

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT

NO. 401 CHASE, KANSAS

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2010



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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Chase-Raymond Unified School District No. 401 Chase, Kansas
Chase, Kansas

We have audited the accompanying financial statements of **Chase-Raymond Unified School District No. 401 Chase, Kansas**, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of **Chase-Raymond Unified School District No. 401 Chase, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and the audit guide 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 opinions.

As described more fully in Note 1, **Chase-Raymond Unified School District No. 401 Chase, Kansas**, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effects 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 **Chase-Raymond Unified School District No. 401 Chase, Kansas**, as of June 30, 2010, or the changes in financial position for the year then ended. Further, **Chase-Raymond Unified School District No. 401 Chase, Kansas**, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Chase-Raymond Unified School District No. 401 Chase, Kansas**, as of June 30, 2010, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 1.

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

October 11, 2010

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2010

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CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2010

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories							
General Funds							
General Fund	\$ (39,965)	-	1,361,711	1,463,436	(141,690)	26	(141,664)
Supplemental General Fund	25,462	720	471,532	488,870	8,844	48,589	57,433
Special Revenue Funds							
Capital Outlay Fund	252,306	-	157,460	147,150	262,616	3,461	266,077
Special Education Fund	143,551	-	237,439	194,238	186,752	-	186,752
Food Service Fund	41,103	-	91,344	97,440	35,007	-	35,007
Driver Training Fund	14,420	-	-	228	14,192	189	14,381
Professional Development Fund	832	-	18,456	421	18,867	-	18,867
Vocational Education Fund	10,247	-	136,158	70,123	76,282	-	76,282
Textbook Rental Fund	453	-	-	-	453	-	453
Title IID Technology Education Fund	-	-	1,404	1,404	-	1,404	1,404
Title I Grant Fund	-	-	75,538	75,538	-	28	28
Title V Part A Innovative Grant Fund	-	-	5,460	5,460	-	3,059	3,059
ESOL Fund	-	-	4,000	4,000	-	-	-
Title IV Drug Free Fund	-	-	740	740	-	564	564
Title IIA Teacher Quality Fund	-	-	12,630	12,630	-	2,471	2,471
At Risk Fund (K-12)	36	-	190,000	190,036	-	-	-
4 Year Old At Risk Fund	-	-	39,472	39,417	55	-	55
KPERS Retirement Contributions Fund	-	-	73,016	73,016	-	-	-
Contingency Reserve Fund	149,277	-	-	-	149,277	-	149,277
Fiduciary Fund							
District Activity Funds	6,167	-	29,164	28,457	6,874	22,574	29,448
Debt Service Fund							
Bond and Interest Fund	199,303	-	6,899	107,208	98,994	-	98,994
Total Reporting Entity (Excluding Agency Funds)	\$ 803,192	720	2,912,423	2,999,812	716,523	82,365	798,888
			Composition of Cash				
			Checking Accounts				\$ 650,220
			Certificates of Deposits				160,000
			Total Cash				810,220
			Agency Funds per Statement 4				(11,332)
			Total Reporting Entity (Excluding Agency Funds)				\$ 798,888

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended June 30, 2010

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Funds Categories						
General Funds						
General Fund	\$ 1,528,181	(67,011)	2,266	1,463,436	1,463,436	-
Supplemental General Fund	469,604	-	19,266	488,870	488,870	-
Special Revenue Funds						
Capital Outlay Fund	393,983	-	-	393,983	147,150	(246,833)
Special Education Fund	298,261	-	-	298,261	194,238	(104,023)
Food Service Fund	138,676	-	-	138,676	97,440	(41,236)
Driver Training Fund	17,819	-	-	17,819	228	(17,591)
Professional Development Fund	13,262	-	-	13,262	421	(12,841)
Vocational Education Fund	78,665	-	-	78,665	70,123	(8,542)
ESOL Fund	4,000	-	-	4,000	4,000	-
At Risk Fund (K-12)	199,500	-	-	199,500	190,036	(9,464)
4 Year Old At Risk Fund	39,472	-	-	39,472	39,417	(55)
KPERS Retirement Contributions Fund	89,911	-	-	89,911	73,016	(16,895)
Debt Service Fund						
Bond and Interest Fund	107,208	-	-	107,208	107,208	-

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 419,113	322,178	405,077	(82,899)
Intergovernmental Revenues				
State Equalization Aid	996,402	827,652	864,938	(37,286)
State Special Education	145,015	140,190	140,190	-
Federal Aid - ARRA	-	70,225	69,425	800
Reimbursed Expenses	16,203	1,466	-	1,466
Operating Transfers In	769	-	-	-
Total Cash Receipts	<u>1,577,502</u>	<u>1,361,711</u>	<u>1,479,630</u>	<u>(117,919)</u>
Expenditures				
Instruction	642,360	557,816	585,287	(27,471)
Student Support Services	28,955	28,358	29,125	(767)
Instructional Support Services	42,021	32,335	43,400	(11,065)
General Administration	64,032	48,750	61,100	(12,350)
School Administration	116,090	128,252	118,600	9,652
Central Services	50,482	42,466	49,957	(7,491)
Operations and Maintenance	98,155	85,933	94,923	(8,990)
Student Transportation Services	47,289	46,316	56,525	(10,209)
Operating Transfers Out	472,734	493,210	489,264	3,946
Adjustment to Comply With Legal Max	-	-	(67,011)	67,011
(a) Adjustment for Qualifying Budget Credits	-	-	2,266	(2,266)
Total Expenditures	<u>1,562,118</u>	<u>1,463,436</u>	<u>1,463,436</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	15,384	(101,725)		
Unencumbered Cash - Beginning	<u>(55,349)</u>	<u>(39,965)</u>		
Unencumbered Cash - Ending	\$ <u>(39,965)</u>	<u>(141,690)</u>		
(a) Adjustment for Qualifying Budget Credits				
Reimbursed Expense Over Amount Budgeted			\$ 1,466	
Federal Aid Over Amount Budgeted			800	
Total			\$ <u>2,266</u>	

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 464,030	440,519	441,763	(1,244)
Federal Aid	-	500	-	500
Other Income	-	11,747	-	11,747
Reimbursed Expenses	8,424	18,766	-	18,766
Total Cash Receipts	<u>472,454</u>	<u>471,532</u>	<u>441,763</u>	<u>29,769</u>
Expenditures				
Instruction	111,664	107,957	151,000	(43,043)
Student Support Services	33,030	17,612	-	17,612
Instructional Support Staff	6,075	9,875	16,000	(6,125)
General Administration	30,056	32,650	46,000	(13,350)
School Administration	15,297	15,492	60,000	(44,508)
Purchased Services	30,853	17,783	42,604	(24,821)
Operations and Maintenance	94,447	98,711	145,000	(46,289)
Student Activities	24,395	36,490	-	36,490
Operating Transfers Out	128,354	152,300	9,000	143,300
(a) Adjustment for Qualifying Budget Credits	-	-	19,266	(19,266)
Total Expenditures	<u>474,171</u>	<u>488,870</u>	<u>488,870</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(1,717)	(17,338)		
Unencumbered Cash - Beginning	25,679	25,462		
Prior Year Cancelled Encumbrances	<u>1,500</u>	<u>720</u>		
Unencumbered Cash - Ending	\$ <u>25,462</u>	<u>8,844</u>		
(a) Adjustment for Qualifying Budget Credits				
Reimbursed Expense Over Amount Budgeted			\$ 18,766	
			<u>500</u>	
			\$ <u>19,266</u>	

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 85,678	148,870	150,931	(2,061)
Other Income	8,311	1,200	-	1,200
Interest Income	8,302	7,390	-	7,390
Total Cash Receipts	<u>102,291</u>	<u>157,460</u>	<u>150,931</u>	<u>6,529</u>
Expenditures				
Instruction	9,060	3,449	102,599	(99,150)
Instructional Support Services	-	2,321	200,000	(197,679)
General Administration	152	-	-	-
School Administration	-	6,898	-	6,898
Operations and Maintenance	44,055	43,804	-	43,804
Student Transportation	-	85,997	-	85,997
Other Equipment	-	1,220	-	1,220
Facility Acquisition and Construction	11,080	3,461	91,384	(87,923)
Total Expenditures	<u>64,347</u>	<u>147,150</u>	<u>393,983</u>	<u>(246,833)</u>
Cash Receipts Over (Under) Expenditures	37,944	10,310		
Unencumbered Cash - Beginning	210,880	252,306		
Prior Year Cancelled Encumbrances	<u>3,482</u>	<u>-</u>		
Unencumbered Cash - Ending	\$ <u>252,306</u>	<u>262,616</u>		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers In	\$ 214,874	237,439	176,792	60,647
Expenditures				
Instruction	188,504	191,273	298,261	(106,988)
Student Transportation Services	3,195	2,965	-	2,965
Total Expenditures	191,699	194,238	298,261	(104,023)
Cash Receipts Over (Under) Expenditures	23,175	43,201		
Unencumbered Cash - Beginning	120,376	143,551		
Unencumbered Cash - Ending	\$ 143,551	186,752		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 814	796	827	(31)
Federal Aid	46,932	57,489	44,648	12,841
Lunch Receipts				
Students	13,819	10,375	2,099	8,276
Adults	2,570	2,684	-	2,684
Operating Transfers In	52,820	20,000	50,000	(30,000)
Total Cash Receipts	116,955	91,344	97,574	(6,230)
Expenditures				
Food Service Operations	95,768	97,440	138,676	(41,236)
Cash Receipts Over (Under) Expenditures	21,187	(6,096)		
Unencumbered Cash - Beginning	19,916	41,103		
Unencumbered Cash - Ending	\$ 41,103	35,007		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Driver Training Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 342	-	400	(400)
Operating Transfers In	-	-	3,000	(3,000)
Total Cash Receipts	<u>342</u>	<u>-</u>	<u>3,400</u>	<u>(3,400)</u>
Expenditures				
Instruction	130	228	17,819	(17,591)
Operations and Maintenance	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>200</u>	<u>228</u>	<u>17,819</u>	<u>(17,591)</u>
Cash Receipts Over (Under) Expenditures	142	(228)		
Unencumbered Cash - Beginning	<u>14,278</u>	<u>14,420</u>		
Unencumbered Cash - Ending	\$ <u>14,420</u>	<u>14,192</u>		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 1,304	-	-	-
Reimbursed Expenses	-	15	-	15
Operating Transfers In	6,017	18,441	13,000	5,441
Total Cash Receipts	7,321	18,456	13,000	5,456
Expenditures				
Instruction	1,028	-	-	-
Instructional Support Services	8,390	421	13,262	(12,841)
Total Expenditures	9,418	421	13,262	(12,841)
Cash Receipts Over (Under) Expenditures	(2,097)	18,035		
Unencumbered Cash - Beginning	2,929	832		
Unencumbered Cash - Ending	\$ 832	18,867		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers In	\$ 61,665	136,158	<u>62,000</u>	<u>74,158</u>
Expenditures				
Instruction	<u>61,665</u>	<u>70,123</u>	<u>78,665</u>	<u>(8,542)</u>
Cash Receipts Over (Under) Expenditures	-	66,035		
Unencumbered Cash - Beginning	<u>10,247</u>	<u>10,247</u>		
Unencumbered Cash - Ending	\$ <u>10,247</u>	<u>76,282</u>		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Textbook Rental Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	453	453
Unencumbered Cash - Ending	\$ 453	453

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Title IID Technology Education Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 434	1,404
Expenditures		
Instruction	434	1,404
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Title I Grant Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 45,437	75,538
Expenditures		
Instruction	45,437	75,538
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Title V Part A Innovative Grant Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ -	5,460
Expenditures		
Instruction	-	5,460
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
ESOL Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers In	\$ 3,899	4,000	<u>4,000</u>	<u>-</u>
Expenditures				
Instruction	<u>3,899</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ <u>-</u>	<u>-</u>		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Title IV Drug Free Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 726	740
Expenditures		
Student Support Services	726	740
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Title IIA Teacher Quality Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 12,840	12,630
Expenditures		
Instruction	12,840	12,630
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
At Risk Fund (K-12)

Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers In	\$ 146,044	190,000	<u>150,000</u>	<u>40,000</u>
Expenditures				
Instruction	<u>146,044</u>	<u>190,036</u>	<u>199,500</u>	<u>(9,464)</u>
Cash Receipts Over (Under) Expenditures	-	(36)		
Unencumbered Cash - Beginning	-	36		
Prior Year Cancelled Encumbrances	<u>36</u>	<u>-</u>		
Unencumbered Cash - Ending	\$ <u>36</u>	<u>-</u>		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
4 Year Old At Risk Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers In	\$ 35,769	39,472	39,472	-
Expenditures				
Instruction	34,821	39,417	35,810	3,607
Student Activities	138	-	-	-
Food Service	810	-	-	-
Student Transportation	-	-	3,662	(3,662)
Operating Transfers Out	769	-	-	-
Total Expenditures	36,538	39,417	39,472	(55)
Cash Receipts Over (Under) Expenditures	(769)	55		
Unencumbered Cash - Beginning	-	-		
Prior Year Cancelled Encumbrances	769	-		
Unencumbered Cash - Ending	\$ -	55		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
KPERS Retirement Contributions Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 74,306	73,016	89,911	(16,895)
Expenditures				
Instruction	37,335	36,509	47,000	(10,491)
Student Support Services	4,437	4,381	5,500	(1,119)
Instructional Support Services	4,437	4,381	5,500	(1,119)
General Administration	5,915	5,841	7,000	(1,159)
School Administration	8,134	8,032	9,500	(1,468)
Operations and Maintenance	5,915	5,841	6,911	(1,070)
Student Transportation Services	2,218	2,190	2,500	(310)
Food Service	5,915	5,841	6,000	(159)
Total Expenditures	74,306	73,016	89,911	(16,895)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers In	\$ 80,000	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	80,000	-
Unencumbered Cash - Beginning	69,277	149,277
Unencumbered Cash - Ending	<u>\$ 149,277</u>	<u>149,277</u>

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Bond and Interest Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues	\$ 113,623	6,899	7,743	(844)
Expenditures				
Bond Principal	100,000	105,000	105,000	-
Commission and Postage	3	3	3	-
Interest Payment	6,460	2,205	2,205	-
Total Expenditures	106,463	107,208	107,208	-
Cash Receipts Over (Under) Expenditures	7,160	(100,309)		
Unencumbered Cash - Beginning	192,143	199,303		
Unencumbered Cash - Ending	\$ 199,303	98,994		

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS

Agency Funds

Summary of Cash Receipts and Cash Disbursements

For the Year Ended June 30, 2010

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds				
Chase High School				
C - Club	\$ 565	3,017	2,915	667
Cheerleaders	1,241	691	892	1,040
FCCLA	465	414	159	720
Music Club	26	-	-	26
Golf Club	73	152	225	-
Dance Team	136	-	-	136
National Honor Society	927	2,347	2,669	605
Science Club	17	-	-	17
Weight Lifting Club	1,701	-	-	1,701
Student Council	663	2,349	2,021	991
Shop Fund	-	5,405	5,405	-
Thespians Fund	127	-	120	7
Class of 2009	76	-	-	76
Class of 2010	482	-	448	34
Class of 2011	1,091	2,073	2,739	425
Class of 2012	1,541	625	49	2,117
Class of 2013	-	575	-	575
Total Chase High School	9,131	17,648	17,642	9,137
Raymond Junior High School				
Cheerleaders	219	136	133	222
Music	-	432	432	-
6th Grade Class	573	594	772	395
7th Grade Class	507	634	583	558
8th Grade Class	693	2,167	1,840	1,020
Total Raymond Junior High School	1,992	3,963	3,760	2,195
Total Agency Funds	\$ 11,123	21,611	21,402	11,332

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
District Activity Funds
 Statement of Cash Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2010

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Chase High School							
Activity	\$ 627	-	118	-	745	-	745
Athletics	758	-	12,140	12,101	797	-	797
Faculty	432	-	885	-	1,317	-	1,317
Miscellaneous	-	-	638	638	-	-	-
K&R Concessions	-	-	7,190	7,190	-	-	-
KNEA Concessions	6	-	525	525	6	-	6
Daulton Doll Memorial	700	-	-	-	700	-	700
Total Chase High School	2,523	-	21,496	20,454	3,565	-	3,565
Raymond Jr. High School							
Athletics	-	-	1,985	1,985	-	-	-
Miscellaneous	60	-	1,224	1,284	-	-	-
Concession Stand	-	-	-	-	-	-	-
Pictures	431	-	-	431	-	-	-
Pop Machine	794	-	529	438	885	-	885
Library	284	-	2,370	2,226	428	-	428
Buildog/Kat T-shirts	295	-	617	671	241	-	241
Pencil Machine	310	-	106	165	251	-	251
General Mills Box Tops	512	-	-	126	386	-	386
Help G. S. Student Account	-	-	794	640	154	-	154
Dare	250	-	-	-	250	-	250
Interest	438	-	43	-	481	-	481
Nurses' Help Fund	270	-	-	37	233	-	233
Total Raymond Jr. High School	3,644	-	7,668	8,003	3,309	-	3,309
Payroll Clearing Fund	-	-	-	-	-	22,574	22,574
Total District Activity Funds	\$ 6,167	-	29,164	28,457	6,874	22,574	29,448

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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chase-Raymond Unified School District No. 401 Chase, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to 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. The following is a summary of such significant policies.

Reporting Entity

Chase-Raymond Unified School District No. 401 Chase, Kansas is a municipal corporation governed by an elected board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no such entities under its control.

Chase-Raymond Unified School District No. 401 Chase, Kansas is the primary government as defined in GASB #14 and further amended by GASB #39. The School Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Presentation – Fund Accounting

The accounts of **Chase-Raymond Unified School District No. 401 Chase, Kansas** are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of **Chase-Raymond Unified School District No. 401 Chase, Kansas** for the year ended June 30, 2010.

Governmental Fund Categories

General Funds – to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds – to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund – to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund Categories

Agency Funds – to account for assets held by a governmental unit as trustee or agent for others.

Student Activity Funds – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditures, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

District Activity Funds – an agency fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the Board of Education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

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, with disbursements being adjusted for prior year's 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. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District 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 expenses, 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 generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special revenue funds (unless specifically exempted by statute), and debt service fund.

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS
Notes to Financial Statements
June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There was one budget amendment for this year for the At Risk Fund (K-12).

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's 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. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds: Textbook Rental Fund, Title IID Technology Education Fund, Title I Grant Fund, Title V Part A Innovative Grant Fund, Title IV Drug Free Fund, Title IIA Teacher Quality Fund, and Contingency Reserve Fund.

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.

Deposits and Investments

Chase-Raymond Unified School District No. 401 Chase, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits The District's investments 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 K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes requires the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2010.

At June 30, 2010, the District's carrying amount of deposits was \$810,220 and the bank balance was \$1,036,273. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$343,126 was covered by federal depository insurance and \$693,147 was collateralized with securities held by pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured the District had no investments at June 30, 2010.

Compensated Absences

Vacation

The superintendent is allowed 20 days of vacation per year. Other full-time employees are allowed two weeks vacation after one year of service. After 10 years of service, 3 weeks of vacation will be provided. The District does not allow vacation leave to be accumulated unless approved by the superintendent. Monthly and part-time employees are not eligible for vacation pay.

Sick Leave

Certified Employees - The policy regarding sick pay is that all employees are allowed 10 days per year, accumulative to 60 days. According to the negotiated agreement, when an employee reaches 60 or more days (could be from 60 to 70 days), the days not used for sick leave during that year above 60 days will be bought back at the end of the school year at a rate of \$50 a day, not to exceed \$500 per person.

Noncertified Employees - Full-time employees are allowed 10 days per year, accumulative to 40 days. Monthly and part-time employees are allowed 7 days per year, accumulative to 21 days. Upon termination of employment, no sick leave benefits will be paid out beyond the District's buy-back policy for certified personnel. In accordance with the provisions of Governmental Accounting Standards Board

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement No. 16, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Sick Leave Bank - The sick leave bank is voluntary and open to all employees who receive sick leave days from the District. Employees have until September 5th of each school year to deposit sick days to the bank. An employee may deposit up to 10 days each year, to an accumulated maximum deposit of 20 days of sick leave for each employee. The number of sick leave days that an employee may borrow from the sick leave bank is limited to two times the number of sick leave days which the employee has contributed to the sick leave bank. Sick leave days which are borrowed from the bank will be paid back by the employee at the rate of three days per year. An employee's request for sick days will include a statement from their doctor and a written statement from the employee stating the reason for the need to borrow sick leave days from the bank. The request will be given to the superintendent, and he will provide a written reply to the employee within five business days.

Personal Leave

Certified Employees - Each employee is allowed two days of non-accumulative personal leave each contract year. Employees will be paid \$50 for each day of unused personal leave. The Board is willing to grant a third day of personal leave for which the employee will pay one-half of the cost of the substitute.

Non-Certified Employees - Full-time employees are allowed two days of non-accumulative personal leave. Monthly and part-time employees shall be allowed one day of personal leave. Employees will be paid \$20 for each day of unused personal leave.

The potential liability for accumulated sick leave, personal leave and vacation leave is shown on the schedule of long-term debt.

Deferred Compensation Plan

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

Defined Benefit Pension Plan

Plan Description

Chase-Raymond Unified School District No. 401 Chase, Kansas contributes to 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, 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% and 6% (if hired on or after July 1, 2009) 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

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

determined contribution rate. The State currently contributes 8.57% of covered payroll and 16.07% for non-licensed KPERS retirees and 20.07% for licensed KPERS retirees. These contribution requirements are established by KPERS and are periodically revised. The State of Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2010, 2009 and 2008 were \$248,468,168, \$242,277,363 and \$220,815,154, respectively, equal to the required contributions for each year.

Other Post Employment 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 District 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 District 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 District under this program.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as expenditures approved in federal and state grant contracts.

Reimbursements

Chase-Raymond Unified School District No. 401 Chase, Kansas records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund.

NOTE 2 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas Statutes. The District's interfund transfers and statutory authority for June 30, 2010 were as follows:

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 2 – INTERFUND TRANSFERS (continued)

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	4 Year Old At Risk Fund	K.S.A. 72-6428	\$ 39,472
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	190,000
General Fund	Special Education Fund	K.S.A. 72-6428	142,456
General Fund	ESOL Fund	K.S.A. 72-6428	4,000
General Fund	Vocational Education Fund	K.S.A. 72-6428	117,282
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	20,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	18,441
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	94,983
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	18,876

NOTE 3 – LITIGATION

Chase-Raymond Unified School District No. 401 Chase, Kansas is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

NOTE 4 – RELATED PARTY TRANSACTION

The District contracted services from Tony's Buggy Supply, which is owned by the spouse of the District Treasurer. For the fiscal year ending June 30, 2010, the District expended \$8,128 for general repairs.

NOTE 5 – RISK MANAGEMENT

Chase-Raymond Unified School District No. 401 Chase, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, crime, umbrella, linebacker, automobile and fidelity bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 6 – GRANTS AND SHARED REVENUES

Chase-Raymond Unified School District No. 401 Chase, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 7 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes the District's cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Chase-Raymond Unified School District No. 401 Chase, Kansas did not remit to the state fiscal agent at least 20 days before the day of maturity on the bond and interest payments due on the General Obligation Bond Series 1999, which is a violation of K.S.A. 10-130.

The District has outstanding checks in excess of two years that were noted during review of the bank reconciliations on the main checking account of the District, which is a violation of K.S.A. 10-816.

The District has outstanding payroll checks in excess of one year that were not remitted to the Kansas Unclaimed Property, which is a violation of K.S.A. 58-3935.

NOTE 9 – LONG-TERM DEBT

The District has the following types of Long-Term Debt:

General Obligation Bonds – On February 1, 1999, the District issued \$800,000 in School Improvement Bonds – Series 1999 A Bonds for the purpose of financing the cost of constructing, reconstructing, and maintaining the public school buildings.

Capital Lease – The District has entered into a lease agreement with an option to purchase at the expiration of the lease terms.

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401, CHASE, KANSAS
Notes to Financial Statements
For the Year Ended June 30, 2010

NOTE 9 - LONG-TERM DEBT (continued)

Changes in long-term liabilities for Chase-Raymond Unified School District No. 401, Chase, Kansas for the year ended June 30, 2010 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bond										
School Improvement Bonds	3.65%-4.2%	02/01/99 \$	800,000	09/01/09 \$	205,000	-	100,000		105,000	6,460
Capital Lease										
Copier Lease	6.50%	02/20/08	12,623	05/20/13	11,771	-	2,143		9,628	702
Total Contractual Indebtedness					216,771	-	102,143		114,628	
Compensated Absences					-	-	-	20,080	20,080	
Total Long-Term Debt					<u>\$ 216,771</u>	<u>-</u>	<u>102,143</u>	<u>20,080</u>	<u>134,708</u>	<u>7,162</u>

Current maturities of long-term debt and interest for the next four years through maturity are as follows:

	2011	2012	2013	2014	Total
Principal					
General Obligation Bond - School Improvements	\$ 105,000	-	-	-	105,000
Capital Lease - Copier	2,286	2,439	2,602	2,301	9,628
Total Principal	<u>107,286</u>	<u>2,439</u>	<u>2,602</u>	<u>2,301</u>	<u>114,628</u>
Interest					
General Obligation Bond - School Improvements	2,205	-	-	-	2,205
Capital Lease - Copier	559	405	242	69	1,275
Total Interest	<u>2,764</u>	<u>405</u>	<u>242</u>	<u>69</u>	<u>3,480</u>
Total Principal and Interest	<u>\$ 110,050</u>	<u>2,844</u>	<u>2,844</u>	<u>2,370</u>	<u>118,108</u>

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

Notes to Financial Statements

June 30, 2010

NOTE 10 - 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.

CHASE-RAYMOND UNIFIED SCHOOL DISTRICT NO. 401 CHASE, KANSAS

General Fund

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2010

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Statutory Revenues			
Taxes and Shared Revenues	\$ 322,178	405,077	(82,899)
Intergovernmental Revenues			
State Equalization Aid	917,888	864,938	52,950
State Special Education	140,190	140,190	-
Federal Aid - ARRA	70,225	69,425	800
Reimbursed Expenses	<u>1,466</u>	<u>-</u>	<u>1,466</u>
Total Statutory Revenues	<u>1,451,947</u>	<u>1,479,630</u>	<u>(27,683)</u>
Expenditures			
Instruction	557,816	585,287	(27,471)
Student Support Services	28,358	29,125	(767)
Instructional Support Services	32,335	43,400	(11,065)
General Administration	48,750	61,100	(12,350)
School Administration	128,252	118,600	9,652
Central Services	42,466	49,957	(7,491)
Operations and Maintenance	85,933	94,923	(8,990)
Student Transportation Services	46,316	56,525	(10,209)
Operating Transfers Out	493,210	489,264	3,946
Adjustment to Comply With Legal Max	-	(67,011)	67,011
(a) Adjustment for Qualifying Budget Credits	<u>-</u>	<u>2,266</u>	<u>(2,266)</u>
Total Expenditures and Legal General Fund Budget	<u>1,463,436</u>	<u>1,463,436</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(11,489)		
Modified Unencumbered Cash - Beginning	<u>11,489</u>		
Modified Unencumbered Cash - Ending	\$ <u>-</u>		
(a) Adjustment for Qualifying Budget Credits			
Reimbursed Expense Over Amount Budgeted		\$ 1,466	
Federal Aid Over Amount Budgeted		800	
Total		<u>2,266</u>	