

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2013

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UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, Kansas, (the District), as of and for the year ended June 30, 2013 and the related notes to the financial statement. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2012. In our report dated December 11, 2012, on these financial statements, we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unqualified opinion as to presentation on the Kansas prescribed basis of accounting.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2013, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas regulatory basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statement for the year ended June 30, 2012, from which such partial information was derived.

Report on Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mike Houser: Company PA

November 14, 2013

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2013

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Funds:							
General Fund	\$ 18,869	\$ -	\$ 66,996,583	\$ 66,983,546	\$ 31,906	\$ 5,185,826	\$ 5,217,732
Supplemental General	2,403,934	-	22,849,062	22,953,458	2,299,538	1,370,055	3,669,593
Special Purpose Funds:							
Adult Basic Education	365,633	-	561,168	377,304	549,497	24,681	574,178
At Risk (4 Year Old)	550,518	-	456,329	499,196	507,651	54,816	562,467
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	2,566,461	-	5,972,510	4,834,876	3,704,095	446,761	4,150,856
Bilingual Education	99,785	-	615,065	616,835	98,015	52,140	150,155
Virtual Education	585,046	-	5,776,812	5,315,032	1,046,826	267,337	1,314,163
Capital Outlay	5,401,236	-	9,103,720	5,326,028	9,178,928	2,070,547	11,249,475
Driver Training	62,824	-	32,333	24,015	71,142	8,784	79,926
Food Service	1,278,650	-	4,606,027	4,734,665	1,150,012	266,076	1,416,088
Professional Development	316,264	-	515,475	467,507	364,232	138,766	502,998
Parent Education Program	85,072	-	149,218	147,395	86,895	13,150	100,045
Summer School	151,551	-	27,365	10,590	168,326	1,776	170,102
Special Education	9,792,881	-	20,174,825	20,279,911	9,687,795	1,647,561	11,335,356
Cost of Living	165,722	-	1,151,061	1,290,950	25,833	-	25,833
Vocational Education	698,846	-	1,503,024	1,574,537	627,333	172,389	799,722
KPERS Special Retirement Contribution	-	-	6,206,550	6,206,550	-	-	-
Contingency Reserve	6,612,036	-	2,275	64,351	6,549,960	1,425	6,551,385
Textbook Rental	852,436	-	35,552	609,737	278,251	67,012	345,263
Student Material Revolving	727,281	-	870,393	353,520	1,244,154	169,145	1,413,299
Grants	[17,276]	-	2,422,637	2,396,045	9,316	265,292	274,608
District Activity	52	-	594,654	594,706	-	-	-
Debt Service Funds:							
Bond and Interest	11,596,098	-	11,470,475	11,817,760	11,248,813	-	11,248,813
Special Assessment	451,133	-	92,774	67,689	476,218	-	476,218
Capital Projects Fund:							
Construction	1,182,836	-	368	948,248	234,956	67,695	302,651
Business Funds:							
School Workers' Compensation Reserve	1,901,847	-	616,219	339,360	2,178,706	32	2,178,738
Health Care Services Reserve	7,037,242	-	8,584,214	8,265,202	7,356,254	111	7,356,365
Fiduciary Fund:							
Trusts - Private Purpose	717,362	-	333,656	347,052	703,966	63,530	767,496
Total Reporting Entity							
(Excluding Agency Funds)	<u>\$ 55,630,321</u>	<u>\$ -</u>	<u>\$ 171,720,344</u>	<u>\$ 167,446,065</u>	<u>\$ 59,904,600</u>	<u>\$ 12,354,907</u>	<u>\$ 72,259,507</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2013

Composition of Cash:		
U.S. Bank		
Checking Accounts	\$ 68,953,857	
Savings Accounts	<u>7,778</u>	
Total U.S. Bank		\$ 68,961,635
Douglas County Bank		
Certificates of Deposit	120,807	
Checking Accounts	<u>3,200</u>	
Total Douglas County Bank		124,007
Commerce Bank		
Certificates of Deposit	10,231	
Checking Accounts	<u>3,921</u>	
Total Commerce Bank		14,152
University National Bank - Checking		99
United Missouri Bank - Checking		1,728,992
Peoples Bank - Checking		1,694
Cash on Hand		<u>1,474</u>
Total Cash		70,832,053
Less Agency Funds per Schedule 4		<u>1,427,454</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 72,259,507</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, 2013

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

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

Reimbursed Expenses

Expenditures in the amount of \$1,324,281 and \$8,903 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Departure from Generally Accepted Accounting Principles

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.

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 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.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2013:

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

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

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

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

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

Fiduciary Fund - used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs (i.e. payroll clearing fund, student organization fund, permanent trust funds, etc.).

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

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

Ad Valorem Tax Revenues

The determination of assessed valuations and 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, becoming 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

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

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

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

As of June 30, 2013, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u> <u>Less than 1 year</u>	<u>Rating</u>
Certificate of Deposit	\$ 131,038	\$ 131,038	NA
Total fair value	<u>\$ 131,038</u>	<u>\$ 131,038</u>	

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 2 - Deposits and Investments (Continued)

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2013.

At June 30, 2013, the District's carrying amount of deposits was \$70,830,579 and the bank balance was \$70,791,429. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$767,242 was covered by federal depository insurance and the balance of \$70,024,187 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

Substance receipt in transit. The District received \$2,092,448 subsequent to June 30, 2013 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2013.

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	\$ 95,050,177	\$ 94,815,221

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2013:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2013</u>
General Obligation Bonds					
2004A Refunding	11/15/2004	9/1/2014	3.00 - 3.75%	\$ 9,810,000	\$ 3,040,000
2006A Refunding & Improvement	6/15/2006	9/1/2025	4.00 - 5.00%	84,630,000	44,185,000
2012A Refunding	12/15/2012	9/1/2025	2.00%	9,890,000	9,890,000
Capital Leases					
Energy Savings Equipment	7/12/2006	10/12/2025	4.90%	1,683,575	1,324,152
Athletics Fields/Equipment - Phase I	1/15/2009	1/15/2019	4.98%	4,800,000	3,150,614
Athletics Fields/Equipment - Phase II	4/1/2009	1/15/2019	5.10%	4,250,000	<u>2,745,000</u>
Total					<u>\$ 64,334,766</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 4 - Long-Term Debt (Continued)

Following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>	<u>Interest Paid</u>
General Obligation Bonds					
2004A Refunding	\$ 4,485,000	\$ -	\$ 1,445,000	\$ 3,040,000	\$ 134,703
2006A Refunding & Improvement	60,210,000	-	16,025,000	44,185,000	2,501,300
2012A Refunding	-	9,890,000	-	9,890,000	41,758
Capital Leases					
Energy Savings Equipment	1,384,320	-	60,168	1,324,152	67,832
Athletics Fields/Equipment - Phase I	3,591,053	-	440,439	3,150,614	173,547
Athletics Fields/Equipment - Phase II	3,130,000	-	385,000	2,745,000	154,193
Total	<u>\$ 72,800,373</u>	<u>\$ 9,890,000</u>	<u>\$ 18,355,607</u>	<u>\$ 64,334,766</u>	<u>\$ 3,073,332</u>

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

<u>Year ended June 30.</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2014	\$ 7,340,000	\$ 2,272,235	\$ 9,612,235
2015	7,500,000	1,948,238	9,448,238
2016	4,575,000	1,679,400	6,254,400
2017	3,040,000	1,516,350	4,556,350
2018	3,160,000	1,376,725	4,536,725
2019-2023	18,325,000	4,337,250	22,662,250
2024-2026	13,175,000	484,700	13,659,700
Total	<u>\$ 57,115,000</u>	<u>\$ 13,614,898</u>	<u>\$ 70,729,898</u>

Current maturities of capital leases and interest for the next five years and in five year increments through maturity are as follows:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2014	\$ 934,779	\$ 354,019	\$ 1,288,798
2015	980,412	309,100	1,289,512
2016	1,037,581	258,095	1,295,676
2017	1,091,362	204,275	1,295,637
2018	1,157,835	147,560	1,305,395
2019-2023	1,640,701	214,840	1,855,541
2024-2026	377,096	37,545	414,641
Total	<u>\$ 7,219,766</u>	<u>\$ 1,525,434</u>	<u>\$ 8,745,200</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 4 - Long-Term Debt (Continued)

During 2012, the District issued \$9,890,000, in general obligation refunding bonds with an interest rate of 2.0%, to advance refund \$8,330,000 of 2006A General Obligation Refunding and Improvement Bonds with interest rates ranging from 4.00% to 5.00%. The net proceeds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal of the 2006A General Obligation Refunding and Improvement Bonds and the interest due on the refunding general obligation bonds. As a result, this portion of the 2006A bonds were considered to be defeased and the liability for the defeased bonds has been removed from the District's financial statements. The transaction resulted in an economic gain of \$1,284,106 and a reduction of \$1,272,925 in future debt payments.

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

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District's ratio of outstanding bonded debt to the assessed valuation as of June 30, 2013 was 5.80%.

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, 2013, the liability for accrued vacation pay was \$592,354. A current portion, ten days, is reflected in the financial statements as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 89,028
Supplemental General	167,799
Adult Basic Education	5,466
Virtual Education	7,503
At-Risk (4 Year Old)	1,910
Food Service	7,588
Bilingual	2,709
Special Education	14,188
Vocational Education	<u>2,205</u>
 Total	 <u>\$ 298,396</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 6 - Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. 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 statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2013, 2012, and 2011, were \$6,206,550, \$6,798,202, and \$3,979,964, 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, 2013, was \$1,025,500. The outstanding liability reflected in the financial statements for the retirees payable in January, 2014, is as follows:

<u>Funds</u>	<u>Amount</u>
Supplemental General	<u>\$ 1,025,500</u>
Total	<u>\$ 1,025,500</u>

The outstanding liability payable from January, 2014, through January, 2018, is \$2,841,667. Above, only the January, 2014 payment is reflected in the financial statements as an account payable.

NOTE 8 - Risk Management

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

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2013, such interfund premiums did not exceed reimbursable expenditures.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 8 - Risk Management (Continued)

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

Unpaid claims, July 1, 2012	\$ 564,313
Incurred claims (including IBNRs)	188,891
Claim payments and adjustments	<u>[212,701]</u>
Unpaid claims, June 30, 2013	<u>\$ 540,503</u>

NOTE 9 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2013.

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

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

NOTE 10 - Other Post Employment Benefits

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

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

NOTE 11 - Statutory Violations

A negative cash balance at June 30, 2013 in the Cordley Elementary Yearbook Fund violates KSA 10-1113.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 12 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Bilingual Education	K.S.A. 72-6428	\$ 5,000
General	Special Education	K.S.A. 72-6428	11,613,095
General	Vocational Education	K.S.A. 72-6428	100,000
General	Virtual Education	K.S.A. 72-6428	5,772,736
General	At Risk (4 Year Old)	K.S.A. 72-6428	10,000
General	At Risk (K-12)	K.S.A. 72-6428	1,553,641
General	Health Care Services Reserve	K.S.A. 72-6428	3,146,378
General	School Workers' Compensation Reserve	K.S.A. 72-6428	355,311
Supplemental General	Bilingual Education	K.S.A. 72-6433	608,312
Supplemental General	Special Education	K.S.A. 72-6433	4,998,151
Supplemental General	Vocational Education	K.S.A. 72-6433	1,400,000
Supplemental General	Health Care Services Reserve	K.S.A. 72-6433	499,962
Supplemental General	School Workers' Compensation Reserve	K.S.A. 72-6428	39,781
Supplemental General	Professional Development	K.S.A. 72-6433	449,000
Supplemental General	Parent Education Program	K.S.A. 72-6433	18,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	140,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	4,409,076
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,639
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	16,512
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	9,353
Grants	Health Care Services Reserve	K.S.A. 72-8415a	222,149
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	598
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	8,731
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	51
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	984
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	85,111
Food Service	Health Care Services Reserve	K.S.A. 72-8415a	215,834
Contingency Reserve	Professional Development	2012 SB11	64,347
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	110
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,560
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	61,515
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	22,031
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	404,802
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	2,238
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	42,387
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	6,623
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	104,460
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	9,519
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	141,557
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	76,619
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	1,895,531
Local Donations	School Workers' Compensation Reserve	K.S.A. 44-505e	336
Local Donations	Health Care Services Reserve	K.S.A. 72-8415a	1,240
Total			<u>\$ 38,515,280</u>

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UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2013

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

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

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

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

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

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

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

District contributions to employees' Employer Paid Plans for the years ending June 30, 2013 and 2012 were \$1,020,751 and \$756,474, respectively.

NOTE 14 - Subsequent Event

In August, 2013, the District issued Series 2013-A general obligation bonds in the amount of \$36,000,000. The 2013-A bonds are the first issuance of bonds totaling \$92,500,000, which were approved during a bond election held on April 2, 2013. The bond proceeds will be used to pay the costs to construct additions to and renovate, improve technology infrastructure, equip and furnish existing elementary and secondary schools; construct, equip, and furnish a new career and technology education facility and make all other necessary and related improvements in the District. The District will make the first payment on the 2013-A bonds on March 1, 2014 and the last payment on September 1, 2033. The interest rate on the bonds ranges from 2.00% to 5.00%.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 497
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2013

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 66,529,427	\$ [1,029,823]	\$ 1,483,942	\$ 66,983,546	\$ 66,983,546	\$ -
Supplemental General	23,260,972	[316,417]	8,903	22,953,458	22,953,458	-
Special Purpose Funds:						
Adult Basic Education	645,000	-	-	645,000	377,304	267,696
At Risk (4 Year Old)	612,000	-	-	612,000	499,196	112,804
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	6,050,000	-	-	6,050,000	4,834,876	1,215,124
Bilingual Education	714,033	-	-	714,033	616,835	97,198
Virtual Education	6,627,300	-	-	6,627,300	5,315,032	1,312,268
Capital Outlay	14,935,000	-	-	14,935,000	5,326,028	9,608,972
Driver Training	141,000	-	-	141,000	24,015	116,985
Food Service	5,855,000	-	-	5,855,000	4,734,665	1,120,335
Professional Development	500,000	-	-	500,000	467,507	32,493
Parent Education Program	238,400	-	-	238,400	147,395	91,005
Summer School	151,551	-	-	151,551	10,590	140,961
Special Education	22,000,000	-	-	22,000,000	20,279,911	1,720,089
Cost of Living	1,290,950	-	-	1,290,950	1,290,950	-
Vocational Education	1,815,000	-	-	1,815,000	1,574,537	240,463
KPERs Special Retirement Contribution	6,887,726	-	-	6,887,726	6,206,550	681,176
Grants	2,439,614	-	-	2,439,614	2,396,045	43,569
Debt Service Funds:						
Bond and Interest	11,985,253	-	-	11,985,253	11,817,760	167,493
Special Assessment	275,000	-	-	275,000	67,689	207,311

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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	\$ 18,657,623	\$ 18,213,019	\$ 16,673,044	\$ 1,539,975
Delinquent tax	416,028	313,403	331,827	[18,424]
State Aid:				
Equalization aid	33,344,579	36,094,300	37,853,018	[1,758,718]
Juvenile detention center	218,443	159,661	-	159,661
Special education aid	11,033,284	10,868,507	11,663,000	[794,493]
Federal aid	27,579	-	-	-
Miscellaneous	18,869	23,412	-	23,412
Reimbursed expenses	345,868	1,324,281	-	1,324,281
Transfers in	3,000,000	-	-	-
Total Cash Receipts	<u>67,062,273</u>	<u>66,996,583</u>	<u>\$ 66,520,889</u>	<u>\$ 475,694</u>
Expenditures				
Instruction	25,414,039	28,264,601	\$ 31,448,779	\$ 3,184,178
Student support services	2,439,729	2,685,318	2,862,225	176,907
Instructional support	1,941,075	2,052,223	2,255,519	203,296
General administration	169,835	205,038	228,980	23,942
School administration	750,204	689,272	1,677,041	987,769
Operations and maintenance	7,337,109	7,578,938	7,662,538	83,600
Transportation	304,447	299,643	317,722	18,079
Other supplemental services	2,333,925	2,652,352	1,155,906	[1,496,446]
Transfers out	26,358,145	22,556,161	18,920,717	[3,635,444]
Adjustment to comply with legal max budget	-	-	[1,029,823]	[1,029,823]
Adjustment for qualifying budget credits	-	-	1,483,942	1,483,942
Total Expenditures	<u>67,048,508</u>	<u>66,983,546</u>	<u>\$ 66,983,546</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	13,765	13,037		
Unencumbered Cash, Beginning	<u>5,104</u>	<u>18,869</u>		
Unencumbered Cash, Ending	<u>\$ 18,869</u>	<u>\$ 31,906</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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	\$ 18,763,872	\$ 17,319,248	\$ 15,308,907	\$ 2,010,341
Delinquent tax	424,786	323,845	332,942	[9,097]
Motor vehicle tax	1,484,151	1,711,398	1,570,152	141,246
Reimbursed expenses	-	8,903	-	8,903
State aid	<u>2,676,426</u>	<u>3,485,668</u>	<u>3,578,468</u>	<u>[92,800]</u>
Total Cash Receipts	<u>23,349,235</u>	<u>22,849,062</u>	<u>\$ 20,790,469</u>	<u>\$ 2,058,593</u>
Expenditures				
Instruction	666,306	670,866	\$ 1,467,754	\$ 796,888
Student support services	93,349	82,977	134,150	51,173
Instructional support	738,564	857,134	898,750	41,616
General administration	329,085	338,229	318,500	[19,729]
School administration	3,530,178	3,958,398	3,144,600	[813,798]
Operations and maintenance	38,656	33,597	40,300	6,703
Transportation	1,673,728	1,713,431	1,800,000	86,569
Other supplemental services	2,502,859	2,736,544	2,984,350	247,806
Transfers out	12,806,747	12,562,282	12,472,568	[89,714]
Adjustment to comply with legal max budget	-	-	[316,417]	[316,417]
Adjustment for qualifying budget credits	-	-	8,903	8,903
Total Expenditures	<u>22,379,472</u>	<u>22,953,458</u>	<u>\$ 22,953,458</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	969,763	[104,396]		
Unencumbered Cash, Beginning	<u>1,434,171</u>	<u>2,403,934</u>		
Unencumbered Cash, Ending	<u>\$ 2,403,934</u>	<u>\$ 2,299,538</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Basic Education Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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	\$ 387,007	\$ 383,823	\$ 352,482	\$ 31,341
Delinquent tax	3,890	4,570	7,031	[2,461]
Motor vehicle tax	13,819	25,543	24,036	1,507
Federal aid	89,354	84,639	80,807	3,832
State aid	57,384	52,482	52,483	[1]
Reimbursed expenses	2,109	330	-	330
Miscellaneous	10,697	9,781	-	9,781
Total Cash Receipts	<u>564,260</u>	<u>561,168</u>	<u>\$ 516,839</u>	<u>\$ 44,329</u>
Expenditures				
Instruction	294,637	303,325	\$ 505,000	\$ 201,675
Student support services	19,399	18,520	31,000	12,480
Instructional support staff	41,836	37,308	109,000	71,692
Transfers out	12,853	18,151	-	[18,151]
Total Expenditures	<u>368,725</u>	<u>377,304</u>	<u>\$ 645,000</u>	<u>\$ 267,696</u>
Cash Receipts Over [Under] Expenditures	195,535	183,864		
Unencumbered Cash, Beginning	<u>170,098</u>	<u>365,633</u>		
Unencumbered Cash, Ending	<u>\$ 365,633</u>	<u>\$ 549,497</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 296,148	\$ 305,117	\$ -	\$ 305,117
Donations	100,000	-	-	-
Reimbursed expenses	-	1,212	-	1,212
Transfers in	<u>300,000</u>	<u>150,000</u>	<u>300,000</u>	<u>[150,000]</u>
Total Cash Receipts	<u>696,148</u>	<u>456,329</u>	<u>\$ 300,000</u>	<u>\$ 156,329</u>
Expenditures				
Instruction	335,545	331,096	\$ 471,000	\$ 139,904
Student support services	46,084	46,921	54,000	7,079
School administration	71,032	76,554	87,000	10,446
Transfers out	<u>40,893</u>	<u>44,625</u>	-	<u>[44,625]</u>
Total Expenditures	<u>493,554</u>	<u>499,196</u>	<u>\$ 612,000</u>	<u>\$ 112,804</u>
Cash Receipts Over [Under] Expenditures	202,594	[42,867]		
Unencumbered Cash, Beginning	<u>347,924</u>	<u>550,518</u>		
Unencumbered Cash, Ending	<u>\$ 550,518</u>	<u>\$ 507,651</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Supplemental Education Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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				
Instruction	-	-	\$ 25,981	\$ 25,981
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 25,981</u>	<u>\$ 25,981</u>
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>25,982</u>	<u>25,982</u>		
Unencumbered Cash, Ending	<u>\$ 25,982</u>	<u>\$ 25,982</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 5,254,200	\$ 5,962,717	\$ 5,639,173	\$ 323,544
Reimbursed expenses	-	9,793	-	9,793
Total Cash Receipts	<u>5,254,200</u>	<u>5,972,510</u>	<u>\$ 5,639,173</u>	<u>\$ 333,337</u>
Expenditures				
Instruction	4,024,516	4,405,322	\$ 6,050,000	\$ 1,644,678
Transportation	4,049	2,721	-	[2,721]
Transfers out	362,818	426,833	-	[426,833]
Total Expenditures	<u>4,391,383</u>	<u>4,834,876</u>	<u>\$ 6,050,000</u>	<u>\$ 1,215,124</u>
Cash Receipts Over [Under] Expenditures	862,817	1,137,634		
Unencumbered Cash, Beginning	<u>1,703,644</u>	<u>2,566,461</u>		
Unencumbered Cash, Ending	<u>\$ 2,566,461</u>	<u>\$ 3,704,095</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 597,240	\$ 613,312	\$ 613,312	\$ -
Reimbursed expenses	-	1,753	-	1,753
Total Cash Receipts	<u>597,240</u>	<u>615,065</u>	<u>\$ 613,312</u>	<u>\$ 1,753</u>
Expenditures				
Instruction	441,140	410,185	\$ 536,033	\$ 125,848
Student support services	73,626	87,167	79,000	[8,167]
Instructional support	83,790	55,408	99,000	43,592
Transfers out	49,560	64,075	-	[64,075]
Total Expenditures	<u>648,116</u>	<u>616,835</u>	<u>\$ 714,033</u>	<u>\$ 97,198</u>
Cash Receipts Over [Under] Expenditures	[50,876]	[1,770]		
Unencumbered Cash, Beginning	<u>150,661</u>	<u>99,785</u>		
Unencumbered Cash, Ending	<u>\$ 99,785</u>	<u>\$ 98,015</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 61,221	\$ -	\$ -	\$ -
Reimbursed expenses	-	4,076	-	4,076
Transfers in	<u>4,996,026</u>	<u>5,772,736</u>	<u>6,140,800</u>	<u>[368,064]</u>
Total Cash Receipts	<u>5,057,247</u>	<u>5,776,812</u>	<u>\$ 6,140,800</u>	<u>\$ [363,988]</u>
Expenditures				
Instruction	4,561,347	4,715,400	\$ 6,103,000	\$ 1,387,600
Student support services	6,514	6,163	17,000	10,837
Instructional support	7,341	24,171	12,000	[12,171]
School administration	418,849	374,294	430,000	55,706
Operations and maintenance	45,863	43,928	65,300	21,372
Transfers out	<u>134,019</u>	<u>151,076</u>	<u>-</u>	<u>[151,076]</u>
Total Expenditures	<u>5,173,933</u>	<u>5,315,032</u>	<u>\$ 6,627,300</u>	<u>\$ 1,312,268</u>
Cash Receipts Over [Under] Expenditures	[116,686]	461,780		
Unencumbered Cash, Beginning	<u>701,732</u>	<u>585,046</u>		
Unencumbered Cash, Ending	<u>\$ 585,046</u>	<u>\$ 1,046,826</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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	\$ 6,848,574	\$ 7,648,637	\$ 7,028,953	\$ 619,684
Delinquent tax	134,910	109,109	122,693	[13,584]
Motor vehicle tax	466,469	546,666	504,049	42,617
Investment income	3,695	15,532	20,000	[4,468]
Reimbursed expenses	259,211	61,208	-	61,208
Miscellaneous	1,894,581	703,414	2,500,000	[1,796,586]
Flood control	17,874	19,154	17,800	1,354
Total Cash Receipts	<u>9,625,314</u>	<u>9,103,720</u>	<u>\$ 10,193,495</u>	<u>\$ [1,089,775]</u>
Expenditures				
Instruction	2,005,650	941,073	\$ 3,000,000	\$ 2,058,927
Student support services	277	12,635	25,000	12,365
Instructional support	141,190	108,579	600,000	491,421
General administration	-	1,227	25,000	23,773
School administration	34,543	17,555	25,000	7,445
Operations and maintenance	487,999	393,882	300,000	[93,882]
Central support services	403,512	157,214	625,000	467,786
Other support services	129,183	108,069	75,000	[33,069]
Facility acquisition and construction services	<u>5,481,752</u>	<u>3,585,794</u>	<u>10,260,000</u>	<u>6,674,206</u>
Total Expenditures	<u>8,684,106</u>	<u>5,326,028</u>	<u>\$ 14,935,000</u>	<u>\$ 9,608,972</u>
Cash Receipts Over [Under] Expenditures	941,208	3,777,692		
Unencumbered Cash, Beginning	<u>4,460,028</u>	<u>5,401,236</u>		
Unencumbered Cash, Ending	<u>\$ 5,401,236</u>	<u>\$ 9,178,928</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Driver Training Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 11,280	\$ 10,695	\$ 36,000	\$ [25,305]
Charges for services	<u>25,718</u>	<u>21,638</u>	<u>50,000</u>	<u>[28,362]</u>
Total Cash Receipts	<u>36,998</u>	<u>32,333</u>	<u>\$ 86,000</u>	<u>\$ [53,667]</u>
Expenditures				
Instruction	24,892	20,967	\$ 90,125	\$ 69,158
Instructional support	488	826	10,875	10,049
Operations and maintenance	7,663	2,112	40,000	37,888
Transfers out	<u>111</u>	<u>110</u>	<u>-</u>	<u>[110]</u>
Total Expenditures	<u>33,154</u>	<u>24,015</u>	<u>\$ 141,000</u>	<u>\$ 116,985</u>
Cash Receipts Over [Under] Expenditures	3,844	8,318		
Unencumbered Cash, Beginning	<u>58,980</u>	<u>62,824</u>		
Unencumbered Cash, Ending	<u>\$ 62,824</u>	<u>\$ 71,142</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 2,627,145	\$ 2,669,134	\$ 2,356,574	\$ 312,560
State aid	49,015	46,809	42,632	4,177
Charges for services	2,055,603	1,890,049	2,679,416	[789,367]
Investment income	-	35	-	35
Total Cash Receipts	<u>4,731,763</u>	<u>4,606,027</u>	<u>\$ 5,078,622</u>	<u>\$ [472,595]</u>
Expenditures				
Food service operation	4,302,001	4,433,720	\$ 5,855,000	\$ 1,421,280
Transfers out	243,624	300,945	-	[300,945]
Total Expenditures	<u>4,545,625</u>	<u>4,734,665</u>	<u>\$ 5,855,000</u>	<u>\$ 1,120,335</u>
Cash Receipts Over [Under] Expenditures	186,138	[128,638]		
Unencumbered Cash, Beginning	<u>1,092,512</u>	<u>1,278,650</u>		
Unencumbered Cash, Ending	<u>\$ 1,278,650</u>	<u>\$ 1,150,012</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 30,996	\$ 560	\$ 25,000	\$ [24,440]
Reimbursed expenses	-	1,068	-	1,068
Donations	-	500	-	500
Transfers in	<u>293,669</u>	<u>513,347</u>	<u>219,000</u>	<u>294,347</u>
Total Cash Receipts	<u>324,665</u>	<u>515,475</u>	<u>\$ 244,000</u>	<u>\$ 271,475</u>
Expenditures				
Instructional support	328,712	463,928	\$ 493,250	\$ 29,322
Student support services	150	-	-	-
Other supplemental service	1,348	2,595	6,750	4,155
Transfers out	<u>592</u>	<u>984</u>	<u>-</u>	<u>[984]</u>
Total Expenditures	<u>330,802</u>	<u>467,507</u>	<u>\$ 500,000</u>	<u>\$ 32,493</u>
Cash Receipts Over [Under] Expenditures	[6,137]	47,968		
Unencumbered Cash, Beginning	<u>322,401</u>	<u>316,264</u>		
Unencumbered Cash, Ending	<u>\$ 316,264</u>	<u>\$ 364,232</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 104,495	\$ 126,962	\$ 126,962	\$ -
Donations	4,545	-	-	-
Miscellaneous	9,969	4,256	15,000	[10,744]
Transfers in	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total Cash Receipts	<u>137,009</u>	<u>149,218</u>	<u>\$ 159,962</u>	<u>\$ [10,744]</u>
Expenditures				
Support services	103,311	132,992	\$ 224,500	\$ 91,508
Instructional support staff	2,610	5,074	5,000	[74]
Operations and maintenance	7,258	-	-	-
Transfers out	<u>8,397</u>	<u>9,329</u>	<u>8,900</u>	<u>[429]</u>
Total Expenditures	<u>121,576</u>	<u>147,395</u>	<u>\$ 238,400</u>	<u>\$ 91,005</u>
Cash Receipts Over [Under] Expenditures	15,433	1,823		
Unencumbered Cash, Beginning	<u>69,639</u>	<u>85,072</u>		
Unencumbered Cash, Ending	<u>\$ 85,072</u>	<u>\$ 86,895</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Summer School Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 21,805	\$ 27,365	\$ -	\$ 27,365
Total Cash Receipts	<u>21,805</u>	<u>27,365</u>	<u>\$ -</u>	<u>\$ 27,365</u>
Expenditures				
Instruction	14,077	10,531	\$ 146,651	\$ 136,120
Student support services	-	-	2,200	2,200
Instructional support staff	3	8	2,700	2,692
Transfers out	61	51	-	[51]
Total Expenditures	<u>14,141</u>	<u>10,590</u>	<u>\$ 151,551</u>	<u>\$ 140,961</u>
Cash Receipts Over [Under] Expenditures	7,664	16,775		
Unencumbered Cash, Beginning	<u>143,887</u>	<u>151,551</u>		
Unencumbered Cash, Ending	<u>\$ 151,551</u>	<u>\$ 168,326</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 6,163	\$ 4,916	\$ 10,000	\$ [5,084]
Federal aid	2,306,761	2,375,686	3,005,392	[629,706]
Reimbursed expenses	799,689	1,181,934	250,000	931,934
Donations	-	1,043	-	1,043
Transfers in	17,189,119	16,611,246	16,963,000	[351,754]
Total Cash Receipts	<u>20,301,732</u>	<u>20,174,825</u>	<u>\$ 20,228,392</u>	<u>\$ [53,567]</u>
Expenditures				
Instruction	12,062,582	12,465,814	\$ 15,438,000	\$ 2,972,186
Student support services	2,706,691	2,700,045	3,215,000	514,955
Instructional support staff	570,100	629,110	822,000	192,890
Operations and maintenance	8,938	9,157	20,000	10,843
Vehicle operating services	2,366,768	2,503,635	2,500,000	[3,635]
Other supplemental services	-	-	5,000	5,000
Transfers out	1,708,629	1,972,150	-	[1,972,150]
Total Expenditures	<u>19,423,708</u>	<u>20,279,911</u>	<u>\$ 22,000,000</u>	<u>\$ 1,720,089</u>
Cash Receipts Over [Under] Expenditures	878,024	[105,086]		
Unencumbered Cash, Beginning	<u>8,914,857</u>	<u>9,792,881</u>		
Unencumbered Cash, Ending	<u>\$ 9,792,881</u>	<u>\$ 9,687,795</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Cost of Living Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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	\$ 1,099,387	\$ 1,021,139	\$ 1,005,747	\$ 15,392
Delinquent tax	28,297	20,494	19,425	1,069
Motor vehicle tax	<u>103,123</u>	<u>109,428</u>	<u>100,057</u>	<u>9,371</u>
Total Cash Receipts	<u>1,230,807</u>	<u>1,151,061</u>	<u>\$ 1,125,229</u>	<u>\$ 25,832</u>
Expenditures				
State payment	<u>1,276,842</u>	<u>1,290,950</u>	<u>\$ 1,290,950</u>	<u>\$ -</u>
Total Expenditures	<u>1,276,842</u>	<u>1,290,950</u>	<u>\$ 1,290,950</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	[46,035]	[139,889]		
Unencumbered Cash, Beginning	<u>211,757</u>	<u>165,722</u>		
Unencumbered Cash, Ending	<u>\$ 165,722</u>	<u>\$ 25,833</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Vocational Education Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Reimbursed expenses	\$ -	\$ 3,011	\$ -	\$ 3,011
Miscellaneous	-	13	-	13
Transfers in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Cash Receipts	<u>1,500,000</u>	<u>1,503,024</u>	<u>\$ 1,500,000</u>	<u>\$ 3,024</u>
Expenditures				
Instruction	1,256,858	1,379,845	\$ 1,649,000	\$ 269,155
Instructional support	94,437	77,422	124,300	46,878
Operations and maintenance	6,938	6,187	27,000	20,813
Other supplemental services	-	-	14,700	14,700
Transfers out	<u>95,515</u>	<u>111,083</u>	<u>-</u>	<u>[111,083]</u>
Total Expenditures	<u>1,453,748</u>	<u>1,574,537</u>	<u>\$ 1,815,000</u>	<u>\$ 240,463</u>
Cash Receipts Over [Under] Expenditures	46,252	[71,513]		
Unencumbered Cash, Beginning	<u>652,594</u>	<u>698,846</u>		
Unencumbered Cash, Ending	<u>\$ 698,846</u>	<u>\$ 627,333</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 6,798,202	\$ 6,206,550	\$ 6,887,726	\$ [681,176]
Total Cash Receipts	<u>6,798,202</u>	<u>6,206,550</u>	<u>\$ 6,887,726</u>	<u>\$ [681,176]</u>
Expenditures				
Instruction	4,752,747	4,305,625	\$ 4,778,172	\$ 472,547
Student support services	476,183	460,152	510,654	50,502
Instructional support	364,766	340,670	378,059	37,389
General administration	40,902	32,010	35,523	3,513
School administration	423,279	392,606	435,695	43,089
Operations and maintenance	237,565	225,116	249,823	24,707
Other supplemental services	296,182	284,699	315,945	31,246
Food service	206,578	165,672	183,855	18,183
Total Expenditures	<u>6,798,202</u>	<u>6,206,550</u>	<u>\$ 6,887,726</u>	<u>\$ 681,176</u>
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Reimbursements	\$ -	\$ 2,275
Transfers in	<u>4,853,447</u>	<u>-</u>
Total Cash Receipts	<u>4,853,447</u>	<u>2,275</u>
Expenditures		
Instruction	1,466,974	-
Student support services	144,688	-
Instructional support	169,131	-
General administration	3,163	-
School administration	89,776	-
Business services	28,127	-
Operations and maintenance	70,467	-
Food service operation	42,293	-
Student activities	2,646	4
Transfers out	<u>3,055,138</u>	<u>64,347</u>
Total Expenditures	<u>5,072,403</u>	<u>64,351</u>
Cash Receipts Over [Under] Expenditures	[218,956]	[62,076]
Unencumbered Cash, Beginning	<u>6,830,992</u>	<u>6,612,036</u>
Unencumbered Cash, Ending	<u>\$ 6,612,036</u>	<u>\$ 6,549,960</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Textbook Rental Fund *
Regulatory Basis
For the Year Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 314,773	\$ 35,552
Total Cash Receipts	<u>314,773</u>	<u>35,552</u>
 Expenditures		
Instruction	<u>407,351</u>	<u>609,737</u>
Total Expenditures	<u>407,351</u>	<u>609,737</u>
 Cash Receipts Over [Under] Expenditures	 [92,578]	 [574,185]
 Unencumbered Cash, Beginning	 <u>945,014</u>	 <u>852,436</u>
 Unencumbered Cash, Ending	 <u>\$ 852,436</u>	 <u>\$ 278,251</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Student Material Revolving Fund *
Regulatory Basis
For the Year Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 448,497	\$ 870,393
Total Cash Receipts	<u>448,497</u>	<u>870,393</u>
Expenditures		
Instruction	<u>375,697</u>	<u>353,520</u>
Total Expenditures	<u>375,697</u>	<u>353,520</u>
Cash Receipts Over [Under] Expenditures	72,800	516,873
Unencumbered Cash, Beginning	<u>654,481</u>	<u>727,281</u>
Unencumbered Cash, Ending	<u>\$ 727,281</u>	<u>\$ 1,244,154</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Grants Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal Aid:				
Title I	\$ 1,853,004	\$ 1,707,041	\$ 1,786,452	\$ [79,411]
Title II A - Improving Teacher Quality	273,311	470,990	401,389	69,601
Carl Perkins Vocational Act Program Improvement	81,965	77,220	-	77,220
Title III-English as a Second Language	45,545	16,578	30,000	[13,422]
Johnson O'Malley Grant	146,181	134,339	-	134,339
Total Federal Aid	2,400,006	2,406,168	2,217,841	188,327
Other Cash Receipts:				
Other grants and donations	20,448	16,469	230,000	[213,531]
Total Cash Receipts	2,420,454	2,422,637	\$ 2,447,841	\$ [25,204]
Expenditures				
Instruction	1,849,662	1,684,652	\$ 1,711,000	\$ 26,348
Student support services	108,969	74,407	99,014	24,607
Instructional support staff	220,717	210,595	541,000	330,405
General administration	84,852	64,704	88,600	23,896
Transportation	234,510	130,185	-	[130,185]
Transfers out	235,786	231,502	-	[231,502]
Total Expenditures	2,734,496	2,396,045	\$ 2,439,614	\$ 43,569
Cash Receipts Over [Under] Expenditures	[314,042]	26,592		
Unencumbered Cash, Beginning	296,766	[17,276]		
Unencumbered Cash, Ending	\$ [17,276]	\$ 9,316		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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	\$ 11,555,220	\$ 10,223,362	\$ 9,352,468	\$ 870,894
Delinquent tax	242,678	189,841	205,141	[15,300]
Motor vehicle tax	923,233	1,046,240	960,730	85,510
Miscellaneous	-	11,014	-	11,014
Investment income	15	18	-	18
Total Cash Receipts	<u>12,721,146</u>	<u>11,470,475</u>	<u>\$ 10,518,339</u>	<u>\$ 952,136</u>
Expenditures				
Bond principal	8,780,000	9,140,000	\$ 9,140,000	\$ -
Interest	3,213,873	2,677,760	2,844,253	166,493
Commissions	-	-	1,000	1,000
Total Expenditures	<u>11,993,873</u>	<u>11,817,760</u>	<u>\$ 11,985,253</u>	<u>\$ 167,493</u>
Cash Receipts Over [Under] Expenditures	727,273	[347,285]		
Unencumbered Cash, Beginning	<u>10,868,825</u>	<u>11,596,098</u>		
Unencumbered Cash, Ending	<u>\$ 11,596,098</u>	<u>\$ 11,248,813</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Assessment Fund
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	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	\$ 229,367	\$ 81,363	\$ 71,962	\$ 9,401
Delinquent tax	1,268	2,232	4,253	[2,021]
Motor vehicle tax	3,036	9,179	9,241	[62]
In lieu of taxes - I.R.B.'s	-	-	1,500	[1,500]
Total Cash Receipts	<u>233,671</u>	<u>92,774</u>	<u>\$ 86,956</u>	<u>\$ 5,818</u>
Expenditures				
Capital outlay	<u>96,415</u>	<u>67,689</u>	<u>\$ 275,000</u>	<u>\$ 207,311</u>
Total Expenditures	<u>96,415</u>	<u>67,689</u>	<u>\$ 275,000</u>	<u>\$ 207,311</u>
Cash Receipts Over [Under] Expenditures	137,256	25,085		
Unencumbered Cash, Beginning	<u>313,877</u>	<u>451,133</u>		
Unencumbered Cash, Ending	<u>\$ 451,133</u>	<u>\$ 476,218</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Capital Projects Fund *
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 72	\$ 368
Total Cash Receipts	<u>72</u>	<u>368</u>
Expenditures		
Instruction	-	716,036
Business services	33,474	51,764
Building repair and remodeling	<u>357,420</u>	<u>180,448</u>
Total Expenditures	<u>390,894</u>	<u>948,248</u>
Cash Receipts Over [Under] Expenditures	[390,822]	[947,880]
Unencumbered Cash, Beginning	<u>1,573,658</u>	<u>1,182,836</u>
Unencumbered Cash, Ending	<u>\$ 1,182,836</u>	<u>\$ 234,956</u>

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
School Workers' Compensation Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ 535,358	\$ 612,864
Reimbursed expenses	<u>9,895</u>	<u>3,355</u>
Total Cash Receipts	<u>545,253</u>	<u>616,219</u>
 Expenditures		
Instruction	349,015	283,381
Instructional support	610	3,315
General administration	<u>57,229</u>	<u>52,664</u>
Total Expenditures	<u>406,854</u>	<u>339,360</u>
 Cash Receipts Over [Under] Expenditures	 138,399	 276,859
 Unencumbered Cash, Beginning	 <u>1,763,448</u>	 <u>1,901,847</u>
 Unencumbered Cash, Ending	 <u>\$ 1,901,847</u>	 <u>\$ 2,178,706</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Health Care Services Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 1,417,564	\$ 1,737,087
Transfers in	6,576,734	6,761,058
Miscellaneous	<u>220,625</u>	<u>86,069</u>
Total Cash Receipts	<u>8,214,923</u>	<u>8,584,214</u>
Expenditures		
Group insurance	7,982,000	8,253,952
Other insurance services	<u>76,633</u>	<u>11,250</u>
Total Expenditures	<u>8,058,633</u>	<u>8,265,202</u>
Cash Receipts Over [Under] Expenditures	156,290	319,012
Unencumbered Cash, Beginning	<u>6,880,952</u>	<u>7,037,242</u>
Unencumbered Cash, Ending	<u>\$ 7,037,242</u>	<u>\$ 7,356,254</u>

* This fund is not required to be budgeted.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 497
 Fiduciary Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2013

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Lawrence High School							
Teen Suicide Prevention	\$ -	\$ -	\$ 550	\$ 550	\$ -	\$ -	\$ -
Heart of a Lion Fund	-	-	7,177	7,177	-	-	-
Testing	-	-	33,881	33,881	-	-	-
School District Landscaping	-	-	3,622	3,622	-	-	-
Jennifer Trapp Memorial	580	-	-	-	580	-	580
Central Middle School							
Tom Olin Memorial	172	-	-	14	158	-	158
Teresa Lail Memorial	258	-	-	-	258	-	258
Duver Memorial	927	-	-	71	856	-	856
Alicia A. Chavez Memorial Fund	2,272	-	-	54	2,218	-	2,218
South Middle School							
Alexander	713	-	-	713	-	-	-
Haskell CoOp	152	-	-	152	-	-	-
Optimists	46	-	-	46	-	-	-
McDonalds	202	-	-	202	-	-	-
Cougar Relief	-	-	4,986	4,986	-	-	-
West Middle School							
Wolf Creek Biology Donation	18	-	-	18	-	-	-
Opportunity West	11,868	-	11,754	23,622	-	-	-
Carson Memorial	961	-	3	964	-	-	-
Cunningham Memorial	1,948	-	-	1,948	-	-	-
Lawrence Public Schools							
Memorial Funds	226,888	-	1,053	3,420	224,521	1,020	225,541
Local Donations Fund	470,357	-	270,630	265,612	475,375	62,510	537,885
Total Other Private Purpose Trust Funds	<u>\$ 717,362</u>	<u>\$ -</u>	<u>\$ 333,656</u>	<u>\$ 347,052</u>	<u>\$ 703,966</u>	<u>\$ 63,530</u>	<u>\$ 767,496</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2013

FUNDS	Beginning Cash			Ending Cash
	<u>Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance</u>
ELEMENTARY SCHOOLS				
Cordley Elementary				
Student Council	\$ 135	\$ -	\$ -	\$ 135
Just Say No Club	1	-	-	1
Library Media	-	172	172	-
Cordley Instructional Enhancement	-	2,196	2,196	-
Chess Club	-	12	12	-
Yearbook	750	1,871	2,645	[24]
Total Cordley Activity Funds	886	4,251	5,025	112
Deerfield Elementary				
Student Council	-	1,263	1,263	-
CCM Rebate	5	-	5	-
Picture Fund	-	1,730	1,730	-
Coke Machine	326	739	1,065	-
Yearbook	-	3,441	3,441	-
Total Deerfield Activity Funds	331	7,173	7,504	-
Hillcrest Elementary				
8th Grade Trip	-	805	805	-
Total Hillcrest Activity Funds	-	805	805	-
Kennedy Elementary				
Library Media	-	79	79	-
Total Kennedy Activity Funds	-	79	79	-
Langston Hughes Elementary				
Field Trips	-	4,764	4,764	-
Library Media	-	151	151	-
Recorder Fund	-	199	199	-
Total Langston Hughes Activity Funds	-	5,114	5,114	-
Prairie Park Elementary				
Student Council	1,617	3,651	3,616	1,652
Total Prairie Park Activity Funds	1,617	3,651	3,616	1,652
Schwegler Elementary				
Field Trips	-	335	335	-
Yearbook	-	2,468	2,468	-
Library	-	138	138	-
Total Schwegler Activity Funds	-	2,941	2,941	-
Sunflower Elementary				
Student Council	1,810	1,564	1,237	2,137
Library Fund	-	75	75	-
Picture Fund	-	3,227	3,227	-
Total Sunflower Activity Funds	1,810	4,866	4,539	2,137
Sunset Hill Elementary				
Student Council	267	-	267	-
Field Trip Activities	-	610	610	-
Picture Fund	-	40	40	-
Total Sunset Hill Activity Funds	267	650	917	-
Woodlawn Elementary				
Pop Fund	-	260	260	-
Lost Library Books	-	5	5	-
Student Council	112	-	-	112
Total Woodlawn Activity Funds	112	265	265	112
Total Elementary School Activity Funds	5,023	29,795	30,805	4,013

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2013

FUNDS	Beginning Cash Balance	Receipts	Expenditures	Ending Cash Balance
MIDDLE SCHOOLS				
Central Middle School				
Chess Club	\$ 235	\$ -	\$ -	\$ 235
Excalibur	3,182	1,557	1,120	3,619
Freshman Fund	197	-	-	197
Garden Club	1,286	320	590	1,016
History Day	2,448	-	125	2,323
Pep Club	1,250	2,491	2,349	1,392
Sales Tax	-	877	877	-
Speech and Drama	1,706	2,481	3,199	988
Student Council	1,391	1,634	1,744	1,281
Red Ribbon	310	-	-	310
National Junior Honor Society	329	-	-	329
Yearbook	913	3,319	4,232	-
Total Central Middle School Activity Funds	13,247	12,679	14,236	11,690
South Middle School				
Junior Players	2,181	5,220	4,109	3,292
Car Club	47	-	47	-
International Club	754	-	-	754
Adventure Club	3,541	8,544	7,001	5,084
Physical Education	1,759	-	1,416	343
Student Council	5,675	9,911	10,446	5,140
Yearbook	452	8,932	9,194	190
South Singers	-	5,439	2,544	2,895
Cheerleaders	-	362	228	134
Band	225	539	494	270
Orchestra	5,472	8,259	8,775	4,956
Black Male Brothers	703	25	40	688
Women of Color	806	2,276	2,699	383
Garden Club	-	815	-	815
Honor the Circle	158	-	-	158
Total South Middle School Activity Funds	21,773	50,322	46,993	25,102
Southwest Middle School				
Student Council	1,346	12,653	6,090	7,909
Stuco T-Shirt Account	4,498	-	3,896	602
Cheerleaders	-	341	341	-
Chess Club	1,391	953	669	1,675
Future City Group	844	1,100	353	1,591
Math Club	139	150	-	289
Garden Club	665	1,883	444	2,104
Volleyball	-	562	562	-
Game Day Shirts/Athletics	-	2,042	2,042	-
BelCanto	-	13,495	13,495	-
Yearbook	-	17,366	17,366	-
Drama	-	8,048	8,048	-
Sixth Grade Activities	-	544	544	-
Seventh Grade Activities	-	1,466	1,466	-
Enrichment	-	3,554	3,554	-
ER	-	1,807	1,807	-
Newspaper	-	22	22	-
International Club	217	-	86	131
SPED Project	-	43	43	-
SW Business Partners	-	2,404	2,404	-
Band	-	3,086	3,086	-
Orchestra	-	896	896	-
Student Assistance	-	51	51	-
Library Book Fair/Fines	-	2,173	2,173	-
Global Studies	-	829	829	-
ID Supplies	-	3,086	3,086	-
Total Southwest Middle School Activity Funds	9,100	78,554	73,353	14,301

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2013

FUNDS	Beginning Cash Balance	Receipts	Expenditures	Ending Cash Balance
MIDDLE SCHOOLS (Continued)				
West Middle School				
Applebee's Fundraiser	\$ -	\$ 576	\$ 576	\$ -
Cheerleading Club	698	430	140	988
Speech and Drama	955	4,595	2,509	3,041
Student Council	2,977	9,155	9,450	2,682
Yearbook	4,546	6,755	6,150	5,151
Chorale	3,876	9,301	11,259	1,918
Instrumental Music	34	1,011	707	338
Carnival Fundraiser from POWW	-	4,352	4,352	-
Morgenroth Band	231	3,260	3,482	9
Library Book Fund	14	-	-	14
Track	558	1,778	1,697	639
Gifted	1,071	264	762	573
Principal's Fund	94	100	20	174
8th Grade Boys Basketball Fund	41	1,458	-	1,499
8th Grade Football Fund	27	1,073	1,100	-
Magazine Fundraiser	-	15,018	15,018	-
Sport's Cup Fundraiser/Scholastic Fund	-	-	-	-
Wrestling Club	153	268	254	167
8th Grade Team Activities	-	929	152	777
7th Grade Team Activities	5	3,439	1,638	1,806
6th Grade Team Activities	-	2,417	1,374	1,043
Scholastic Book Fair	-	1,226	1,226	-
Functional Skills Projects	36	-	36	-
Total West Middle School Activity Funds	15,316	67,405	61,902	20,819
Total Middle School Activity Funds	59,436	208,960	196,484	71,912
HIGH SCHOOLS				
Lawrence High School				
Alliance for Social Awareness	122	-	-	122
American Indian Club	14	-	-	14
Amnesty International Club	29	-	-	29
Auto Club	1,654	-	408	1,246
Aviation Club	108	-	-	108
Bike Club	51	-	-	51
Biology Club	105	-	-	105
Black American Club	160	-	-	160
Business Professionals	44	-	-	44
Chess Club	791	-	720	71
Class of 2011	2,996	-	-	2,996
Class of 2012	595	-	-	595
Class of 2013	307	-	-	307
Computer Club	91	-	-	91
Disc Golf Club	29	-	-	29
DECA Lion's Den Merchandise	1,212	607	1,630	189
DECA Club	346	2,781	2,549	578
DECA Chesty's Brew	284	-	5	279
Environmental Club	448	-	35	413
Ewertmania	22	-	-	22
FCCLA	-	750	227	523
Fellowship of Christian Athletes	76	-	57	19
French Club	366	-	-	366
Future Farmers of America	270	57	240	87
Game Club	193	-	-	193
Geography Club	115	-	-	115
German Club	625	-	-	625
Graffiti Magazine	48	-	-	48
GCTL/FYI	152	2,222	994	1,380
International Club	1,476	-	-	1,476
Jewelry Shop	952	-	-	952
Key Club	437	-	-	437
Latin Club	3,341	16,769	19,352	758
Latin Club - Courtyard	3	-	-	3
Media Club	289	-	-	289
National Art Honor Society	47	-	-	47
National Honor Society	2,523	990	1,483	2,030
Outdoor Leadership Experience	2	-	-	2
Ski Club	25	-	-	25
Spanish Club	101	20	114	7
Subtotals to Schedule 4, page 4 of 5	20,449	24,196	27,814	16,831

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2013

FUNDS	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Cash <u>Balance</u>
HIGH SCHOOLS (Continued)				
Lawrence High School				
Subtotals from Schedule 4, page 3 of 5	\$ 20,449	\$ 24,196	\$ 27,814	\$ 16,831
Student Council	8,094	23,005	26,154	4,945
Table Tennis Club	40	-	-	40
Teachers of Tomorrow	74	-	-	74
Theater Drama Club	1,310	-	-	1,310
VICA/CIT	2,808	-	-	2,808
Writers Club	1	-	-	1
Y.E.K.	1	-	-	1
Young Democrats	63	-	-	63
Youth in Local Government	137	-	-	137
Intramurals	-	1,800	1,800	-
Cap N Gown	-	18,420	18,420	-
C.P. Engineering Competition	-	619	619	-
Culinary	-	249	249	-
CloseUp Foundation	-	66	66	-
Hip Hop/Step	-	69	69	-
Breakfast By Gentleman	-	48	48	-
Diplomas, Past Years	-	170	170	-
Directed Studies	-	77	77	-
Film Festival/Showtime	-	3,050	3,050	-
F&CS Interior Design Proj.	-	30	30	-
French IV Trip	-	2	2	-
History Day Competition	-	4,472	4,472	-
Heritage Panel	-	200	200	-
Lions Pride	-	8,052	8,052	-
Lions Pride - Pop Machines	-	3,322	3,322	-
Lions Pride - Tailgate Crew	-	3	3	-
Link Crew	-	637	637	-
Mock Trial	-	125	125	-
Model UN	-	8,525	8,525	-
Math Problem Solving	-	473	473	-
Music Student Accounts	-	99,610	99,610	-
Robotics	-	786	786	-
Nurse Supply	-	96	96	-
Gala	-	11,350	11,350	-
Student Planners	-	2,333	2,333	-
At Risk	-	434	434	-
Welding Projects	-	586	586	-
Woodshop Projects	-	1,060	1,060	-
Baseball Program	-	37,816	37,816	-
Softball Program	-	854	854	-
Boys Basketball Program	-	5,279	5,279	-
Girls Basketball Program	-	3,012	3,012	-
Volleyball Program	-	2,514	2,514	-
Cross Country Program	-	1,547	1,547	-
Tennis Program	-	1,279	1,279	-
Girls Soccer Program	-	724	724	-
Boys Soccer Program	-	7,871	7,871	-
Leadership Symposium	-	2,106	2,106	-
Total Lawrence High Activity Funds	<u>32,977</u>	<u>276,867</u>	<u>283,634</u>	<u>26,210</u>
Free State High School				
Bike Club	42	-	-	42
Badminton Club	4	-	-	4
Interfaith Forum	133	-	133	-
Geography Club	103	8,670	8,773	-
Free State Yoga Club	64	-	15	49
Book Club	-	250	110	140
Business Professionals	1,996	929	2,455	470
Chess Club	136	510	550	96
Class of 2001	500	-	-	500
Class of 2003	500	-	500	-
Class of 2004	500	-	-	500
Class of 2005	500	-	-	500
Class of 2006	500	-	-	500
Class of 2007	500	-	-	500
Class of 2008	500	-	-	500
Class of 2009	500	-	-	500
Class of 2010	5,716	-	-	5,716
Class of 2012	1,476	-	-	1,476
Class of 2013	214	5,155	4,524	845
Class of 2014	214	68	179	103
Class of 2015	214	-	46	168
Computer Club	344	-	-	344
Diversity Club	60	128	131	57
Future Farmers of America	689	12,407	10,127	2,969
French Club	198	-	-	198
Advanced Placement /Knowledge Master	1,000	-	-	1,000
GCTL/FYI	851	4,102	3,594	1,359
Key Club	199	889	415	673
Film Club	6,309	2,080	1,644	6,745
Math Team	234	237	212	259
National Honor Society	3,636	5,191	6,644	2,183
Anime	72	64	-	136
Subtotals to Schedule 4, page 5 of 5	<u>27,904</u>	<u>40,680</u>	<u>40,052</u>	<u>28,532</u>

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2013

FUNDS	Beginning Cash	Receipts	Expenditures	Ending Cash
	Balance			Balance
HIGH SCHOOLS (Continued)				
Free State High School	\$ 27,904	\$ 40,680	\$ 40,052	\$ 28,532
Subtotals from Schedule 4, page 4 of 5	6	-	-	6
Spanish Club	17	-	-	17
Philosophy Club	167	-	-	167
Native American Club	5	224	61	168
Hype Inc.	43	649	537	155
Science Olympiad	12,264	10,702	10,820	12,146
Student Council	-	1,442	783	659
Family Career & Community Leaders of America	70	1,442	694	818
Thespians	301	526	511	316
Tolkien Club	-	327	327	-
Pre-Med Club	78	48	25	101
Environmental Club	2,601	900	1,381	2,120
VICA/CIT	2,007	-	2,007	-
Social Awareness Club	34	-	-	34
Sweater Club	452	34	-	486
Writers Club	97	-	-	97
Young Democrats Club	16,051	23,442	21,449	18,044
Baseball Account	-	11,144	11,144	-
Cap & Gown Rental	2,038	250	165	2,123
Camera Rental & Repair	410	24,377	24,698	89
Model UN	3,967	24,250	20,105	8,112
Free State Football	5,056	20,326	23,793	1,589
Free State Boys Soccer	1,234	899	2,044	89
Firebird Fund	396	-	-	396
Engineering Club - Special Projects	-	22,674	22,609	65
Free State Girls Soccer	1,827	6,641	6,086	2,382
Free State Girls Basketball	2,333	2,385	500	4,218
Parking Fines	185	4,972	3,795	1,362
Free State Boys Basketball	2,461	63	-	2,524
Student Planners	1,161	32,316	29,956	3,521
Free State Cross Country/Track	-	527	520	7
Free State Boys Tennis	-	57	-	57
Special Education	103	308	-	411
Free State Girls Tennis	200	-	-	200
Kelly Petry - Firebird Brick Fund	23	1,247	730	540
Golf	1,130	748	1,635	243
Girls Golf	1	-	1	-
Weight & Film Room	773	-	-	773
Battle of the Bands	648	50	88	610
Grounds Beautification	3	-	3	-
DECA Student Trips	125	3,247	2,359	1,013
Green & Silver	1,639	1,740	2,392	987
LINK	-	268	268	-
Autism	43	-	-	43
Freddie's Friends	1,141	2,525	3,230	436
SLEIPS	-	10,786	9,712	1,074
Free State Football (Additional)	11,075	14,165	12,891	12,349
Free State Softball	9,475	42,415	41,256	10,634
Testing Fund	711	436	5	1,142
Jewelry/Metal	-	8,280	2,119	6,161
Band Program (Additional)	-	2,721	952	1,769
Baseball (Additional)	111	-	-	111
Gay/Straight Alliance	-	56	-	56
Welding/Industrial Technology	-	5,644	5,644	-
Workbooks	392	2,029	2,166	255
Free State Wrestling	221	32	-	253
Cartridge Recyclers	1,306	3,554	2,106	2,754
Volleyball	429	1,500	1,615	314
Winter Game Intramurals	-	2,847	2,847	-
Winter Classic Program	967	-	500	467
Firebird Pride	82	679	398	363
The Early Bird	-	1,405	1,093	312
Renaissance Committee	1,205	-	1,205	-
Track Special Program	1,274	3,008	3,068	1,214
Bowling	563	76	69	570
Photo Enrichment	1,408	6,777	6,635	1,550
Girls Swim/Dive	933	6,752	6,199	1,486
Boys Swim/Dive	-	13,962	13,562	400
River City Baseball	400	-	-	400
CORE/DUB Club	-	34,740	34,740	-
Sales Tax	-	-	-	-
Total Free State High Activity Funds	119,546	403,294	383,550	139,290
Total High School Activity Funds	152,523	680,161	667,184	165,500
Total Student Activity Funds	216,982	918,916	894,473	241,425
OTHER AGENCY FUNDS				
Sales Tax Fund	9,529	49,975	47,559	11,945
Health Reimbursement Account Fund	206,663	10,927	120,903	96,687
School and District Accounts	14,614	940,631	942,857	12,388
Payroll Clearing Fund	[1,705,138]	80,108,407	80,193,535	[1,790,266]
Concessions Fund	447	-	80	367
Total Other Agency Funds	[1,473,885]	81,109,940	81,304,934	[1,668,879]
Total Agency Funds	\$ [1,256,903]	\$ 82,028,856	\$ 82,199,407	\$ [1,427,454]

SCHEDULE 5

UNIFIED SCHOOL DISTRICT NO. 497
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2013

<u>FUNDS</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Lawrence High School							
Activity Tickets and Other	\$ -	\$ -	\$ 37,071	\$ 37,071	\$ -	\$ -	\$ -
Athletics	-	-	117,234	117,234	-	-	-
Band	-	-	17,587	17,587	-	-	-
NSF Rebate	-	-	767	767	-	-	-
Theater/Showtime	-	-	33,928	33,928	-	-	-
Free State High School							
Activity Tickets and Other	-	-	30,535	30,535	-	-	-
Athletics	-	-	203,249	203,249	-	-	-
Band	-	-	5,350	5,350	-	-	-
Encore	-	-	46,127	46,127	-	-	-
Vocal	42	-	70,541	70,583	-	-	-
Central Middle School							
Gate Receipts	-	-	6,465	6,465	-	-	-
South Middle School							
Gate Receipts	-	-	5,950	5,950	-	-	-
Southwest Middle School							
Gate Receipts	-	-	12,244	12,244	-	-	-
West Middle School							
Gate Receipts	10	-	7,606	7,616	-	-	-
Total District Activity Funds	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 594,654</u>	<u>\$ 594,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Interior</u>					
Indian Education Assistance to Schools	15.130	\$ [6,825]	\$ 134,339	\$ 147,543	\$ [20,029]
Total Direct U.S. Department of Interior		<u>[6,825]</u>	<u>134,339</u>	<u>147,543</u>	<u>[20,029]</u>
<u>U.S. Department of Education</u>					
Passed Through Kansas State Department of Education					
Title I Grants to Local Educational Agencies	84.010	[27,937]	1,694,545	1,671,312	[4,704]
Title I Grants to Local Educational Agencies (ARRA)	84.389	-	12,496	12,496	-
Special Education Grants to States	84.027	-	2,213,595	2,213,595	-
Special Education Discretionary	84.027	1,379	100,038	101,417	-
Vocational Education Basic Grants to States	84.048	1,575	77,220	78,314	481
Special Education Preschool Grants	84.173	-	62,053	62,053	-
Title VI State Assessments	34.369	-	106	106	-
English Language Acquisition Grants	84.365	[2,208]	16,578	46,348	[31,978]
Improving Teacher Quality State Grants	84.367	16,767	470,990	423,563	64,194
Total Direct or Passed Through Kansas State Department of Education		<u>[10,424]</u>	<u>4,647,621</u>	<u>4,609,204</u>	<u>27,993</u>
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
Youth Risk Behavior Survey	93.938	424	1,000	1,424	-
Total U.S. Department of Health and Human Services Passed Through Kansas Department of Education		<u>424</u>	<u>1,000</u>	<u>1,424</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
School Breakfast Program	10.553	-	466,377	466,377	-
National School Lunch Program	10.555	-	2,071,092	2,071,092	-
Summer Food Service Program for Children	10.559	-	131,665	131,665	-
Team Nutrition Training Grant	10.574	-	435	435	-
Food Backpacks	10.579	-	46,555	46,555	-
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		<u>-</u>	<u>2,716,124</u>	<u>2,716,124</u>	<u>-</u>
Total		<u>\$ [16,825]</u>	<u>\$ 7,499,084</u>	<u>\$ 7,474,295</u>	<u>\$ 7,964</u>

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

1. General

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

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 497
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory 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: Unmodified

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>
10.553, 10.555, 10.559	Child Nutrition Cluster

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

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

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, and the Kansas Municipal Audit and Accounting Guide issued by the Comptroller General of the United States, the financial statements of the Unified School District No. 497, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 14, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain other matters that we reported to management of the District in a separate letter dated November 14, 2013.

Purpose of this Report

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

Mike Houser: Company PA

November 14, 2013



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

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 497, (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

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

Mig Houser: Company PA

November 14, 2013