

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
MAIZE, KANSAS**

**FINANCIAL STATEMENTS
JUNE 30, 2008**

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BUSBY SMITH & FORD LLC

CERTIFIED PUBLIC ACCOUNTANTS/CONSULTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
Maize Unified School District No. 266
Maize, Kansas**

We have audited the accompanying financial statements of **Maize Unified School District No. 266, Maize, 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 October 11, 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, **Maize Unified School District No. 266, Maize, 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.

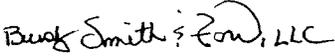
In our opinion, because of the effects of the matter discussed in the preceding paragraph the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Maize Unified School District No. 266, Maize, Kansas**, as of **June 30, 2008**, or changes in the financial position for the year then ended.

**Board of Education
Maize Unified School District No. 266**

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of **Maize Unified School District No. 266, Maize, 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 September 25, 2008, on our consideration of **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, 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
September 25, 2008

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	\$ (1,990,119)	0	\$ 36,896,591	\$ 36,708,160	\$ (1,801,688)	\$ 1,248,331	\$ (553,357)
Special Revenue Funds							
Supplemental General	253,652	0	10,002,650	10,100,000	156,302	237,298	393,600
At Risk (K-12)	100,000	0	1,416,346	1,417,196	99,150	0	99,150
Bilingual Education	25,000	0	134,839	134,839	25,000	0	25,000
Capital Outlay	5,507,055	0	3,024,595	1,038,562	7,493,088	553,510	8,046,598
Driver Training	90,562	0	65,058	55,468	100,152	0	100,152
Food Service	183,587	0	2,289,432	2,260,666	212,353	22,377	234,730
Professional Development	0	0	100,000	100,000	0	728	728
Parents as Teachers	0	0	175,388	175,388	0	207	207
Summer School	0	0	63,295	63,295	0	331	331
Special Education	2,005,563	0	6,864,377	6,863,940	2,006,000	0	2,006,000
Vocational Education	100,000	0	786,092	786,092	100,000	951	100,951
KPERS Contribution	0	0	1,877,313	1,877,313	0	0	0
Special Assessments	335,021	0	38,167	0	373,188	0	373,188
Recreation Commission	0	0	344,072	344,072	0	0	0
Federal Funds	0	0	348,048	303,671	44,377	0	44,377
Gifts and Grants	357,035	0	159,688	114,605	402,118	10,000	412,118
Textbook and Student Material Revolving	1,980,072	0	445,356	176,447	2,248,981	88,648	2,337,629
District Activity Funds	217,761	0	714,880	666,486	266,155	0	266,155
Debt Service Funds							
Bond and Interest #2	8,548,041	0	7,177,275	5,565,473	10,159,843	0	10,159,843
Capital Projects	30,540,555	0	15,821,282	46,632,742	(270,905)	40,762,116	40,491,211
	\$ 48,253,785	\$ 0	\$ 88,744,744	\$ 115,384,415	\$ 21,614,114	\$ 42,924,497	\$ 64,538,611
Composition of Cash:							
			Checking and Money Market Accounts				\$ 36,639,711
			Certificates of Deposit				28,006,242
			Agency Funds				\$ 64,645,953
							(107,342)
							\$ 64,538,611

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	Budget Credits	Qualifying			
General Fund	\$ 37,354,835	\$ (698,091)	\$	51,416	\$	\$ 36,708,160	\$	0
Special Revenue Funds								
Supplemental General	10,100,000	0	0	0	0	10,100,000	10,100,000	0
At Risk (K-12)	1,431,330	0	0	0	0	1,431,330	1,417,196	14,134
Bilingual Education	176,915	0	0	0	0	176,915	134,839	42,076
Capital Outlay	6,000,000	0	0	0	0	6,000,000	1,038,562	4,961,438
Driver Training	69,425	0	0	0	0	69,425	55,468	13,957
Food Service	2,541,000	0	0	0	0	2,541,000	2,260,666	280,334
Professional Development	100,000	0	0	0	0	100,000	100,000	0
Parents as Teachers	190,482	0	0	0	0	190,482	175,388	15,094
Summer School	88,360	0	0	0	0	88,360	63,295	25,065
Special Education	7,240,645	0	0	0	0	7,240,645	6,863,940	376,705
Vocational Education	928,180	0	0	0	0	928,180	786,092	142,088
KPERS Contribution	2,123,980	0	0	0	0	2,123,980	1,877,313	246,667
Special Assessments	300,000	0	0	0	0	300,000	0	300,000
Recreation Commission	450,000	0	0	0	0	450,000	344,072	105,928
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	303,671	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	114,605	XXXXXXXXXX
Textbook and Student Material	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	176,447	XXXXXXXXXX
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	666,486	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX		
Debt Service Funds								
Bond and Interest #2	5,565,960	0	0	0	0	5,565,960	5,565,473	487
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	46,632,742	XXXXXXXXXX
	<u>\$ 74,661,112</u>	<u>\$ (698,091)</u>	<u>\$</u>	<u>51,416</u>	<u>\$</u>	<u>\$ 74,014,437</u>	<u>\$ 115,384,415</u>	<u>\$ 6,523,973</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 4,956,448	\$ 5,491,546	\$ 5,129,415	\$ 362,131
State Sources	29,157,725	31,380,739	32,225,420	(844,681)
Federal Sources	28,488	24,306	0	24,306
	<u>34,142,661</u>	<u>36,896,591</u>	<u>\$ 37,354,835</u>	<u>\$ (458,244)</u>
Expenditures				
Instruction	13,041,089	14,789,911	\$ 14,566,500	\$ (223,411)
Student Support Services	1,200,543	1,366,255	1,303,140	(63,115)
Instructional Support Staff	494,748	483,123	534,910	51,787
General Administration	1,775,569	2,016,855	2,163,620	146,765
School Administration	2,076,331	2,120,190	2,230,010	109,820
Operations & Maintenance	3,678,989	3,985,629	4,804,750	819,121
Student Transportation Services	1,772,721	2,182,729	2,090,440	(92,289)
Transfers	10,222,038	9,763,468	9,661,465	(102,003)
Adjustment to Comply with Legal Max	0	0	(698,091)	(698,091)
Adjustment for Qualifying Budget Credits	0	0	51,416	51,416
	<u>34,262,028</u>	<u>36,708,160</u>	<u>\$ 36,708,160</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(119,367)	188,431		
Unencumbered Cash, Beginning	(1,870,752)	(1,990,119)		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ (1,990,119)</u>	<u>\$ (1,801,688)</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	\$ 3,855,865	\$ 4,199,837	\$ 3,752,629	\$ 447,208
County Sources	643,308	647,391	603,998	43,393
State Sources	4,587,783	5,155,422	5,116,660	38,762
	<u>9,086,956</u>	<u>10,002,650</u>	<u>\$ 9,473,287</u>	<u>\$ 529,363</u>
 Expenditures				
Instruction	9,244,000	10,100,000	\$ 10,100,000	\$ 0
	<u>9,244,000</u>	<u>10,100,000</u>	<u>\$ 10,100,000</u>	<u>\$ 0</u>
 Receipts Over (Under) Expenditures	(157,044)	(97,350)		
 Unencumbered Cash, Beginning	410,696	253,652		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 253,652</u>	<u>\$ 156,302</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 100,000	\$ (100,000)
Transfers	955,090	1,416,346	1,330,000	86,346
	<u>955,090</u>	<u>1,416,346</u>	<u>\$ 1,430,000</u>	<u>\$ (13,654)</u>
Expenditures				
Instruction	955,090	1,417,196	\$ 1,431,330	\$ 14,134
	<u>955,090</u>	<u>1,417,196</u>	<u>\$ 1,431,330</u>	<u>\$ 14,134</u>
Receipts Over (Under) Expenditures	0	(850)		
Unencumbered Cash, Beginning	100,000	100,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>	<u>\$ 99,150</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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				
Local Sources	\$ 0	\$ 0	\$ 50,000	\$ (50,000)
Transfers	142,048	134,839	127,000	7,839
	142,048	134,839	\$ 177,000	\$ (42,161)
Expenditures				
Instruction	117,048	134,839	\$ 176,915	\$ 42,076
	117,048	134,839	\$ 176,915	\$ 42,076
Receipts Over (Under) Expenditures	25,000	0		
Unencumbered Cash, Beginning	0	25,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 25,000	\$ 25,000		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	\$ 2,351,296	\$ 2,185,323	\$ 3,340,627	\$ (1,155,304)
County Sources	176,501	180,550	252,584	(72,034)
State Sources	369,438	415,712	409,794	5,918
Federal Sources	327,388	22,406	0	22,406
Transfers	1,561,402	220,604	82,864	137,740
	<u>4,786,025</u>	<u>3,024,595</u>	<u>\$ 4,085,869</u>	<u>\$ (1,061,274)</u>
Expenditures				
Instruction	0	246,634	\$ 3,000,000	\$ 2,753,366
Land Acquisition	154,760	0	0	0
Land Improvement	305,186	147,935	1,000,000	852,065
Architectural and Engineering Services	349,655	20,033	300,000	279,967
New Building Acquisition and Construction	25,362	7,052	50,000	42,948
Site Improvement	654,102	616,908	1,500,000	883,092
Building Improvements	168,879	0	150,000	150,000
	<u>1,657,944</u>	<u>1,038,562</u>	<u>\$ 6,000,000</u>	<u>\$ 4,961,438</u>
Receipts Over (Under) Expenditures	3,128,081	1,986,033		
Unencumbered Cash, Beginning	2,378,974	5,507,055		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 5,507,055</u>	<u>\$ 7,493,088</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 34,530	\$ 45,478	\$ 60,000	\$ (14,522)
State Sources	20,774	19,580	24,300	(4,720)
	55,304	65,058	\$ 84,300	\$ (19,242)
Expenditures				
Instruction	34,494	55,468	\$ 69,425	\$ 13,957
	34,494	55,468	\$ 69,425	\$ 13,957
Receipts Over (Under) Expenditures	20,810	9,590		
Unencumbered Cash, Beginning	69,752	90,562		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 90,562	\$ 100,152		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	\$ 1,586,232	\$ 1,670,869	\$ 1,828,500	\$ (157,631)
State Sources	21,501	21,048	32,940	(11,892)
Federal Sources	422,534	445,921	435,716	10,205
Transfers	0	151,594	200,000	(48,406)
	<u>2,030,267</u>	<u>2,289,432</u>	<u>\$ 2,497,156</u>	<u>\$ (207,724)</u>
Expenditures				
Operations & Maintenance	106,119	120,514	\$ 123,000	\$ 2,486
Food Service Operation	1,940,898	2,140,152	2,418,000	277,848
	<u>2,047,017</u>	<u>2,260,666</u>	<u>\$ 2,541,000</u>	<u>\$ 280,334</u>
Receipts Over (Under) Expenditures	(16,750)	28,766		
Unencumbered Cash, Beginning	200,337	183,587		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 183,587</u>	<u>\$ 212,353</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
State Sources	\$ 13,575	\$ 12,655	\$ 10,000	\$ 2,655
Transfers	86,425	87,345	90,000	(2,655)
	<u>100,000</u>	<u>100,000</u>	<u>\$ 100,000</u>	<u>\$ 0</u>
Expenditures				
Instruction	8,235	4,456	\$ 16,000	\$ 11,544
Instructional Support Staff	2,576	1,436	2,000	564
Other Supplemental Services	89,189	94,108	82,000	(12,108)
	<u>100,000</u>	<u>100,000</u>	<u>\$ 100,000</u>	<u>\$ 0</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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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>Parents as Teachers Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 10,000	\$ (10,000)
State Sources	76,915	86,162	90,241	(4,079)
Transfers	<u>86,051</u>	<u>89,226</u>	<u>90,241</u>	<u>(1,015)</u>
	<u>162,966</u>	<u>175,388</u>	<u>\$ 190,482</u>	<u>\$ (15,094)</u>
Expenditures				
Student Support Services	158,409	173,143	\$ 176,482	\$ 3,339
Instructional Support Staff	<u>4,557</u>	<u>2,245</u>	<u>14,000</u>	<u>11,755</u>
	<u>162,966</u>	<u>175,388</u>	<u>\$ 190,482</u>	<u>\$ 15,094</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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 21,200	\$ 50,250	\$ 50,000	\$ 250
Transfers	39,167	13,045	38,360	(25,315)
	60,367	63,295	\$ 88,360	\$ (25,065)
Expenditures				
Instruction	42,558	46,055	\$ 67,540	\$ 21,485
Student Support Services	0	0	1,300	1,300
School Administration	6,525	7,453	6,510	(943)
Other Supplemental Services	11,284	9,787	13,010	3,223
	60,367	63,295	\$ 88,360	\$ 25,065
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 0	\$ 0		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 14,547	\$ 0	\$ 360,000	\$ (360,000)
Transfers	6,683,167	6,864,377	6,880,000	(15,623)
	6,697,714	6,864,377	\$ 7,240,000	\$ (375,623)
Expenditures				
Instruction	5,416,238	6,531,332	\$ 6,901,625	\$ 370,293
Student Transportation Services	275,913	332,608	339,020	6,412
	5,692,151	6,863,940	\$ 7,240,645	\$ 376,705
Receipts Over (Under) Expenditures	1,005,563	437		
Unencumbered Cash, Beginning	1,000,000	2,005,563		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 2,005,563	\$ 2,006,000		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 100,000	\$ (100,000)
Transfers	668,688	786,092	823,000	(36,908)
	<u>668,688</u>	<u>786,092</u>	<u>\$ 923,000</u>	<u>\$ (136,908)</u>
Expenditures				
Instruction	618,688	786,092	\$ 928,180	\$ 142,088
	<u>618,688</u>	<u>786,092</u>	<u>\$ 928,180</u>	<u>\$ 142,088</u>
Receipts Over (Under) Expenditures	50,000	0		
Unencumbered Cash, Beginning	50,000	100,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>	<u>\$ 100,000</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	\$ 1,609,076	\$ 1,877,313	\$ 2,123,980	\$ (246,667)
	<u>1,609,076</u>	<u>1,877,313</u>	<u>\$ 2,123,980</u>	<u>\$ (246,667)</u>
Expenditures				
Instruction	1,152,098	1,344,156	\$ 1,520,770	\$ 176,614
Student Support Services	74,018	89,411	97,703	8,292
Instructional Support Staff	22,527	23,228	29,736	6,508
General Administration	86,890	101,375	114,695	13,320
School Administration	112,635	131,412	148,679	17,267
Operations & Maintenance	62,754	73,215	82,835	9,620
Student Transportation Services	59,536	69,461	78,587	9,126
Food Service Operation	38,618	45,055	50,975	5,920
	<u>1,609,076</u>	<u>1,877,313</u>	<u>\$ 2,123,980</u>	<u>\$ 246,667</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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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 Assessments Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Local Sources	\$ 133,687	\$ 5,790	\$ 3,870	\$ 1,920
County Sources	<u>22,442</u>	<u>32,377</u>	<u>44,372</u>	<u>(11,995)</u>
	<u>156,129</u>	<u>38,167</u>	<u>\$ 48,242</u>	<u>\$ (10,075)</u>
Expenditures				
Site Improvement Services	<u>256,638</u>	<u>0</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
	<u>256,638</u>	<u>0</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Receipts Over (Under) Expenditures	(100,509)	38,167		
Unencumbered Cash, Beginning	435,530	335,021		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 335,021</u>	<u>\$ 373,188</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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>Recreation Commission Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 266,981	\$ 297,362	\$ 138,833	\$ 158,529
County Sources	44,053	46,710	63,096	(16,386)
	<u>311,034</u>	<u>344,072</u>	<u>\$ 201,929</u>	<u>\$ 142,143</u>
Expenditures				
Community Service Operations	311,034	344,072	\$ 450,000	\$ 105,928
	<u>311,034</u>	<u>344,072</u>	<u>\$ 450,000</u>	<u>\$ 105,928</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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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 #2 Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 4,690,458	\$ 4,740,715	\$ 3,781,886	\$ 958,829
County Sources	584,870	567,055	527,752	39,303
State Sources	<u>1,465,206</u>	<u>1,869,505</u>	<u>1,846,384</u>	<u>23,121</u>
	<u>6,740,534</u>	<u>7,177,275</u>	<u>\$ 6,156,022</u>	<u>\$ 1,021,253</u>
 Expenditures				
Debt Service	<u>4,309,930</u>	<u>5,565,473</u>	<u>\$ 5,565,960</u>	<u>\$ 487</u>
	<u>4,309,930</u>	<u>5,565,473</u>	<u>\$ 5,565,960</u>	<u>\$ 487</u>
 Receipts Over (Under) Expenditures	2,430,604	1,611,802		
 Unencumbered Cash, Beginning	6,117,437	8,548,041		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 8,548,041</u>	<u>\$ 10,159,843</u>		

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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 Actual	Current Year Actual
	<u> </u>	<u> </u>
Cash Receipts		
Federal Sources	\$ 275,114	\$ 348,048
	<u>275,114</u>	<u>348,048</u>
 Expenditures		
Instruction	254,568	273,773
Student Support Services	15,389	23,324
Instructional Support Staff	5,157	6,574
	<u>275,114</u>	<u>303,671</u>
 Receipts Over (Under) Expenditures	0	44,377
 Unencumbered Cash, Beginning	0	0
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 44,377</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
Cash Receipts		
Local Sources	\$ 73,338	\$ 114,981
State Sources	8,000	12,500
Federal Sources	32,056	32,207
	<u>113,394</u>	<u>159,688</u>
Expenditures		
Instruction	3,000	75,308
Instructional Support Staff	37,056	34,707
Other Supplemental Services	1,443	4,590
	<u>41,499</u>	<u>114,605</u>
Receipts Over (Under) Expenditures	71,895	45,083
Unencumbered Cash, Beginning	285,140	357,035
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 357,035</u>	<u>\$ 402,118</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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)

<u>Textbook and Student Material Revolving Fund</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 467,179	\$ 445,356
	<u>467,179</u>	<u>445,356</u>
Expenditures		
Instruction	67,821	88,649
Student Support Services	<u>85,052</u>	<u>87,798</u>
	<u>152,873</u>	<u>176,447</u>
Receipts Over (Under) Expenditures	314,306	268,909
Unencumbered Cash, Beginning	1,665,766	1,980,072
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,980,072</u>	<u>\$ 2,248,981</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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)

	<u>Prior Year</u>	<u>Current Year</u>
	<u>Actual</u>	<u>Actual</u>
Cash Receipts		
Bond Proceeds	\$ 30,540,325	\$ 15,000,000
Interest	<u>5,082</u>	<u>821,282</u>
	<u>30,545,407</u>	<u>15,821,282</u>
 Expenditures		
Architectural and Engineering Services	122,845	43,555
New Building Acquisition and Contractor	<u>0</u>	<u>46,589,187</u>
	<u>122,845</u>	<u>46,632,742</u>
 Receipts Over (Under) Expenditures	30,422,562	(30,811,460)
 Unencumbered Cash, Beginning	117,993	30,540,555
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	<u>\$ 30,540,555</u>	<u>\$ (270,905)</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
Maize Elementary School Maize Melodies	\$ 75	\$ 2,302	\$ 2,247	\$ 130
	<u>75</u>	<u>2,302</u>	<u>2,247</u>	<u>130</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
Maize Middle School				
STUCO	\$ 2,463	\$ 5,142	\$ 4,019	\$ 3,586
SADD	371	345	345	371
KAYS	559	841	1,005	395
Crime Stoppers	155	0	0	155
Cheerleading	1,883	11,745	10,868	2,760
Tennis Girls/Boys	62	263	224	101
Volleyball 7th/8th	3	864	858	9
Friendship Club	9	778	517	270
Basketball Boys/Girls	162	2,573	2,680	55
Newspaper	64	2,703	2,767	0
Science Olympiad	44	0	10	34
Kingsley Class	110	0	0	110
Slaven Class	9	0	0	9
Ennis/Holbrook/Lackey/ Newman	0	227	227	0
Ulbrich Class	624	0	572	52
Tremain Homeroom	0	564	483	81
Book Club	0	119	119	0
Social Studies	0	736	736	0
Sullivan Homeroom	0	700	700	0
Just For Fun	0	400	59	341
Play	0	1,250	1,242	8
Band	0	100	0	100
Social	0	874	874	0
	<u>6,518</u>	<u>30,224</u>	<u>28,305</u>	<u>8,437</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
Maize South Middle School				
Yearbook	\$ 4,708	\$ 29,741	\$ 26,694	\$ 7,755
Student Council	1,192	23,761	23,017	1,936
Cheerleaders	3,965	8,629	9,877	2,717
Expanded Learning	98	0	0	98
FACS	121	1,886	1,874	133
Newspaper	543	305	425	423
SADD	583	641	(463)	1,687
History Day Club	13	0	0	13
Video Broadcasting	25	0	0	25
Kays	1,041	1,574	860	1,755
Band	241	5,898	5,750	389
Choir	11,961	24,582	23,707	12,836
Orchestra	368	1,752	1,752	368
8th Grade Play	430	480	740	170
	<u>25,289</u>	<u>99,249</u>	<u>94,233</u>	<u>30,305</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
High School				
Art Club	\$ 753	\$ 1,992	\$ 1,396	\$ 1,349
Cheerleaders	0	222	233	(11)
English Club	1,531	1,431	1,205	1,757
Expanded Learning	30	68	85	13
Forensics	478	3,730	3,112	1,096
French Club	35	180	48	167
Freshman Class	315	1,142	863	594
German Club	261	2,924	3,039	146
Junior Class	4,449	17,908	12,844	9,513
Kays	20	4,193	4,160	53
Lbs/Mole Club	692	0	90	602
M-Club	643	0	0	643
Multicultural	288	2,218	1,896	610
Music Club	9,673	23,907	23,202	10,378
NHS	378	5,733	5,279	832
SADD	47	0	0	47
Science Club	1,824	0	0	1,824
Scholars Bowl	356	1,204	921	639
Senior Class	11,486	3,618	4,328	10,776
Sophomore Class	364	1,110	942	532
Spanish Club	920	210	318	812
Stuco	2,790	14,372	13,937	3,225
Thespians/Harlequins	2,764	8,515	6,720	4,559
Broadcasting	18	0	15	3
Friendship Club	209	6,052	6,115	146
Eagle Ambassadors	148	0	148	0
Spine Book Club	233	156	9	380
BPA Club	0	3,276	3,171	105
BPA Store	791	410	1,150	51
VM/Thepsmusical	7,509	0	1,145	6,364
Conservation Club	82	209	72	219
Chess Club	10	0	0	10
Student Union	39	1,148	373	814
After Prom	1,928	13,495	11,475	3,948
Pep Club	0	10,508	4,234	6,274
	<u>51,064</u>	<u>129,931</u>	<u>112,525</u>	<u>68,470</u>
Total Agency Funds	<u>\$ 82,946</u>	<u>\$ 261,706</u>	<u>\$ 237,310</u>	<u>\$ 107,342</u>

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

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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		Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest
				Final Maturity	Year					
General Obligation Bonds										
1998 Series	3.35 - 4.30	12/1/98	\$ 7,315,000	9/1/12	\$ 4,940,000	\$ 0	\$ 4,940,000	\$ 0	\$ 193,525	
2000 Series	4.50 - 7.50	12/1/00	\$ 9,800,000	9/1/21	4,325,000	0	185,000	4,140,000	220,988	
2001 Series	3.40 - 5.50	7/15/01	\$ 9,890,000	9/1/21	3,890,000	0	395,000	3,495,000	177,690	
2002 Series	4.25 - 7.25	7/1/02	\$ 8,715,000	9/1/21	8,425,000	0	215,000	8,210,000	378,806	
2003 Series	2.25 - 5.00	10/1/03	\$ 13,350,000	9/1/17	10,825,000	0	1,025,000	9,800,000	371,338	
2005 Series	3.50 - 5.00	12/1/05	\$ 9,455,000	9/1/21	9,280,000	0	100,000	9,180,000	364,030	
2007 Series	4.00 - 5.00	5/1/07	\$ 31,420,000	9/1/21	31,420,000	0	0	31,420,000	1,264,083	
2008 Series	3.75 - 5.00	1/1/08	\$ 19,195,000	9/1/21	0	19,195,000	0	19,195,000	0	
					<u>\$ 73,105,000</u>	<u>\$ 19,195,000</u>	<u>\$ 6,860,000</u>	<u>\$ 85,440,000</u>	<u>\$ 2,970,460</u>	

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
 SCHEDULE OF MATURITY OF LONG-TERM DEBT
 FOR THE YEAR ENDED JUNE 30, 2008

	2009	2010	2011	2012	2013	2014 - 2018	2019 - 2022	Total
Principal								
General obligation bonds	\$ 3,960,000	\$ 3,210,000	\$ 3,525,000	\$ 3,865,000	\$ 4,020,000	\$ 30,445,000	\$ 36,415,000	\$ 85,440,000
Interest								
General obligation bonds	<u>3,913,616</u>	<u>3,614,520</u>	<u>3,469,448</u>	<u>3,322,837</u>	<u>3,172,970</u>	<u>12,375,579</u>	<u>3,644,185</u>	<u>33,513,155</u>
Total principal and interest	<u>\$ 7,873,616</u>	<u>\$ 6,824,520</u>	<u>\$ 6,994,448</u>	<u>\$ 7,187,837</u>	<u>\$ 7,192,970</u>	<u>\$ 42,820,579</u>	<u>\$ 40,059,185</u>	<u>\$ 118,953,155</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
Vermillion School							
Activity	\$ 9,686	\$ 0	\$ 17,392	\$ 20,714	\$ 6,364	\$ 0	\$ 6,364
Pop	62	0	7,824	3,314	4,572	0	4,572
Book Fair	6,453	0	15,086	15,829	5,710	0	5,710
Kindergarten Orientation	335	0	990	1,100	225	0	225
Videos	459	0	400	330	529	0	529
Teen Pat	323	0	2,119	1,682	760	0	760
	<u>17,318</u>	<u>0</u>	<u>43,811</u>	<u>42,969</u>	<u>18,160</u>	<u>0</u>	<u>18,160</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
 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
Maize Elementary School							
Educational Products	\$ 322	\$ 0	\$ 0	\$ 322	\$ 0	\$ 0	\$ 0
Regular Activity	7,982	0	21,898	17,004	12,876	0	12,876
Library	6,228	0	14,116	13,044	7,300	0	7,300
Paper & Pencil	1,132	0	1,410	2,001	541	0	541
Red Cross	26	0	0	0	26	0	26
Pepsi	117	0	718	784	51	0	51
Yearbook	2,470	0	7,985	6,806	3,649	0	3,649
	<u>18,277</u>	<u>0</u>	<u>46,127</u>	<u>39,961</u>	<u>24,443</u>	<u>0</u>	<u>24,443</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
Pray-Woodman School							
Regular Activity	\$ 10,213	\$ 0	\$ 17,642	\$ 25,386	\$ 2,469	\$ 0	\$ 2,469
2nd Grade Activity	109	0	3,921	3,993	37	0	37
3rd Grade Activity	80	0	3,951	3,947	84	0	84
4th Grade Activity	160	0	1,622	1,771	11	0	11
5th Grade Activity	24	0	2,003	2,023	4	0	4
Wee Care	68	0	42	47	63	0	63
Coca Cola	620	0	1,203	1,711	112	0	112
Vending	0	0	43	0	43	0	43
Paper & Pencil	1,076	0	1,850	2,488	438	0	438
PTO	6,894	0	9,995	10,602	6,287	0	6,287
Yearbook	1,899	0	8,740	8,145	2,494	0	2,494
SRC	293	0	1,155	911	537	0	537
Vocal Music	227	0	200	122	305	0	305
Adopt an Animal	0	0	357	357	0	0	0
Sharpen It	678	0	0	0	678	0	678
Donation	0	0	300	300	0	0	0
Media Center	376	0	12,704	11,983	1,097	0	1,097
Guatemala	41	0	948	950	39	0	39
Mouse Patrol Monies	483	0	0	0	483	0	483
Video	1,501	0	0	1,501	0	0	0
Kid's Night Out	2,366	0	0	2,367	(1)	0	(1)
Playground	1,299	0	0	1,299	0	0	0
Talent Show	40	0	0	0	40	0	40
	<u>28,447</u>	<u>0</u>	<u>66,676</u>	<u>79,903</u>	<u>15,220</u>	<u>0</u>	<u>15,220</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	
	Unencumbered	Encumbrances	Canceled			Unencumbered	Outstanding	Encumbrances
	Cash Balance	Encumbrances	Encumbrances	Cash Receipts	Expenditures	Cash Balance	Payable	Balance
Central Elementary School	\$ 12,192	\$ 0	\$ 0	\$ 19,977	\$ 24,973	\$ 7,196	\$ 0	\$ 7,196
Activity	448	0	0	1,371	1,094	725	0	725
Pencil & Paper	1,073	0	0	5,099	882	5,290	0	5,290
Coca Cola	2,358	0	0	7,533	81	9,810	0	9,810
PTO Fundraiser	194	0	0	123	0	317	0	317
Lounge Vending Machine	1,277	0	0	8,280	6,954	2,603	0	2,603
Yearbook	965	0	0	1,178	1,409	734	0	734
Reading Counts	499	0	0	820	762	557	0	557
Vocal Music	3,989	0	0	5,306	6,497	2,798	0	2,798
Technology/Computer Lab	87	0	0	111	175	23	0	23
P.E. Department	5,168	0	0	14,644	13,242	6,570	0	6,570
Library								
	<u>28,250</u>	<u>0</u>	<u>0</u>	<u>64,442</u>	<u>56,069</u>	<u>36,623</u>	<u>0</u>	<u>36,623</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2008

Fund	Beginning Unencumbered		Prior Year Canceled		Cash Receipts	Expenditures	Ending Unencumbered		Ending Cash Balance
	Cash Balance	Unencumbered	Encumbrances	Canceled			Cash Balance	and Accounts Payable	
Maize Middle School									
Activity	\$ 3,034	\$ 0	\$ 0	\$ 0	\$ 4,676	\$ 6,417	\$ 1,293	\$ 0	\$ 1,293
Paper/Pencil	582	0	0	0	213	109	686	0	686
Red Cross	264	0	0	0	113	377	0	0	0
Coca Cola	4,587	0	0	0	2,104	3,738	2,953	0	2,953
P.E.	3,713	0	0	0	2,505	2,797	3,421	0	3,421
Vocal Music	11,189	0	0	0	13,193	11,930	12,452	0	12,452
Jazz Band Ties	660	0	0	0	6,534	6,268	926	0	926
Band	77	0	0	0	779	778	78	0	78
Box Tops	3,408	0	0	0	929	54	4,283	0	4,283
Fund Raiser	657	0	0	0	0	0	657	0	657
Yearbook	8,660	0	0	0	18,168	15,610	11,218	0	11,218
Reading Counts	403	0	0	0	177	157	423	0	423
Orchestra	(25)	0	0	0	2,682	2,657	0	0	0
Gate/Concession Start Up	0	0	0	0	1,500	1,500	0	0	0
PTO	0	0	0	0	3,767	0	3,767	0	3,767
Teacher PTO	0	0	0	0	3,767	3,745	22	0	22
Library	9,253	0	0	0	3,408	4,341	8,320	0	8,320
	46,462	0	0	0	64,515	60,478	50,499	0	50,499

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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
Maize South Middle School							
School Improvement	\$ 4,847	\$ 0	\$ 7,271	\$ 9,541	\$ 2,577	\$ 0	\$ 2,577
PTO	1,024	0	3,767	3,069	1,722	0	1,722
Crime Stoppers	47	0	0	40	7	0	7
PTO-Climate & Projects	4	0	3,767	2,587	1,184	0	1,184
Donations	3	0	0	0	3	0	3
Library	3,906	0	5,587	4,650	4,843	0	4,843
Athletics	0	0	31,170	31,170	0	0	0
Concessions	3,878	0	17,234	17,911	3,201	0	3,201
	<u>13,709</u>	<u>0</u>	<u>68,796</u>	<u>68,968</u>	<u>13,537</u>	<u>0</u>	<u>13,537</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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	
	Unencumbered	Encumbrances	Canceled			Unencumbered	Outstanding	Ending Cash
	Cash Balance	Encumbrances	Encumbrances	Cash Receipts	Expenditures	Cash Balance	Payable	Balance
High School	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 0	\$ 1,500
Scholarships	755	0	0	0	0	755	0	755
J Hurst Memorial	0	0	0	851	500	351	0	351
Joe Pfannenstiel Scholarship	0	0	0	3,000	0	3,000	0	3,000
Football	7	0	0	395	402	0	0	0
Peer To Peer	2,945	0	0	4,500	3,500	3,945	0	3,945
Schools to Careers	1	0	0	0	0	1	0	1
Teens as Teachers	0	0	0	1,000	325	675	0	675
Teacher Mini Grant	15,355	0	0	29,501	26,125	18,731	0	18,731
General	6,110	0	0	359	203	6,266	0	6,266
Library	4,272	0	0	13,197	14,943	2,526	0	2,526
Newspaper	14,359	0	0	64,443	65,664	13,138	0	13,138
Yearbook	3,052	0	0	18,556	16,265	5,343	0	5,343
Testing Fee	1,047	0	0	1,029	1,003	1,073	0	1,073
Magazine	357	0	0	50	40	367	0	367
Student Reflection Area	49,760	0	0	136,881	128,970	57,671	0	57,671

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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		Ending Cash Balance
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance	
Complete High School	\$ 14,302	0	\$ 8,488	\$ 9,612	\$ 13,178	\$ 0	0	\$ 13,178
Activity	(713)	0	1,155	819	(377)	0	0	(377)
Frazer Memorial	39	0	0	0	39	0	0	39
Quilt Grant	3	0	0	0	3	0	0	3
Book Fair								
	<u>13,631</u>	<u>0</u>	<u>9,643</u>	<u>10,431</u>	<u>12,843</u>	<u>0</u>	<u>0</u>	<u>12,843</u>

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
 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		Ending Cash Balance
						Outstanding Encumbrances and Accounts Payable		
Athletics	\$ 1,907	0	213,989	178,737	37,159	0	\$	37,159
Total District Activity Funds	\$ 217,761	0	714,880	666,486	266,155	0	\$	266,155

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

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

Maize Unified School District No. 266 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Maize, 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 generally accepted accounting principles 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, 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. 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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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 were no amendments 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
Textbook and Student Material Revolving 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.

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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 \$64,645,953 and the bank balance was \$66,905,631. The bank balance is held by one bank. Of the bank balance, \$100,000 was covered by depository insurance, and the remaining \$66,805,631 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Note 3 - Interfund Transactions:

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

	Transfer to:									
	At Risk (K-12)	Bilingual Education	Capital Outlay	Food Service	Professional Development	Parents as Teachers	Summer School	Special Education	Vocational Education	Total
Transfer from: General Fund	\$ 1,416,346	\$ 134,839	\$ 220,604	\$ 151,594	\$ 87,345	\$ 89,226	\$ 13,045	\$ 6,864,377	\$ 786,092	\$ 9,763,468

Note 4 - 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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 5 - Advance Refunding of Bond Obligation:

On December 1, 1998, the District issued \$7,315,000 in General Obligation Bonds with interest rates ranging from 3.35% to 4.30%. Of the issue, \$7,185,457 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 July 15, 2001, the District issued \$9,890,000 in General Obligation Bonds with interest rates ranging from 3.40% to 5.50%. Of the issue, \$845,612 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 October 1, 2003, the District issued \$13,350,000 in General Obligation Bonds with interest rates ranging from 2.25% to 5.0%. Of the issue, \$7,996,922 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 1993 bonds. As a result, this portion of the 1993 bonds is considered defeased and not included in long-term debt above.

On December 1, 2005, the District issued \$9,455,000 in General Obligation Bonds with interest rates ranging from 3.50% to 5.0%. Of the issue, \$9,390,057 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 2000 bonds and 2001 bonds. As a result, this portion of these bonds are considered defeased and not included in long-term debt above.

On May 1, 2007, the District issued \$31,420,000 in General Obligation Bonds with interest rates ranging from 4.00% to 5.0%. Of the issue, \$1,390,000 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 2001 bonds. As a result, this portion of these bonds are considered defeased and not included in long-term debt above.

On January 1, 2008, the District issued \$19,195,000 in General Obligation Bonds with interest rates ranging from 3.75% to 5.0%. Of the issue, \$4,249,458 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 bonds. As a result, this portion of these bonds are considered defeased and not included in long-term debt above.

Note 6 - 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.

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

Note 7 - Capital Projects:

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
School Construction and Improvements	\$ <u>46,361,837</u>	\$ <u>46,632,742</u>

Note 8 - 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 \$1,877,313. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

Note 9 - 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.

Note 10 - 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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 11 - 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 12 - 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.

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Note 13 - 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	\$ 5,491,546	\$ 5,129,415	\$ 362,131
State Sources	31,192,308	32,225,420	(1,033,112)
Federal Sources	24,306	0	24,306
	36,708,160	\$ 37,354,835	\$ (646,675)
Expenditures			
Instruction	14,789,911	\$ 14,566,500	\$ (223,411)
Student Support Services	1,366,255	1,303,140	(63,115)
Instructional Support Staff	483,123	534,910	51,787
General Administration	2,016,855	2,163,620	146,765
School Administration	2,120,190	2,230,010	109,820
Operations & Maintenance	3,985,629	4,804,750	819,121
Student Transportation Services	2,182,729	2,090,440	(92,289)
Transfers	9,763,468	9,661,465	(102,003)
Adjustment to Comply with Legal Max	0	(698,091)	(698,091)
Adjustment for Qualifying Budget Credits	0	51,416	51,416
	36,708,160	\$ 36,708,160	\$ 0
Receipts Over (Under) Expenditures	0		
Modified Unencumbered Cash, Beginning	0		
Prior Year Canceled Encumbrances	0		
Modified Unencumbered Cash, Ending	\$ 0		

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

	<u>Statutory</u>	<u>Budget</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Transactions</u>		
Statutory Revenues			
Local Sources	\$ 4,199,837	\$ 3,752,629	\$ 447,208
County Sources	647,391	603,998	43,393
State Sources	<u>5,140,527</u>	<u>5,116,660</u>	<u>23,867</u>
	<u>9,987,755</u>	<u>\$ 9,473,287</u>	<u>\$ 514,468</u>
Expenditures			
Instruction	<u>10,100,000</u>	<u>\$ 10,100,000</u>	<u>\$ 0</u>
	<u>10,100,000</u>	<u>\$ 10,100,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(112,245)		
Modified Unencumbered Cash, Beginning	626,713		
Prior Year Canceled Encumbrances	<u>0</u>		
Modified Unencumbered Cash, Ending	<u>\$ 514,468</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

Maize Unified School District No. 266

Maize, Kansas

We have audited the financial statements of **Maize Unified School District No. 266, Maize, Kansas**, as of and for the year ended **June 30, 2008**, and have issued our report thereon dated September 25, 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 **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Maize Unified School District No. 266, Maize, 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
Maize Unified School District No. 266**

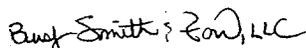
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

We noted certain matters that we reported to management of **Maize Unified School District No. 266, Maize, Kansas**, in a separate letter dated September 25, 2008.

Compliance

As part of obtaining reasonable assurance about whether **Maize Unified School District No. 266, Maize, 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*.

This report is intended solely for the information and use of the Board of Education and management of **Maize Unified School District No. 266, Maize, 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 should not be used by anyone other than these specified parties.


Busby Smith & Ford, LLC
September 25, 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
Maize Unified School District No. 266
Maize, Kansas**

Compliance

We have audited the compliance of **Maize Unified School District No. 266, Maize, 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**. **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, Kansas'** management. Our responsibility is to express an opinion on **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, 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 on **Maize Unified School District No. 266, Maize, Kansas'** compliance with those requirements.

In our opinion, **Maize Unified School District No. 266, Maize, 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
Maize Unified School District No. 266**

Internal Control Over Compliance

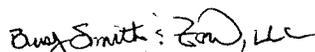
The management of **Maize Unified School District No. 266, Maize, Kansas** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, 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 should not be used by anyone other than these specified parties.


Busby Smith & Ford, LLC
September 25, 2008

MAIZE UNIFIED SCHOOL DISTRICT NO. 266
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2008

Grant Title	Federal CFDA No.	Program Amount	Unencumbered		Expenditures	Unencumbered Cash 6-30-08
			7-1-07	Receipts		
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture						
School Breakfast Program	10.553	\$ 41,563				
National School Lunch Program	10.555	399,221				
Special Milk Program for Children	10.556	5,138				
		<u>445,922</u>	\$ 0	\$ 445,922	\$ 445,922	\$ 0
<u>Department of Education</u>						
Department of Education						
Title I	84.010	215,437	0	215,437	171,060	44,377
Carl Perkins	84.048	30,059	0	30,059	30,059	0
Drug Free	84.186	12,761	0	12,761	12,761	0
Title V	84.298	6,574	0	6,574	6,574	0
Title II Tech Literacy	84.318	2,148	0	2,148	2,148	0
Title III	84.365	18,436	0	18,436	18,436	0
Title II	84.367	94,840	0	94,840	94,840	0
		<u>380,255</u>	0	<u>380,255</u>	<u>335,878</u>	<u>44,377</u>
<u>(Passes Through Kansas SRS)</u>						
Department of Health and Human Services						
Medicaid	93.778	46,711	0	46,711	46,711	0
		<u>872,888</u>	\$ 0	\$ 872,888	\$ 828,511	\$ 44,377
Total Federal Financial Assistance						

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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 **Maize Unified School District No. 266, Maize, 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."

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
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 **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, 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 **Maize Unified School District No. 266, Maize, Kansas**, expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for **Maize Unified School District No. 266, Maize, Kansas**.
7. The programs tested as major programs included:

School Breakfast Program	10.553
National School Lunch Program	10.555
Special Milk Program for Children	10.556
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Maize Unified School District No. 266, Maize, Kansas**, was determined to be a low-risk auditee.

**MAIZE UNIFIED SCHOOL DISTRICT NO. 266
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

There are no prior audit findings.