

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
ANDOVER, KANSAS**

**FINANCIAL STATEMENTS
JUNE 30, 2008**

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
TABLE OF CONTENTS
JUNE 30, 2008

	<u>Page</u>
Financial Statements	
Independent Auditors' Report	1 – 2
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	3
Summary of Expenditures - Actual and Budget	4
Statement of Cash Receipts and Expenditures - Actual and Budget	
General Fund	5
Supplemental General Fund	6
At Risk Fund (4 Year Old)	7
At Risk Fund (K-12)	8
Bilingual Education Fund	9
Capital Outlay Fund	10
Driver Training Fund	11
Food Service Fund	12
Professional Development Fund	13
Summer School Fund	14
Special Education Fund	15
Vocational Education Fund	16
KPERs Contribution Fund	17
Bond and Interest Fund	18
Statement of Cash Receipts and Expenditures - Actual	
Federal Funds	19
Gifts & Grants Fund	20
Contingency Reserve Fund	21
Textbook Rental Fund	22
Statement of Cash Receipts and Expenditures - Capital Projects	23
Statement of Cash Receipts and Cash Disbursements	
Agency Funds	24 – 34
Statement of Changes in Long-Term Debt	35
Schedule of Maturity of Long-Term Debt	36
Statement of Cash Receipts, Expenditures, and Unencumbered Cash	
District Activity Funds	37 – 46
Notes to Financial Statements	47 – 54
Federal Award Information	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	55 – 56
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	57 – 58
Schedule of Expenditures of Federal Awards	59
Notes to Schedule of Expenditures of Federal Awards	60
Schedule of Findings and Questioned Costs	61
Schedule of Prior Year Findings and Questioned Costs	62



BUSBY SMITH & FORD LLC

CERTIFIED PUBLIC ACCOUNTANTS/CONSULTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

We have audited the accompanying financial statements of **Andover Unified School District No. 385, Andover, Kansas**, as of and for the year ended **June 30, 2008**, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative financial information has been derived from the District's 2007 financial statements and, in our report dated November 16, 2007, we expressed an unqualified opinion on the financial statements taken as a whole.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, **Andover Unified School District No. 385, Andover, Kansas**, has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Andover Unified School District No. 385, Andover, Kansas**, as of **June 30, 2008**, or changes in the financial position for the year then ended.

**Board of Education
Andover Unified School District No. 385**

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of **Andover Unified School District No. 385, Andover, Kansas**, as of **June 30, 2008**, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2008, on our consideration of **Andover Unified School District No. 385, Andover, Kansas**' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of **Andover Unified School District No. 385, Andover, Kansas**, taken as a whole. 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 has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Busby Smith & Ford, LLC
Busby Smith & Ford, LLC
November 20, 2008

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance	
								\$
General Fund	\$ (1,401,144)	\$ 1,350	\$ 24,129,368	\$ 24,543,940	\$ (1,814,366)	\$ 139,922	\$ (1,674,444)	
Special Revenue Funds								
Supplemental General At Risk (4 Year Old)	(45,128)	0	7,358,494	7,379,410	(66,044)	72,083	6,039	
At Risk (K-12)	0	0	113,049	113,042	7	459	466	
Bilingual Education	59,116	0	625,827	680,786	4,157	1,953	6,110	
Capital Outlay	12,083	0	66,293	76,910	1,466	0	1,466	
Driver Training	1,685,283	12,864	2,911,491	2,834,937	1,774,701	359,985	2,134,686	
Food Service	35,345	75	70,425	57,469	48,376	76	48,452	
Professional Development	74,102	0	1,889,890	1,929,848	34,144	71,402	105,546	
Summer School	6,533	0	128,093	120,000	14,626	16,927	31,553	
Special Education	47,388	0	29,368	49,977	26,779	0	26,779	
Vocational Education	176,663	0	3,439,540	3,608,362	7,841	0	7,841	
KPERS Contribution	0	0	343,447	343,447	0	0	0	
Federal Funds	0	0	1,404,192	1,404,192	0	0	0	
Gifts and Grants Fund	9,700	31	300,385	310,090	26	7,750	7,776	
Contingency Reserve	43,294	0	50,494	70,342	23,446	7,595	31,041	
Textbook Rental	704,028	0	0	0	704,028	0	704,028	
District Activity Funds	152,528	0	799,526	909,171	42,883	337,526	380,409	
Debt Service Funds	284,230	0	698,311	702,539	280,002	0	280,002	
Bond and Interest	4,563,527	0	6,438,793	6,814,847	4,187,473	0	4,187,473	
Capital Projects	4,688,500	0	883,590	3,036,494	2,535,596	5,163,921	7,699,517	
	\$ 11,096,048	\$ 14,320	\$ 51,680,576	\$ 54,985,803	\$ 7,805,141	\$ 6,179,599	\$ 13,984,740	
Composition of Cash:								
Checking and Money Market Accounts							\$ 14,143,588	
Certificates of Deposit							66,753	
Agency Funds							14,210,341	
							(225,601)	
							\$ 13,984,740	

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008**

Fund	Certified Budget	Adjustment to		Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
		Legal Max	Comply with	Qualifying Budget Credits	Chargeable to Current Year			
General Fund	\$ 24,953,670	\$ (818,375)	\$	408,717	\$	24,544,012	\$ 24,543,940	\$ 72
Special Revenue Funds	7,399,496	(158,907)		138,821		7,379,410	7,379,410	0
Supplemental General	117,228	0		0		117,228	113,042	4,186
At Risk (4 Year Old)	785,570	0		0		785,570	680,786	104,784
At Risk (K-12)	79,620	0		0		79,620	76,910	2,710
Bilingual Education	3,037,747	0		0		3,037,747	2,834,937	202,810
Capital Outlay	65,550	0		0		65,550	57,469	8,081
Driver Training	2,080,269	0		0		2,080,269	1,929,848	150,421
Food Service	120,000	0		0		120,000	120,000	0
Professional Development	59,527	0		0		59,527	49,977	9,550
Summer School	3,585,162	0		27,200		3,612,362	3,608,362	4,000
Special Education	371,870	0		0		371,870	343,447	28,423
Vocational Education	1,586,045	0		0		1,586,045	1,404,192	181,853
KPERS Contribution	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	310,090	XXXXXXXXXX
Federal Funds	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	70,342	XXXXXXXXXX
Gifts and Grants Fund	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	0	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	909,171	XXXXXXXXXX
Textbook Rental	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	702,539	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX		
Debt Service Funds								
Bond and Interest	6,814,847	0		0		6,814,847	6,814,847	0
Capital Projects	XXXXXXXXXX	XXXXXXXXXX		XXXXXXXXXX		XXXXXXXXXX	3,036,494	XXXXXXXXXX
	\$ 51,056,601	\$ (977,282)	\$	574,738	\$	50,654,057	\$ 54,985,803	\$ 696,890

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 4,001,805	\$ 4,439,137	\$ 4,100,939	\$ 338,198
County Sources	13,816	7,114	0	7,114
State Sources	18,461,254	19,671,302	20,815,365	(1,144,063)
Federal Sources	9,129	11,815	0	11,815
	<u>22,486,004</u>	<u>24,129,368</u>	<u>\$ 24,916,304</u>	<u>\$ (786,936)</u>
Expenditures				
Instruction	13,728,598	13,291,201	\$ 14,184,393	\$ 893,192
Student Support Services	935,403	1,004,093	971,639	(32,454)
Instructional Support Staff	616,837	701,035	656,026	(45,009)
School Administration	1,739,305	2,003,922	2,014,720	10,798
Operations & Maintenance	1,584,075	1,748,874	1,710,262	(38,612)
Student Transportation Services	759,012	958,697	1,073,386	114,689
Other Supplemental Services	68,993	77,126	18,239	(58,887)
Transfers	2,976,285	4,758,992	4,325,005	(433,987)
Adjustment to Comply with Legal Max	0	0	(818,375)	(818,375)
Adjustment for Qualifying Budget Credits	0	0	408,717	408,717
	<u>22,408,508</u>	<u>24,543,940</u>	<u>\$ 24,544,012</u>	<u>\$ 72</u>
Receipts Over (Under) Expenditures	77,496	(414,572)		
Unencumbered Cash, Beginning	(1,481,491)	(1,401,144)		
Prior Year Canceled Encumbrances	<u>2,851</u>	<u>1,350</u>		
Unencumbered Cash, Ending	<u>\$ (1,401,144)</u>	<u>\$ (1,814,366)</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Supplemental General Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 3,117,019	\$ 3,390,312	\$ 3,226,738	\$ 163,574
County Sources	410,818	469,962	426,938	43,024
State Sources	3,108,118	3,498,220	3,531,779	(33,559)
	6,635,955	7,358,494	\$ 7,185,455	\$ 173,039
Expenditures				
Instruction	1,002,012	2,362,812	\$ 2,614,631	\$ 251,819
General Administration	1,402,237	1,615,900	1,374,924	(240,976)
School Administration	6,110	3,421	0	(3,421)
Operations & Maintenance	1,530,428	1,788,718	1,937,452	148,734
Other Supplemental Services	665,230	864,913	735,803	(129,110)
Transfers	2,062,454	743,646	736,686	(6,960)
Adjustment to Comply with Legal Max	0	0	(158,907)	(158,907)
Adjustment for Qualifying Budget Credits	0	0	138,821	138,821
	6,668,471	7,379,410	\$ 7,379,410	\$ 0
Receipts Over (Under) Expenditures	(32,516)	(20,916)		
Unencumbered Cash, Beginning	(12,738)	(45,128)		
Prior Year Canceled Encumbrances	126	0		
Unencumbered Cash, Ending	\$ (45,128)	\$ (66,044)		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>At Risk Fund (4 Year Old)</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 100,442	\$ 113,049	\$ 100,442	\$ 12,607
	100,442	113,049	\$ 100,442	\$ 12,607
Expenditures				
Instruction	78,099	88,870	\$ 93,303	\$ 4,433
Instructional Support Staff	19,885	22,979	21,925	(1,054)
Student Transportation Services	708	0	0	0
Other Supplemental Services	1,750	1,193	2,000	807
	100,442	113,042	\$ 117,228	\$ 4,186
Receipts Over (Under) Expenditures	0	7		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 0	\$ 7		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>At Risk Fund (K-12)</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 408,751	\$ 625,827	\$ 735,114	\$ (109,287)
	408,751	625,827	\$ 735,114	\$ (109,287)
Expenditures				
Instruction	439,296	667,492	\$ 776,511	\$ 109,019
Student Transportation Services	6,027	8,313	6,507	(1,806)
Other Supplemental Services	2,451	4,981	2,552	(2,429)
	447,774	680,786	\$ 785,570	\$ 104,784
Receipts Over (Under) Expenditures	(39,023)	(54,959)		
Unencumbered Cash, Beginning	98,039	59,116		
Prior Year Canceled Encumbrances	100	0		
Unencumbered Cash, Ending	\$ 59,116	\$ 4,157		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Bilingual Education Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 60,526	\$ 66,293	\$ 58,979	\$ 7,314
	60,526	66,293	\$ 58,979	\$ 7,314
Expenditures				
Instruction	48,443	76,910	\$ 79,620	\$ 2,710
	48,443	76,910	\$ 79,620	\$ 2,710
Receipts Over (Under) Expenditures	12,083	(10,617)		
Unencumbered Cash, Beginning	0	12,083		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 12,083	\$ 1,466		

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET**

FOR THE YEAR ENDED JUNE 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Capital Outlay Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,748,248	\$ 1,858,673	\$ 1,546,157	\$ 312,516
County Sources	211,435	222,659	202,457	20,202
State Sources	431,837	494,157	491,160	2,997
Federal Sources	45,750	12,904	0	12,904
Transfers	400,000	323,098	0	323,098
	<u>2,837,270</u>	<u>2,911,491</u>	<u>\$ 2,239,774</u>	<u>\$ 671,717</u>
Expenditures				
Instruction	1,036,475	1,650,960	\$ 1,500,000	\$ (150,960)
Instruction Support Staff	29,325	0	35,000	35,000
General Administration	744	0	2,000	2,000
School Administration	1,002	0	10,000	10,000
Operations & Maintenance	64,084	99,849	75,000	(24,849)
Transportation	425,013	189,955	425,000	235,045
Other Supplemental Services	0	35,035	0	(35,035)
Facility Acquisition & Construction Services	600,768	859,138	990,747	131,609
	<u>2,157,411</u>	<u>2,834,937</u>	<u>\$ 3,037,747</u>	<u>\$ 202,810</u>
Receipts Over (Under) Expenditures	679,859	76,554		
Unencumbered Cash, Beginning	975,967	1,685,283		
Prior Year Canceled Encumbrances	<u>29,457</u>	<u>12,864</u>		
Unencumbered Cash, Ending	<u>\$ 1,685,283</u>	<u>\$ 1,774,701</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 35,260	\$ 43,475	\$ 35,000	\$ 8,475
State Sources	21,244	26,950	25,272	1,678
Transfers	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>76,504</u>	<u>70,425</u>	<u>\$ 60,272</u>	<u>\$ 10,153</u>
 Expenditures				
Instruction	47,009	53,592	\$ 54,050	\$ 458
Vehicle Operations, Maintenance Services	<u>3,033</u>	<u>3,877</u>	<u>11,500</u>	<u>7,623</u>
	<u>50,042</u>	<u>57,469</u>	<u>\$ 65,550</u>	<u>\$ 8,081</u>
 Receipts Over (Under) Expenditures	26,462	12,956		
 Unencumbered Cash, Beginning	8,883	35,345		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>75</u>		
 Unencumbered Cash, Ending	<u>\$ 35,345</u>	<u>\$ 48,376</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Food Service Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 1,409,280	\$ 1,539,689	\$ 1,654,450	\$ (114,761)
State Sources	17,883	19,628	18,720	908
Federal Sources	<u>338,444</u>	<u>330,573</u>	<u>349,903</u>	<u>(19,330)</u>
	<u>1,765,607</u>	<u>1,889,890</u>	<u>\$ 2,023,073</u>	<u>\$ (133,183)</u>
 Expenditures				
Food Service Operation	<u>1,829,947</u>	<u>1,929,848</u>	<u>\$ 2,080,269</u>	<u>\$ 150,421</u>
	<u>1,829,947</u>	<u>1,929,848</u>	<u>\$ 2,080,269</u>	<u>\$ 150,421</u>
 Receipts Over (Under) Expenditures	(64,340)	(39,958)		
 Unencumbered Cash, Beginning	138,442	74,102		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 74,102</u>	<u>\$ 34,144</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
State Sources	\$ 17,648	\$ 15,531	\$ 12,000	\$ 3,531
Transfers	118,625	112,562	120,000	(7,438)
	<u>136,273</u>	<u>128,093</u>	<u>\$ 132,000</u>	<u>\$ (3,907)</u>
Expenditures				
Instructional Support Staff	129,790	120,000	\$ 120,000	\$ 0
	<u>129,790</u>	<u>120,000</u>	<u>\$ 120,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	6,483	8,093		
Unencumbered Cash, Beginning	0	6,533		
Prior Year Canceled Encumbrances	<u>50</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 6,533</u>	<u>\$ 14,626</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Summer School Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 33,672	\$ 29,368	\$ 0	\$ 29,368
Transfers	30,000	0	50,000	(50,000)
	<u>63,672</u>	<u>29,368</u>	<u>\$ 50,000</u>	<u>\$ (20,632)</u>
Expenditures				
Instruction	39,793	33,915	\$ 42,126	\$ 8,211
School Administration	12,314	14,525	17,401	2,876
Other Supplemental Services	0	1,537	0	(1,537)
	<u>52,107</u>	<u>49,977</u>	<u>\$ 59,527</u>	<u>\$ 9,550</u>
Receipts Over (Under) Expenditures	11,565	(20,609)		
Unencumbered Cash, Beginning	35,823	47,388		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 47,388</u>	<u>\$ 26,779</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 4,600	\$ 31,040	\$ 0	\$ 31,040
Transfers	<u>3,254,623</u>	<u>3,408,500</u>	<u>3,408,500</u>	<u>0</u>
	<u>3,259,223</u>	<u>3,439,540</u>	<u>\$ 3,408,500</u>	<u>\$ 31,040</u>
Expenditures				
Instruction	2,981,478	3,425,571	\$ 3,379,485	\$ (46,086)
Student Transportation Services	186,951	182,791	205,677	22,886
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>27,200</u>	<u>27,200</u>
	<u>3,168,429</u>	<u>3,608,362</u>	<u>\$ 3,612,362</u>	<u>\$ 4,000</u>
Receipts Over (Under) Expenditures	90,794	(168,822)		
Unencumbered Cash, Beginning	85,869	176,663		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 176,663</u>	<u>\$ 7,841</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Vocational Education Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Transfers	\$ 316,347	\$ 343,447	\$ 371,870	\$ (28,423)
	<u>316,347</u>	<u>343,447</u>	<u>\$ 371,870</u>	<u>\$ (28,423)</u>
Expenditures				
Instruction	316,347	343,447	\$ 371,870	\$ 28,423
	<u>316,347</u>	<u>343,447</u>	<u>\$ 371,870</u>	<u>\$ 28,423</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>KPERS Contribution Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 1,174,848	\$ 1,404,192	\$ 1,586,045	\$ (181,853)
	<u>1,174,848</u>	<u>1,404,192</u>	<u>\$ 1,586,045</u>	<u>\$ (181,853)</u>
Expenditures				
Instruction	763,025	900,457	\$ 1,100,733	\$ 200,276
Student Support Services	38,649	40,504	59,010	18,506
Instructional Support Staff	31,774	37,562	35,919	(1,643)
General Administration	36,354	40,386	48,747	8,361
School Administration	120,498	150,779	130,000	(20,779)
Other Supplemental Services	23,570	33,409	27,000	(6,409)
Operations & Maintenance	102,411	133,765	120,000	(13,765)
Student Transportation Services	34,845	41,065	39,636	(1,429)
Food Service Operation	23,722	26,265	25,000	(1,265)
	<u>1,174,848</u>	<u>1,404,192</u>	<u>\$ 1,586,045</u>	<u>\$ 181,853</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

<u>Bond and Interest Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 3,521,696	\$ 3,839,982	\$ 3,878,948	\$ (38,966)
County Sources	566,139	527,050	479,110	47,940
State Sources	<u>2,161,246</u>	<u>2,071,761</u>	<u>2,063,283</u>	<u>8,478</u>
	<u>6,249,081</u>	<u>6,438,793</u>	<u>\$ 6,421,341</u>	<u>\$ 17,452</u>
Expenditures				
Debt Service	<u>6,753,323</u>	<u>6,814,847</u>	<u>\$ 6,814,847</u>	<u>\$ 0</u>
	<u>6,753,323</u>	<u>6,814,847</u>	<u>\$ 6,814,847</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(504,242)	(376,054)		
Unencumbered Cash, Beginning	5,067,769	4,563,527		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,563,527</u>	<u>\$ 4,187,473</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

Federal Funds

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Federal Sources	\$ 273,128	\$ 300,385
	<u>273,128</u>	<u>300,385</u>
 Expenditures		
Instruction	225,307	235,280
Student Support Services	3,019	3,125
Instructional Support Staff	49,469	71,685
	<u>277,795</u>	<u>310,090</u>
 Receipts Over (Under) Expenditures	(4,667)	(9,705)
 Unencumbered Cash, Beginning	14,217	9,700
 Prior Year Canceled Encumbrances	<u>150</u>	<u>31</u>
 Unencumbered Cash, Ending	<u>\$ 9,700</u>	<u>\$ 26</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
	<u> </u>	<u> </u>
Cash Receipts		
Local Sources	\$ 80,107	\$ 50,494
State Sources	<u> 0</u>	<u> 0</u>
	<u>80,107</u>	<u>50,494</u>
Expenditures		
Instruction	74,687	66,476
Student Support Services	1,310	3,638
Student Transportation Services	<u> 501</u>	<u> 228</u>
	<u>76,498</u>	<u>70,342</u>
Receipts Over (Under) Expenditures	3,609	(19,848)
Unencumbered Cash, Beginning	39,685	43,294
Prior Year Canceled Encumbrances	<u> 0</u>	<u> 0</u>
Unencumbered Cash, Ending	<u>\$ 43,294</u>	<u>\$ 23,446</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 200,000	\$ 0
	<u>200,000</u>	<u>0</u>
Expenditures		
Instruction	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	200,000	0
Unencumbered Cash, Beginning	504,028	704,028
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 704,028</u>	<u>\$ 704,028</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

Textbook Rental Fund

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Local Sources	\$ 271,599	\$ 289,664
Transfers	<u>129,425</u>	<u>509,862</u>
	<u>401,024</u>	<u>799,526</u>
Expenditures		
Instruction	<u>404,564</u>	<u>909,171</u>
	<u>404,564</u>	<u>909,171</u>
Receipts Over (Under) Expenditures	(3,540)	(109,645)
Unencumbered Cash, Beginning	156,068	152,528
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 152,528</u>	<u>\$ 42,883</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Interest	\$ 1,201,289	\$ 883,590
Bond Proceeds	<u>10,109,181</u>	<u>0</u>
	<u>11,310,470</u>	<u>883,590</u>
 Expenditures		
Instruction	0	6,765
Student Support Services	0	6,568
Instruction Support Services	0	393,537
Cost of Issuance	5,621	12,427
Land Acquisition	400,758	0
Land Improvements	458,067	240,996
Architectural & Engineering Services	1,130,315	413,477
New Building Acquisition & Construction	23,447,318	1,432,924
Building Improvement	<u>179,343</u>	<u>529,800</u>
	<u>25,621,422</u>	<u>3,036,494</u>
 Receipts Over (Under) Expenditures	 (14,310,952)	 (2,152,904)
 Unencumbered Cash, Beginning	 18,999,452	 4,688,500
 Prior Year Canceled Encumbrances	 <u>0</u>	 <u>0</u>
 Unencumbered Cash, Ending	 <u>\$ 4,688,500</u>	 <u>\$ 2,535,596</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover High School				
Crime Stoppers	\$ 300	\$ 0	\$ 0	\$ 300
Annual	1,665	30,151	26,751	5,065
Annual Fundraising	45	0	0	45
Band-AHS	3,043	57,564	57,157	3,450
Band Uniforms	2,175	2,341	2,686	1,830
Debate-AHS	996	118	288	826
Desktop Publishing	(1,417)	3,935	2,502	16
Drama-AHS	11,214	10,848	9,880	12,182
Journalism	3,551	25,234	26,093	2,692
Choir Travel	1,013	15,701	16,712	2
Madrigals	10,428	29,954	30,686	9,696
Choir Uniforms	4,304	4,411	1,408	7,307
Music Festival	2,140	9,993	9,962	2,171
Scholar's Bowl-AHS	56	0	0	56
Shakespeare	385	0	0	385
Sudent Council	3,288	8,446	9,356	2,378
Spec Ed/Jackie Bishop	0	0	0	0
Spec Ed/Karen Bainter	120	201	249	72
Spec Ed/Venus Bishop	0	2,535	835	1,700
Newspaper Fundraiser	521	0	0	521
ONE Stop Trojan Stop	0	79	85	(6)
F.A.C.S. - Beef	0	250	250	0
Class of 2007	682	0	0	682
Class of 2008	3,494	5,446	6,803	2,137
Class of 2009	4,185	11,092	12,679	2,598
Class of 2010	3,199	3,289	2,123	4,365
Class of 2011	80	5,086	2,688	2,478
	<u>55,467</u>	<u>226,674</u>	<u>219,193</u>	<u>62,948</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover High School (Continued)				
Outdoor Club	\$ 310	\$ 0	\$ 0	\$ 310
Fellowship of Christian Students	(2)	0	0	(2)
Art Club	218	200	16	402
FBLA	135	1,813	1,569	379
Arts and Crafts Club	26	90	10	106
National Honor Society	53	1,440	537	956
NASCAR	87	0	0	87
SADD	307	0	3	304
Science Club	83	0	0	83
Science Olympiad	1,711	0	117	1,594
Spanish Club	418	0	0	418
French Club	46	0	0	46
Fishing Club	385	543	96	832
Travel Club	539	0	168	371
Therapy Dog Club	1,014	0	1,000	14
Cheerleaders	5,818	22,895	15,792	12,921
Trojanettes	1,181	14,810	15,433	558
Sales Tax	251	10,422	10,503	170
	<u>12,580</u>	<u>52,213</u>	<u>45,244</u>	<u>19,549</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central High School				
Cheerleaders	\$ 9,539	\$ 22,474	\$ 30,118	\$ 1,895
Dance Team	1,179	8,356	9,013	522
General Activities	118	0	0	118
Band	13,703	70,980	69,632	15,051
Broadcasting	669	445	508	606
Debate	0	6,150	4,770	1,380
School Publications	2,213	5,343	6,511	1,045
Drama	16,436	19,669	23,299	12,806
Forensics	89	0	0	89
Newspaper	1,185	8,509	8,974	720
New Generation- Madrigals	516	7,296	5,039	2,773
Newspaper Fundraiser	465	0	197	268
Newspaper Postage	656	0	656	0
Scholar's Bowl	258	450	590	118
Shakespeare	38	0	0	38
StuCo	2,329	5,968	8,235	62
Yearbook	4,188	23,336	19,896	7,628
Key Club	201	1,069	733	537
20 Minute Munchies	0	10	0	10
Art Club	6	152	65	93
English Club	0	867	867	0
FBLA-Future Business				
Leaders	720	2,951	2,883	788
FCS	0	128	19	109
French Club	164	263	0	427
Greenhouse	296	340	273	363
Kansas BEST	20	0	0	20
Lettermen's Club	0	11,000	5,700	5,300
National Honor Society	94	300	297	97
Photo Club	0	81	76	5
SADD	62	0	0	62
Science Olympiad	1,024	560	965	619
Spanish Club	98	977	974	101
Culture Club	69	93	0	162
USITT	0	0	0	0
Project Graduation	0	5,644	5,543	101
	<u>56,335</u>	<u>203,411</u>	<u>205,833</u>	<u>53,913</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central High School (Continued)				
Class of 2007	\$ 288	\$ 0	\$ 288	\$ 0
Class of 2008	578	92	670	0
Class of 2009	1,228	0	0	1,228
Class of 2010	1,414	0	0	1,414
Class Fee 2006	10	0	0	10
Class Fee 2007	1	0	1	0
Class Fee 2008	0	3,214	3,214	0
Class Fee 2009	3,249	2,530	3,218	2,561
Class Fee 2010	1,640	2,643	130	4,153
Class Fee 2011	0	4,124	30	4,094
Sales Tax	0	14,071	14,071	0
Interest	5,839	72	4,396	1,515
	<u>14,247</u>	<u>26,746</u>	<u>26,018</u>	<u>14,975</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Middle School				
Amateur Radio	\$ 547	\$ 300	\$ 67	\$ 780
Cheerleaders	252	5,149	1,243	4,158
Student Council	1,017	1,914	1,496	1,435
Math Club	74	400	162	312
SADD	296	193	22	467
FACS	0	2,041	1,877	164
AMS-Piano Festival	522	0	522	0
Scholar Bowl	166	442	211	397
Science Olympiad	0	134	132	2
Newspaper	16	855	871	0
Band	304	7,020	6,828	496
Teaching Teams	5,027	12,359	11,807	5,579
Choir	0	5,035	4,585	450
Sales Tax	(1)	4,312	4,311	0
	<u>8,220</u>	<u>40,154</u>	<u>34,134</u>	<u>14,240</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central Middle School				
Cheerleaders	\$ 205	\$ 2,999	\$ 3,155	\$ 49
Student Council	1,599	1,690	1,954	1,335
Math Relay Team	1	0	0	1
Scholar Bowl	48	0	0	48
Science Olympiad	120	10	120	10
SADD	196	0	0	196
Yearbook Sales	769	11,140	11,842	67
Media Arts	306	479	448	337
Choir	209	0	0	209
Band	21	0	0	21
6th Team	107	0	0	107
7th Team	223	0	39	184
8th Team	142	0	0	142
Interest	2,569	311	1,950	930
Sales Tax	0	2,197	2,197	0
	<u>6,515</u>	<u>18,826</u>	<u>21,705</u>	<u>3,636</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Meadowlark Elementary				
Student Activity Fund	\$ 1,177	\$ 2,040	\$ 1,847	\$ 1,370
Field Trips	61	2,256	2,239	78
	<u>1,238</u>	<u>4,296</u>	<u>4,086</u>	<u>1,448</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2008**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Cottonwood Elementary				
Student Activity Fund	\$ 7,731	\$ 2,489	\$ 4,725	\$ 5,495
Cottonwood Yearbook	1,619	4,816	5,149	1,286
Cottonwood Shirts	394	0	0	394
Cottonwood Social	516	1,360	1,371	505
Field Trips	248	1,176	1,424	0
	<u>10,508</u>	<u>9,841</u>	<u>12,669</u>	<u>7,680</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Robert Martin Elementary				
Library Book Club	\$ 145	\$ 637	\$ 129	\$ 653
Site Council	17	0	0	17
Target	788	1,307	1,439	656
Miscellaneous	36	78	0	114
Recycling	26	112	112	26
Student Council	426	245	0	671
American Heart Association	0	1,513	1,513	0
2nd Grade Popcorn Fundraiser	644	443	871	216
5th Grade Fundraiser	260	445	450	255
Yearbook	165	0	0	165
	<u>2,507</u>	<u>4,780</u>	<u>4,514</u>	<u>2,773</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Sunflower Elementary				
Student Council	\$ 475	\$ 751	\$ 439	\$ 787
Yearbook	1,244	6,014	6,153	1,105
Kindergarten Film Development	14	119	143	(10)
Music	149	82	2	229
3rd Grade Carnival	185	1,887	0	2,072
	<u>2,067</u>	<u>8,853</u>	<u>6,737</u>	<u>4,183</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
District				
Memorials	\$ 37,683	\$ 4,282	\$ 1,709	\$ 40,256
Sales Tax	0	32,249	32,249	0
	<u>37,683</u>	<u>36,531</u>	<u>33,958</u>	<u>40,256</u>
 Total Agency Funds	 <u>\$ 207,367</u>	 <u>\$ 632,325</u>	 <u>\$ 614,091</u>	 <u>\$ 225,601</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CHANGES IN LONG-TERM DEBT
FOR THE YEAR ENDED JUNE 30, 2008

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest
General Obligation Bonds									
1998 Series	3.60 - 5.50	12/1/98	\$ 9,850,000	9/1/18	\$ 7,060,000	\$ 0	\$ 155,000	\$ 6,905,000	\$ 329,585
1999 Series	3.60 - 5.70	8/1/99	\$ 18,930,000	9/1/18	9,815,000	0	540,000	9,275,000	504,840
2000 Series	4.80 - 6.00	5/15/00	\$ 20,055,000	9/1/18	14,330,000	0	1,060,000	13,270,000	808,272
2001 Series	4.00 - 7.00	3/1/01	\$ 17,275,000	9/1/19	4,620,000	0	380,000	4,240,000	209,435
2005 Series	3.00 - 5.00	11/1/05	\$ 36,170,000	9/1/19	36,070,000	0	60,000	36,010,000	1,592,800
2007 Series	4.00 - 5.00	4/1/07	\$ 27,860,000	9/1/19	27,860,000	0	0	27,860,000	1,174,915
					<u>99,755,000</u>	<u>0</u>	<u>2,195,000</u>	<u>97,560,000</u>	<u>4,619,847</u>
Capital Leases									
Buses	3.41	8/26/05	\$ 146,862	8/26/08	99,539	0	48,938	50,601	3,394
Phone System	5.63	7/1/07	\$ 1,185,587	6/30/12	0	1,055,637	107,781	947,856	22,168
Field Turf	4.00	2/11/08	\$ 400,295	2/11/11	0	400,295	42,136	358,159	5,140
					<u>99,539</u>	<u>1,455,932</u>	<u>198,855</u>	<u>1,356,616</u>	<u>30,702</u>
					<u>\$ 99,854,539</u>	<u>\$ 85</u>	<u>\$ 2,393,855</u>	<u>\$ 98,916,616</u>	<u>\$ 4,650,549</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 SCHEDULE OF MATURITY OF LONG-TERM DEBT
 FOR THE YEAR ENDED JUNE 30, 2008

	2009	2010	2011	2012	2013	2014- 2018	2019 - 2023	Total
Principal								
General obligation bonds	\$ 2,760,000	\$ 3,370,000	\$ 4,150,000	\$ 5,025,000	\$ 6,005,000	\$ 48,535,000	\$ 27,715,000	\$ 97,560,000
Capital leases	402,864	366,992	334,823	251,937	0	0	0	1,356,616
	<u>3,162,864</u>	<u>3,736,992</u>	<u>4,484,823</u>	<u>5,276,937</u>	<u>6,005,000</u>	<u>48,535,000</u>	<u>27,715,000</u>	<u>98,916,616</u>
Interest								
General obligation bonds	4,596,843	4,445,022	4,272,890	4,058,539	3,782,688	12,935,241	1,362,180	35,453,403
Capital leases	51,196	34,737	19,630	7,963	0	0	0	113,526
	<u>4,648,039</u>	<u>4,479,759</u>	<u>4,292,520</u>	<u>4,066,502</u>	<u>3,782,688</u>	<u>12,935,241</u>	<u>1,362,180</u>	<u>35,566,929</u>
Total principal and interest	<u>\$ 7,810,903</u>	<u>\$ 8,216,751</u>	<u>\$ 8,777,343</u>	<u>\$ 9,343,439</u>	<u>\$ 9,787,688</u>	<u>\$ 61,470,241</u>	<u>\$ 29,077,180</u>	<u>\$ 134,483,545</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008**

Fund	Beginning		Prior Year		Cash Receipts	Expenditures	Ending		Add	
	Cash Balance	Unencumbered	Encumbrances	Canceled			Unencumbered	Cash Balance	Outstanding	Encumbrances
	\$	\$	\$	\$	\$	\$	\$	\$	Payable	Balance
Andover High School										
Athletics	18,559	0	82,887	0	81,826	19,620	0	0	0	19,620
District Concessions	234	0	29,275	0	25,574	3,935	0	0	0	3,935
ACHS Concessions	0	0	6,071	0	6,071	0	0	0	0	0
Baseball	475	0	6,709	0	2,861	4,323	0	0	0	4,323
Baseball Coaches	1,034	0	0	0	221	813	0	0	0	813
Boys Soccer	1,083	0	2,382	0	2,013	1,452	0	0	0	1,452
Soccer Coaches	0	0	0	0	0	0	0	0	0	0
Girls Soccer	2,789	0	1,605	0	3,851	543	0	0	0	543
Wrestling	1,344	0	1,770	0	961	2,153	0	0	0	2,153
Track	563	0	758	0	601	720	0	0	0	720
Wrestling Coaches	500	0	0	0	0	500	0	0	0	500
Volleyball	100	0	0	0	0	100	0	0	0	100
Boys Golf	137	0	1,695	0	1,359	473	0	0	0	473
Girls Golf	387	0	1,173	0	1,181	379	0	0	0	379
Cross Country	63	0	958	0	534	487	0	0	0	487
Softball	1,105	0	2,353	0	2,955	503	0	0	0	503
Softball Coaches	54	0	0	0	0	54	0	0	0	54
Concessions	2,296	0	7,317	0	8,017	1,596	0	0	0	1,596
Tennis Coaches	0	0	615	0	850	(235)	0	0	0	(235)
Girls Tennis	638	0	1,381	0	1,466	553	0	0	0	553
Boys Tennis	(189)	0	288	0	0	99	0	0	0	99
Athletic Training	181	0	2,705	0	1,193	1,693	0	0	0	1,693
Boys Basketball	2,844	0	4,968	0	4,515	3,297	0	0	0	3,297
Boys Basketball Coaches	1,471	0	3,155	0	4,617	9	0	0	0	9
Girls Basketball Coaches	745	0	2,943	0	3,551	137	0	0	0	137
Football Coaches	418	0	0	0	418	0	0	0	0	0
Football	5,607	0	9,430	0	12,251	2,786	0	0	0	2,786
Girls Swim	202	0	1,914	0	1,989	127	0	0	0	127
	<u>42,640</u>	<u>0</u>	<u>172,352</u>	<u>0</u>	<u>168,875</u>	<u>46,117</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,117</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Andover High School (Continued)							
Girls Basketball	\$ (83)	\$ 0	\$ 522	\$ 142	\$ 297	\$ 0	\$ 297
LINK Crew	(17)	0	0	0	(17)	0	(17)
Student Advisories	(11)	0	0	0	(11)	0	(11)
Educational Services	4,060	0	9,931	8,520	5,471	0	5,471
Agendas	122	0	0	0	122	0	122
Library	5,803	0	1,675	2,543	4,935	0	4,935
Lifetouch Senior Sitting Fee	106	0	1,570	1,480	196	0	196
Testing	4,092	0	6,613	6,183	4,522	0	4,522
Vending Machines	17,921	0	15,917	16,161	17,677	0	17,677
Post Prom	758	0	5,072	4,742	1,088	0	1,088
Agendas	74	0	1,993	1,703	364	0	364
Social Fund	263	0	0	0	263	0	263
Booster Club New Sign	13,216	0	19,827	33,042	1	0	1
Andover Advantage Grant	3,625	0	11,663	7,980	7,308	0	7,308
Disaster Assistance	169	0	0	0	169	0	169
Emergency Medical Fund	25	0	0	0	25	0	25
Scholarships	5,772	0	2,250	1,600	6,422	0	6,422
Memorials	150	0	940	55	1,035	0	1,035
Insufficient Funds	(585)	0	505	848	(928)	0	(928)
	<u>55,460</u>	<u>0</u>	<u>78,478</u>	<u>84,999</u>	<u>48,939</u>	<u>0</u>	<u>48,939</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Andover Central High School							
Athletics	\$ 4,920	\$ 0	\$ 83,050	\$ 87,498	\$ 472	\$ 0	\$ 472
District Activity	1,512	0	722	1,007	1,227	0	1,227
Girls' Basketball	18	0	0	0	18	0	18
Baseball	2,571	0	7,253	8,287	1,537	0	1,537
Boy's Basketball	1,170	0	2,980	2,072	2,078	0	2,078
Bowling	14	0	574	550	38	0	38
Concessions	965	0	13,252	13,814	403	0	403
District Concessions	1,684	0	189	1,874	(1)	0	(1)
Cross Country	101	0	75	131	45	0	45
Football	4,413	0	8,708	12,757	364	0	364
Golf-Boys	383	0	2,673	3,036	20	0	20
Golf-Girls	11	0	0	0	11	0	11
Soccer-Boys	31	0	9,038	6,792	2,277	0	2,277
Soccer-Girls	132	0	933	1,011	54	0	54
Softball	3,001	0	3,608	2,832	3,777	0	3,777
Tennis-Girls	56	0	615	567	104	0	104
Track	397	0	0	0	397	0	397
Training Room	147	0	1,145	1,072	220	0	220
Volleyball	950	0	755	465	1,240	0	1,240
Wrestling	105	0	0	30	75	0	75
Wrestling-State	2,500	0	300	2,501	299	0	299
Andover Advantage Grants	698	0	5,852	5,122	1,428	0	1,428
Non-Student Activities	0	0	1,865	900	965	0	965
Educational Services	1,137	0	299	100	1,336	0	1,336
Lifetouch	608	0	1,500	1,560	548	0	548
Library	956	0	1,104	109	1,951	0	1,951
Math-Calculators	123	0	0	0	123	0	123
	<u>28,603</u>	<u>0</u>	<u>146,490</u>	<u>154,087</u>	<u>21,006</u>	<u>0</u>	<u>21,006</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Andover Central High School (Continued)							
Brick & Stone Student Recognition	\$ 878	\$ 0	\$ 35	\$ 0	\$ 913	\$ 0	\$ 913
Renaissance	164	0	0	0	164	0	164
Wall of Fame Plaques	198	0	0	0	198	0	198
Planners	156	0	1,958	2,114	0	0	0
"Robe the Faculty"	96	0	0	0	96	0	96
Science Goggles	388	0	0	0	388	0	388
Testing	1,798	0	7,420	6,753	2,465	0	2,465
Candy Machine	3,897	0	0	0	3,897	0	3,897
Vending Machines	9,392	0	4,493	11,289	2,596	0	2,596
Pepsi Guarantee	10,910	0	11,750	5,835	16,825	0	16,825
Scholarships/Memorials	1,209	0	0	232	977	0	977
Scholarships - Billy Means Fund	11,933	0	6,327	500	17,760	0	17,760
Scholarships	350	0	2,250	2,400	200	0	200
Insufficient Funds	(191)	0	27	0	(164)	0	(164)
	41,178	0	34,260	29,123	46,315	0	46,315

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Andover Middle School							
Athletics	15,287	0	39,516	34,155	20,648	0	20,648
Concessions	5,386	0	2,970	5,498	2,858	0	2,858
PE Teachers	0	0	500	0	500	0	500
Mentoring Program	0	0	900	900	0	0	0
Art Supplies	0	0	288	288	0	0	0
Middle School	4,771	0	20,144	14,216	10,699	0	10,699
Yearbook	0	0	12,336	11,980	356	0	356
Student Agendas	126	0	340	355	111	0	111
Fundraiser	1	0	17,734	17,735	0	0	0
Kansas Scholarship Contest	0	0	43	43	0	0	0
Library	5,332	0	2,556	1,989	5,899	0	5,899
Web Leader	0	0	238	238	0	0	0
Pencil/Pen Machine	100	0	316	302	114	0	114
8th Grade Celebration	0	0	4,220	3,755	465	0	465
Advantage Grants	7,354	0	5,534	12,888	0	0	0
Physical Education Uniforms	2,626	0	6,576	7,824	1,378	0	1,378
AMSPO Funds	0	0	3,084	3,084	0	0	0
Interest	1	0	375	376	0	0	0
Insufficient Funds	0	0	37	37	0	0	0
	40,984	0	117,707	115,663	43,028	0	43,028

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Andover Central Middle School							
Athletics	\$ 10,246	\$ 0	26,220	\$ 26,960	\$ 9,506	\$ 0	\$ 9,506
Concessions	7,233	0	12,177	11,846	7,564	0	7,564
Middle School	10,504	0	11,122	12,736	8,890	0	8,890
Library Birthday Club	282	0	0	220	62	0	62
Fundraiser	6,028	0	169	6,134	63	0	63
Student Meal Accounts	0	0	402	402	0	0	0
Agenda Books	129	0	198	0	327	0	327
Media Center	820	0	2,872	2,825	867	0	867
Andover Advantage Grants	0	0	9,020	8,822	198	0	198
PE Uniforms	1,801	0	5,030	4,923	1,908	0	1,908
8th Celebration	0	0	6,210	6,210	0	0	0
ACMS Special Speaker	342	0	0	0	342	0	342
Lost/Damaged Books	3,181	0	433	377	3,237	0	3,237
Insufficient Funds	(226)	0	(70)	0	(296)	0	(296)
	<u>40,340</u>	<u>0</u>	<u>73,783</u>	<u>81,455</u>	<u>32,668</u>	<u>0</u>	<u>32,668</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Meadowlark Elementary							
P.T.O. Funding	\$ 499	\$ 0	\$ 0	\$ 499	\$ 0	\$ 0	\$ 0
Community Projects	198	0	2,479	2,479	198	0	198
P.E.	107	0	1,746	1,853	0	0	0
Reimbursement	0	0	601	574	27	0	27
Art	68	0	1,031	361	738	0	738
Library	1,266	0	0	0	1,266	0	1,266
Music	601	0	914	1,045	470	0	470
Projector Lamps	0	0	3,000	330	2,670	0	2,670
General	0	0	499	0	499	0	499
Library Book Fair	55	0	2,977	986	2,046	0	2,046
Lost/Damaged Library Books	994	0	1,037	27	2,004	0	2,004
Advantage Grants	1,564	0	933	933	1,564	0	1,564
Interest	0	0	87	0	87	0	87
Picture Commission	3,226	0	438	1,066	2,598	0	2,598
Yearbook	912	0	0	0	912	0	912
Flower Pots	60	0	0	16	44	0	44
Uncollected Funds	(16)	0	22	6	0	0	0
	9,534	0	15,764	10,175	15,123	0	15,123

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Cottonwood Elementary							
PTO Gifts to Teachers	\$ 2,940	\$ 0	13,044	\$ 15,259	\$ 725	\$ 0	\$ 725
Cottonwood Choir	270	0	2,554	2,369	455	0	455
Library Book Fair	3,594	0	4,431	3,355	4,670	0	4,670
Lost/Damaged Library Books	1,395	0	862	25	2,232	0	2,232
Habitat	2,611	0	500	1,881	1,230	0	1,230
Advantage Grants	7	0	4,053	4,054	6	0	6
Lawson Grant	1,000	0	0	1,000	0	0	0
Arts in Education Grant	270	0	0	270	0	0	0
2nd Grade Donation	188	0	250	438	0	0	0
	<u>12,275</u>	<u>0</u>	<u>25,694</u>	<u>28,651</u>	<u>9,318</u>	<u>0</u>	<u>9,318</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Robert Martin Elementary							
Library	\$ 2,600	\$ 0	1,200	2,269	1,531	\$ 0	1,531
Library Fines	1,002	0	243	748	497	0	497
Textbook Fines	81	0	0	0	81	0	81
Damaged Property	83	0	411	33	461	0	461
Pictures	1,248	0	1,912	967	2,193	0	2,193
Field Trips	303	0	1,549	1,584	268	0	268
Music Program	793	0	4,557	5,347	3	0	3
Advantage Grants	51	0	5,675	5,675	51	0	51
Staff	0	0	468	468	0	0	0
Pepsi	112	0	604	377	339	0	339
Donations	965	0	681	653	993	0	993
	<u>7,238</u>	<u>0</u>	<u>17,300</u>	<u>18,121</u>	<u>6,417</u>	<u>0</u>	<u>6,417</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Sunflower Elementary							
Advantage Grants	\$ 6	\$ 0	6,547	\$ 6,552	\$ 1	\$ 0	\$ 1
Book Fair	2,755	0	2,462	801	4,416	0	4,416
Student Activity	2,302	0	5,722	4,015	4,009	0	4,009
Cup Stacking	1	0	0	0	1	0	1
Library Book Fair	0	0	1,373	0	1,373	0	1,373
Library Lost Book Fund	914	0	379	22	1,271	0	1,271
	<u>5,978</u>	<u>0</u>	<u>16,483</u>	<u>11,390</u>	<u>11,071</u>	<u>0</u>	<u>11,071</u>
Total District Activity Funds	\$ 284,230	\$ 0	\$ 698,311	\$ 702,539	\$ 280,002	\$ 0	\$ 280,002

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

Andover Unified School District No. 385 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Andover, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statements include all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-110a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, 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, 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. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one amendment for the year ended June 30, 2008.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds:

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook Rental Fund
District Activity Funds	

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.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 2 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the Government. 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 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 Government has no other policies that would further limit interest rate risk.

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.

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 Government's deposits may 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%. All deposits were legally secured at June 30, 2008.

At June 30, 2008, the District's carrying amount of deposits was \$14,210,341 and the bank balance was \$16,509,801. The bank balance is held by two banks. Of the bank balance, \$200,000 was covered by depository insurance, and the remaining \$16,309,801 was collateralized with securities held by the pledging financial institution's agent 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.

Note 3 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

Note 4 - Advance Refunding of Bond Obligation:

On December 1, 1998, the District issued \$9,850,500 in General Obligation Bonds with interest rates ranging from 3.60% to 5.50%. Of the issue, \$4,439,195 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1994 bonds. As a result, this portion of the 1994 bonds is considered defeased and not included in long-term debt above.

On August 1, 1999, the District issued \$18,930,000 in General Obligation Bonds with interest rates ranging from 3.60% to 5.70%. Of the issue, \$6,597,307 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1992 and 1994 bonds. As a result, this portion of the 1992 and 1994 bonds is considered defeased and not included in long-term debt above.

On May 15, 2000, the District issued \$20,055,000 in General Obligation Bonds with interest rates ranging from 4.80% to 6.00%. Of the issue, \$2,992,770 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1994 bonds. As a result, this portion of the 1994 bonds is considered defeased and not included in long-term debt above.

On November 1, 2005, the District issued \$36,170,000 in General Obligation Bonds with interest rates ranging from 3.00% to 5.00%. Of the issue, \$6,180,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1999 bonds. As a result, this portion of the 1999 bonds is considered defeased and not included in long-term debt above.

On April 1, 2007, the District issued \$27,860,000 in General Obligation Bonds with interest rates ranging from 4.00% to 5.00%. Of the issue, \$17,990,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1998, 2000 and 2001 bonds. As a result, this portion of the 1998, 2000 and 2001 bonds is considered defeased and not included in long-term debt above.

Note 5 - Capital Projects:

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

	Project <u>Authorization</u>	Expenditures <u>to Date</u>
School Construction	<u>\$41,989,371</u>	<u>\$39,453,775</u>

Note 6 - Prior Year Balances:

Certain prior year balances are presented for comparison purposes. Certain items have been reclassified in the June 30, 2007, financial statements in order to conform to the June 30, 2008, presentation.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 7 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Capital Outlay	Professional Development	Special Education	Vocational Education	Textbook Rental	Total
Transfer from:									
General Fund	\$ 78,229	\$ 485,333	\$ 27,314	\$ 323,098	\$ 0	\$ 3,408,500	\$ 210,712	\$ 225,806	\$ 4,758,992
Supplemental General Fund	<u>34,820</u>	<u>140,494</u>	<u>38,979</u>	<u>0</u>	<u>112,562</u>	<u>0</u>	<u>132,735</u>	<u>284,056</u>	<u>743,646</u>
	<u>\$ 113,049</u>	<u>\$ 625,827</u>	<u>\$ 66,293</u>	<u>\$ 323,098</u>	<u>\$ 112,562</u>	<u>\$ 3,408,500</u>	<u>\$ 343,447</u>	<u>\$ 509,862</u>	<u>\$ 5,502,638</u>

Note 8 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Rentals received during the year ended June 30, 2008, for reimbursement of operating costs, were \$317,820.

Note 9 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the District 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 these financial statements.

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 10 - On-Behalf Payments for Fringe Benefits and Salaries:

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the District's employees. For the year ended June 30, 2008, the State made contributions of \$1,404,192. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11 - Facility Lease Agreement:

In September 1992, the District entered into a facilities lease agreement with Butler County Community College. The agreement provides for annual rental payments. The District received \$253,333 in rental payments for the year ended June 30, 2008.

Note 12 - 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 S Kansas Ave, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 7.37% of covered payroll for the year ended June 30, 2008. These contribution requirements are established by KPERs and are periodically revised. Kansas contributions to KPERs for all Kansas public school employees for the years ending June 30, 2008, 2007 and 2006 were \$220,815,154, \$192,425,626, and \$159,728,918 respectively, equal to the required contributions for each year.

Note 13 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

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; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 14 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d):

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes.

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2008

	<u>General Fund</u>		Variance -
	Statutory		Favorable
	Transactions	Budget	(Unfavorable)
Statutory Revenues			
Local Sources	\$ 4,439,137	\$ 4,100,939	\$ 338,198
County Sources	7,114	0	7,114
State Sources	20,081,092	20,815,365	(734,273)
Federal Sources	11,815	0	11,815
	24,539,158	\$ 24,916,304	\$ (377,146)
Expenditures			
Instruction	13,291,201	\$ 14,184,393	\$ 893,192
Student Support Services	1,004,093	971,639	(32,454)
Instructional Support Staff	701,035	656,026	(45,009)
School Administration	2,003,922	2,014,720	10,798
Operations & Maintenance	1,748,874	1,710,262	(38,612)
Student Transportation Services	958,697	1,073,386	114,689
Other Supplemental Services	77,126	18,239	(58,887)
Transfers	4,758,992	4,325,005	(433,987)
Adjustment to Comply with Legal Max	0	(818,375)	(818,375)
Adjustment for Qualifying Budget Credits	0	408,717	408,717
	24,543,940	\$ 24,544,012	\$ 72
Receipts Over (Under) Expenditures	(4,782)		
Modified Unencumbered Cash, Beginning	14,814		
Prior Year Canceled Encumbrances	1,350		
Modified Unencumbered Cash, Ending	\$ 11,382		

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2008

Supplemental General Fund

	Statutory		Variance -
	Transactions	Budget	Favorable
			(Unfavorable)
Statutory Revenues			
Local Sources	\$ 3,390,312	\$ 3,226,738	\$ 163,574
County Sources	469,962	426,938	43,024
State Sources	<u>3,463,085</u>	<u>3,531,779</u>	<u>(68,694)</u>
	<u>7,323,359</u>	<u>\$ 7,185,455</u>	<u>\$ 137,904</u>
Expenditures			
Instruction	2,362,812	\$ 2,614,631	\$ 251,819
General Administration	1,615,900	1,374,924	(240,976)
School Administration	3,421	0	(3,421)
Operations & Maintenance	1,788,718	1,937,452	148,734
Other Supplemental Services	864,913	735,803	(129,110)
Transfers	743,646	736,686	(6,960)
Adjustment to Comply with Legal Max	0	(158,907)	(158,907)
Adjustment for Qualifying Budget Credits	0	138,821	138,821
	<u>7,379,410</u>	<u>\$ 7,379,410</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(56,051)		
Modified Unencumbered Cash, Beginning	210,685		
Prior Year Canceled Encumbrances	<u>0</u>		
Modified Unencumbered Cash, Ending	<u>\$ 154,634</u>		

FEDERAL AWARD INFORMATION



BUSBY SMITH & FORD LLC

CERTIFIED PUBLIC ACCOUNTANTS/CONSULTANTS

**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
Andover Unified School District No. 385
Andover, Kansas**

We have audited the financial statements of **Andover Unified School District No. 385, Andover, Kansas**, as of and for the year ended **June 30, 2008**, and have issued our report thereon dated November 20, 2008, which was adverse because of the District's policy to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Andover Unified School District No. 385, Andover, Kansas'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Andover Unified School District No. 385, Andover, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Andover Unified School District No. 385, Andover, Kansas'** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

**Board of Education
Andover Unified School District No. 385**

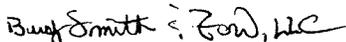
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Andover Unified School District No. 385, Andover, Kansas'** 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*.

We noted certain matters that we reported to management of **Andover Unified School District No. 385, Andover, Kansas** in a separate letter dated November 20, 2008.

This report is intended solely for the information and use of the Board of Education and management of **Andover Unified School District No. 385, Andover, Kansas**, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Busby Smith & Ford, LLC
November 20, 2008



BUSBY SMITH & FORD LLC

CERTIFIED PUBLIC ACCOUNTANTS/CONSULTANTS

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

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

Compliance

We have audited the compliance of **Andover Unified School District No. 385, Andover, Kansas**, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended **June 30, 2008**. **Andover Unified School District No. 385, Andover, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Andover Unified School District No. 385, Andover, Kansas'** management. Our responsibility is to express an opinion on **Andover Unified School District No. 385, Andover, Kansas'** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Andover Unified School District No. 385, Andover, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **Andover Unified School District No. 385, Andover, Kansas'** compliance with those requirements.

In our opinion, **Andover Unified School District No. 385, Andover, Kansas** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended **June 30, 2008**.

**Board of Education
Andover Unified School District No. 385**

Internal Control Over Compliance

The management of **Andover Unified School District No. 385, Andover, Kansas** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Andover Unified School District No. 385, Andover, Kansas'** internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 **Andover Unified School District No. 385, Andover, Kansas'** internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the Board of Education and management of **Andover Unified School District No. 385, Andover, Kansas**, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Busby Smith & Ford, LLC
Busby Smith & Ford, LLC
November 20, 2008

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2008

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-07	Receipts	Expenditures	Unencumbered Cash 6-30-08
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture	10.553	\$ 21,855				
School Breakfast Program	10.555	308,718				
National School Lunch Program		330,573	\$ 0	\$ 330,573	\$ 330,573	\$ 0
<u>Department of Education</u>						
Title I	84.010	184,261	9,681	184,261	193,942	0
Drug Free	84.186	9,475	0	9,475	9,468	7
Title V	84.298	3,543	0	3,543	3,543	0
Title II Tech Literacy	84.318	1,833	8	1,833	1,833	8
Title II	84.367	75,780	0	75,780	75,780	0
		274,892	9,689	274,892	284,566	15
<u>(Passes Through South Central Kansas Education Service Center)</u>						
Department of Education	84.048	20,139	0	20,139	20,139	0
Carl Perkins						
<u>(Passes Through Maize USD No. 266)</u>						
Department of Education	84.365	5,354	11	5,354	5,354	11
Title III						
<u>(Passes Through Kansas SRS)</u>						
Department of Health and Human Services	93.778	24,719	0	24,719	24,719	0
Medicaid						
Total Federal Financial Assistance		\$ 655,677	\$ 9,700	\$ 655,677	\$ 665,351	\$ 26

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Andover Unified School District No. 385, Andover, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an adverse opinion on the financial statements of **Andover Unified School District No. 385, Andover, Kansas**.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of **Andover Unified School District No. 385, Andover, Kansas**, were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for **Andover Unified School District No. 385, Andover, Kansas**, expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for **Andover Unified School District No. 385, Andover, Kansas**.
7. The programs tested as major programs included:

School Breakfast Program	10.553
National School Lunch Program	10.555
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Andover Unified School District No. 385, Andover, Kansas**, was determined to be a low-risk auditee.

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

There are no prior audit findings.