481
Weight & Film Room	2,242	-	554	1,688
Battle of the Bands	821	252	300	773
Grounds Beautification	857	23	23	857
DECA Student Trips	3	-	-	3
Green & Silver	1,755	115	1,060	810
LINK	118	155	100	173
Autism	196	2,036	1,916	316
Freddie's Friends	-	146	-	146
Free State Softball	3,082	16,574	12,606	7,050
Testing Fund	6,880	28,020	26,932	7,968
Jewelry/Metal	160	347	-	507
Gay/Straight Alliance	126	-	-	126
Work Books	18	2,199	2,217	-
Free State Wrestling	26	3,418	3,389	55
Cartridge Recyclers	305	-	84	221
Volleyball	1,854	4,468	4,517	1,805
Winter Game Intramurals	-	1,260	1,260	-
Winter Classic Program	-	2,595	2,595	-
Firebird Pride	1,039	-	72	967
Track Special Program	3,000	500	615	2,885
Jan Guth Memorial/Band	808	-	-	808
Bowling	111	701	728	84
Photo Enrichment	279	444	118	605
Girls Swim/Dive	424	4,515	4,810	129
Boys Swim/Dive	436	4,493	4,398	531
River City Baseball	-	13,534	13,534	-
DUB Club	289	261	150	400
Sales Tax	-	25,910	25,910	-
Total Free State High Activity Funds	<u>104,129</u>	<u>413,627</u>	<u>412,021</u>	<u>105,735</u>
Total High School Activity Funds	<u>134,634</u>	<u>572,781</u>	<u>571,659</u>	<u>135,756</u>
Total Student Activity Funds	<u>196,649</u>	<u>889,886</u>	<u>890,413</u>	<u>196,122</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	8,445	37,996	37,084	9,357
School and District Accounts	5,683	1,774,997	1,772,203	8,477
Payroll Clearing Fund	1,146,352	70,551,319	70,897,151	800,520
Concessions Fund	227	250	117	360
Total Other Agency Funds	<u>1,160,707</u>	<u>72,364,562</u>	<u>72,706,555</u>	<u>818,714</u>
Total Agency Funds	<u>\$ 1,357,356</u>	<u>\$ 73,254,448</u>	<u>\$ 73,596,968</u>	<u>\$ 1,014,836</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, 2010

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	\$ -	\$ -	\$ 14,540	\$ 14,540	\$ -	\$ -	\$ -
South Junior High School	-	-	9,504	9,504	-	-	-
Southwest Junior High School	-	-	15,712	15,712	-	-	-
West Junior High School	<u>1,366</u>	<u>-</u>	<u>13,345</u>	<u>10,654</u>	<u>4,057</u>	<u>-</u>	<u>4,057</u>
Total Junior High School Gate Receipts	<u>1,366</u>	<u>-</u>	<u>53,101</u>	<u>50,410</u>	<u>4,057</u>	<u>-</u>	<u>4,057</u>
HIGH SCHOOL							
Lawrence High School							
Activity Tickets and Other	-	-	30,269	30,269	-	-	-
Athletics	-	-	59,998	59,998	-	-	-
Band	-	-	24,468	24,468	-	-	-
NSF Rebate	-	-	35	35	-	-	-
Theater/Showtime	<u>-</u>	<u>-</u>	<u>42,232</u>	<u>42,232</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Lawrence High School	<u>-</u>	<u>-</u>	<u>157,002</u>	<u>157,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
Free State High School							
Activity Tickets and Other	[25]	-	28,960	28,935	-	-	-
Athletics	-	-	149,299	149,299	-	-	-
Band	-	-	17,090	17,090	-	-	-
Encore	-	-	44,120	44,120	-	-	-
Vocal	<u>-</u>	<u>-</u>	<u>50,811</u>	<u>50,811</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Free State High School	<u>[25]</u>	<u>-</u>	<u>290,280</u>	<u>290,255</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total High School Gate Receipts	<u>[25]</u>	<u>-</u>	<u>447,282</u>	<u>447,257</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Gate Receipts	<u>\$ 1,341</u>	<u>\$ -</u>	<u>\$ 500,383</u>	<u>\$ 497,667</u>	<u>\$ 4,057</u>	<u>\$ -</u>	<u>\$ 4,057</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, 2010

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
South Junior High School							
SJHS/Alexander	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
SJHS/Haskell CoOp	212	-	-	60	152	-	152
SJHS/Optimists	328	-	-	-	328	-	328
SJHS/McDonalds	202	-	-	-	202	-	202
SJHS/Cougar Relief	124	-	-	37	87	-	87
Total South Junior High Private Purpose Trust Funds	<u>1,866</u>	<u>-</u>	<u>-</u>	<u>97</u>	<u>1,769</u>	<u>-</u>	<u>1,769</u>
West Junior High School							
Wolf Creek Biology Donation	18	-	-	-	18	-	18
Opportunity West	1,384	-	15,236	13,464	3,156	-	3,156
Total West Junior High Private Purpose Trust Funds	<u>1,402</u>	<u>-</u>	<u>15,236</u>	<u>13,464</u>	<u>3,174</u>	<u>-</u>	<u>3,174</u>
Lawrence High School							
Teen Suicide Prevention	-	-	1,017	1,017	-	-	-
Heart of a Lion Fund	-	-	15,795	15,795	-	-	-
Testing	-	-	30,087	30,087	-	-	-
Total Lawrence High Private Purpose Trust Funds	<u>-</u>	<u>-</u>	<u>46,899</u>	<u>46,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other							
Local Donations Fund	<u>247,273</u>	<u>-</u>	<u>160,753</u>	<u>120,215</u>	<u>287,811</u>	<u>31,271</u>	<u>319,082</u>
Total Other Private Purpose Trust Funds	<u>247,273</u>	<u>-</u>	<u>160,753</u>	<u>120,215</u>	<u>287,811</u>	<u>31,271</u>	<u>319,082</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, 2010

<u>FUNDS</u>	Beginning Unencumbered Cash <u>Balance</u>	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Central Junior High School						
Tom Olin Memorial	\$ 39	\$ -	\$ -	\$ 39	\$ -	\$ 39
Teresa Lail Memorial	330	-	-	330	-	330
Duver Memorial	1,096	-	53	1,043	-	1,043
Alicia A. Chavez Memorial Fund	<u>2,592</u>	-	<u>105</u>	<u>2,487</u>	-	<u>2,487</u>
Total Central Junior High Private Purpose Trust Funds	<u>4,057</u>	-	<u>158</u>	<u>3,899</u>	-	<u>3,899</u>
West Junior High School						
Carson Memorial	1,094	17	90	1,021	-	1,021
Cunningham Memorial	<u>2,914</u>	-	<u>347</u>	<u>2,567</u>	-	<u>2,567</u>
Total West Junior High Private Purpose Trust Funds	<u>4,008</u>	<u>17</u>	<u>437</u>	<u>3,588</u>	-	<u>3,588</u>
Lawrence High School						
School District Landscaping	-	1,093	1,093	-	-	-
Jennifer Trapp Memorial	<u>580</u>	-	-	<u>580</u>	-	<u>580</u>
Total Lawrence High School Private Purpose Trust Funds	<u>580</u>	<u>1,093</u>	<u>1,093</u>	<u>580</u>	-	<u>580</u>
Lawrence Public Schools Memorial Funds	<u>229,214</u>	<u>18,839</u>	<u>14,866</u>	<u>233,187</u>	<u>250</u>	<u>233,437</u>
Total District Private Purpose Trust Funds	<u>229,214</u>	<u>18,839</u>	<u>14,866</u>	<u>233,187</u>	<u>250</u>	<u>233,437</u>
Total Private Purpose Trust Funds	<u>\$ 488,400</u>	<u>\$ 242,837</u>	<u>\$ 197,229</u>	<u>\$ 534,008</u>	<u>\$ 31,521</u>	<u>\$ 565,529</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2010

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 \$746,685 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, 2010 rather than in July of the following fiscal year which is not in compliance with the Kansas prescribed basis of accounting. These payments were \$2,095,161 in the General Fund and \$ 483,433 in the Supplemental General 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, 2010

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, 2010, 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, 2010:

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, 2010

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, 2010 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, 2010

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, 2010, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Certificate of Deposit	\$ 8,021	NA
Kansas Municipal Investment Pool	<u>5,007,518</u>	S&P AAf/S1+
 Total fair value	 <u>\$ 5,015,539</u>	

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2010

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>
School Building & Athletic Field Improvements	\$ 95,046,720	\$ 93,270,563

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%

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2010

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, 2010 was 10%.

Following is a summary of changes in long-term debt for the year ended June 30, 2010:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Restatement</u>	<u>Restated Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>
General Obligation Bonds						
2004A Refunding	\$ 8,540,000	\$ -	\$ 8,540,000	\$ -	\$ 1,310,000	\$ 7,230,000
2006A Refunding & Improvement	80,715,000	-	80,715,000	-	6,200,000	74,515,000
Capital Leases						
Copiers/Duplicators	73,604	-	73,604	-	73,604	-
Energy Savings Equipment	1,486,050	42,284	1,528,334	-	42,285	1,486,049
Athletics Fields/Equipment - Phase I	2,742,566	-	2,742,566	2,057,434	390,521	4,409,479
Athletics Fields/Equipment - Phase II	42,000	-	42,000	4,208,000	395,000	3,855,000
Total	<u>\$ 93,599,220</u>	<u>\$ 42,284</u>	<u>\$ 93,641,504</u>	<u>\$ 6,265,434</u>	<u>\$ 8,411,410</u>	<u>\$ 91,495,528</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>
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
2014-15	7,395,000	2,173,488	9,568,488
2015-20	17,035,000	7,999,975	25,034,975
2020-25	19,545,000	3,667,375	23,212,375
2025-26	4,515,000	112,875	4,627,875
Total	<u>\$ 81,745,000</u>	<u>\$ 26,056,172</u>	<u>\$ 107,801,172</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, 2010

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>
2010-11	\$ 802,327	\$ 472,617	\$ 1,274,944
2011-12	842,828	434,994	1,277,822
2012-13	885,607	395,572	1,281,179
2013-14	934,779	354,019	1,288,798
2014-15	980,412	309,100	1,289,512
2015-20	4,600,796	736,811	5,337,607
2020-25	<u>703,779</u>	<u>125,504</u>	<u>829,283</u>
Total	<u>\$ 9,750,528</u>	<u>\$ 2,828,617</u>	<u>\$ 12,579,145</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, 2010, the liability for accrued vacation pay was \$565,042. A current portion, ten days, is reflected in the financial statements as follows:

<u>Funds</u>	<u>Amount</u>
General	\$ 119,402
Supplemental General	123,723
Adult Basic Education	5,972
At Risk (K-12)	911
Bilingual Education	2,361
Virtual Education	11,699
Capital Outlay	14,828
Food Service	7,667
Special Education	11,645
Vocational Education	<u>4,143</u>
Total	<u>\$ 302,351</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2010

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 up to 6% 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 8.57% 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, 2010, 2009, and 2008, were \$4,766,815, \$4,682,703, and \$4,271,568, 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, 2010, was \$1,177,612. The outstanding liability reflected in the financial statements for the retirees payable in January, 2011, is as follows:

<u>Funds</u>	<u>Amount</u>
General	\$ 7,079
Supplemental General	998,967
Food Service	163,518
Special Education	<u>8,048</u>
Total	<u>\$ 1,177,612</u>

The outstanding liability payable from January, 2011, through January, 2015, is \$3,395,632. Above, only the January, 2011 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, 2010

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, 2010, 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, 2009	\$ 632,930
Incurred claims (including IBNRs)	314,980
Claim payments and adjustments	<u>[343,914]</u>
Unpaid claims, June 30, 2010	<u>\$ 603,996</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, 2010.

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

A negative cash balance at June 30, 2010 in the Hillcrest Picture Club Fund violates KSA 10-1113.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2010

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	10,508,550
General	Vocational Education	K.S.A. 72-6428	200,000
General	Virtual Education	K.S.A. 72-6428	4,450,000
General	At Risk (4 Year Old)	K.S.A. 72-6428	10,000
General	At Risk (K-12)	K.S.A. 72-6428	2,800,000
General	Health Care Services Reserve	K.S.A. 72-6428	4,337,506
General	School Workers' Compensation Reserve	K.S.A. 72-6428	735,271
Supplemental General	Bilingual Education	K.S.A. 72-6433	600,000
Supplemental General	Special Education	K.S.A. 72-6433	5,826,277
Supplemental General	Vocational Education	K.S.A. 72-6433	1,300,000
Supplemental General	Health Care Services Reserve	K.S.A. 72-6433	1,478,087
Supplemental General	School Workers' Compensation Reserve	K.S.A. 72-6428	33,275
Supplemental General	Professional Development	K.S.A. 72-6433	264,500
Supplemental General	Parent Education Program	K.S.A. 72-6433	18,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	290,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	2,700,000
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,968
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	20,005
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	15,066
Grants	Health Care Services Reserve	K.S.A. 72-8415a	295,768
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	734
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	16,245
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	119
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	551
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	90,775
Capital Outlay	School Workers' Compensation Reserve	K.S.A. 44-505e	2,600
Capital Outlay	Health Care Services Reserve	K.S.A. 72-8415a	38,010
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	174
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,196
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	53,337
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	26,228
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	435,330
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	2,811
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	52,614
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	5,919
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	98,758
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	10,509
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	171,243
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	90,215
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	1,921,514
Capital Projects	Bond and Interest	Bond Agreement	<u>7,862</u>
Total			<u>\$ 38,917,017</u>

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

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	\$ [10,472]	\$ 150,148	\$ 150,904	\$ [11,228]
Total Direct U.S. Department of Interior		[10,472]	150,148	150,904	[11,228]
<u>U.S. Department of Education</u>					
Twenty-First Century Community Learning Centers Passed Through Kansas State Department of Education	84.287	3,247	77,539	73,469	7,317
Title I Grants to Local Educational Agencies	84.010	66,949	1,718,304	1,693,370	91,883
Title I Grants to Local Educational Agencies (ARRA)	84.389	-	650,458	656,774	[6,316]
Special Education Grants to States	84.027	386	2,095,456	2,095,456	386
Special Education Discretionary	84.027	54,943	166,821	168,760	53,004
Special Education Grants to States (ARRA)	84.391	-	1,170,299	1,170,299	-
Vocational Education Basic Grants to States	84.048	5,519	104,094	93,891	15,722
Special Education Preschool Grants	84.173	-	75,006	75,006	-
Special Education Preschool Grants (ARRA)	84.392	-	49,289	49,289	-
Safe and Drug Free Schools and Communities State Grants	84.186	265	35,402	35,667	-
Innovative Education Program Strategies	84.298	5,197	4,223	9,100	320
Education Technology State Grants	84.318	6,418	6,016	16,350	[3,916]
Education Technology State Grants (ARRA)	84.386	-	5,016	1,599	3,417
Reading First	84.357	116,260	170,339	282,553	4,046
English Language Acquisition Grants	84.365	6,164	53,081	47,036	12,209
Improving Teacher Quality State Grants	84.367	[55,881]	556,496	494,615	6,000
Adult Education - EI Civics	84.002	-	94,947	94,947	-
Title VI-State Assessments	84.369	-	32	32	-
Homeless Child (ARRA)	84.387	-	10,544	10,544	-
State Fiscal Stabilization Funds (ARRA)	84.394	-	3,511,077	3,511,077	-
Total Direct or Passed Through Kansas State Department of Education		209,467	10,554,439	10,579,834	184,072
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
School Breakfast Program	10.553	-	400,969	400,969	-
National School Lunch Program	10.555	-	1,739,374	1,739,374	-
Summer Food Service Program for Children	10.559	-	63,856	63,856	-
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		-	2,204,199	2,204,199	-
Total		\$ 198,995	\$ 12,908,786	\$ 12,934,937	\$ 172,844

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, 2010

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, 2010

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? ___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010, 84.389	Title I Cluster
84.027, 84.173, 84.391, 84.392	Title VI-B - Special Education Cluster
84.394	State Fiscal Stabilization Funds
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$388,048

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, 2010

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

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>
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	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, 2010, and have issued our report thereon dated January 4, 2011, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of 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 January 4, 2011.

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.

January 4, 2011

LOWENTHAL, WEBB & ODERMANN, P.A.

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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, 2010. Major federal programs are identified in the summary of auditor's results section of the accompanying 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 of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

This 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 & Odemann, P.A.

January 4, 2011