

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2011

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UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2011

BOARD

Mark Bradford, President

Vanessa Sandburn
Bob Byers
Keith Diaz Moore

Rick Ingram
Shannon Kimball
Randy Masten

OFFICERS

Superintendent
Treasurer
Clerk

Rick Doll
Katharine S. Johnson
Janice Dunn

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

	<u>Budget</u>	<u>Levy</u>
Budgeted Funds		
General	\$ 65,020,879	20.00
Supplemental General	22,342,368	19.92
Adult Basic Education	530,000	-
At Risk (4 Year Old)	700,000	-
Adult Supplemental Education	25,981	-
At Risk (K-12)	5,877,232	-
Bilingual Education	670,000	-
Virtual Education	6,449,294	-
Capital Outlay	12,750,000	5.95
Driver Training	141,000	-
Food Service	5,000,000	-
Professional Development	400,000	-
Parent Education Program	300,000	-
Summer School	150,000	-
Special Education	23,175,000	-
Cost of Living	1,319,050	-
Vocational Education	1,590,779	-
KPERs Special Retirement Contribution	5,481,838	-
Grants	3,682,500	-
Bond and Interest	11,821,648	12.14
Special Assessment	275,000	1.61
	\$ 167,702,569	59.62

UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2011

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Lawrence, Kansas
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For the Year Ended June 30, 2011

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

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

We have audited the accompanying financial statements of the Unified School District No. 497 (the District), Lawrence, Kansas, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2010. In our report dated January 4, 2011 on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified opinion as to presentation on the Kansas prescribed basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States and the "Kansas Municipal Audit Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepares 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.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011 or the respective changes in financial position for the year then ended.

www.mizehouser.com ■ mhco@mizehouser.com

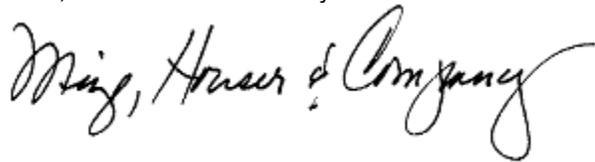
534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f
534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f
7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f
120 E Ninth ■ Lawrence, KS 66044-2682 ■ 785.842.8844 p ■ 785.842.9049 f
900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

Also, in our opinion, except for the July, 2011 receipt of the final state aid payment for the fiscal year ended June 30, 2011 being recorded in June, 2011, the financial statements referred to above present fairly, in all material respects, the fund cash and unencumbered cash balances of the District as of June 30, 2011, and its cash receipts and expenditures by fund, and fund budget to actual comparisons, for the year ended, taken as a whole, on the prescribed basis of accounting described in Note 1.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas prescribed basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2010, from which such partial information was derived.

In accordance with "Government Auditing Standards," we have also issued our report dated January 11, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the District taken as a whole. The accompanying schedule of expenditures of federal awards is presented for 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. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



January 11, 2012

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2011

Funds	Beginning	Prior Year Cancelled Encumbrances	Cash		Ending	Outstanding	Ending Cash Balance
	Unencumbered Cash Balance		Receipts	Expenditures	Unencumbered Cash Balance	Encumbrances and Accounts Payable	
Governmental Fund Types:							
General Fund	\$ -	\$ -	\$ 63,176,283	\$ 63,171,179	\$ 5,104	\$ 5,351,953	\$ 5,357,057
Special Revenue Funds:							
Supplemental General	1,240,579	-	22,064,462	21,870,870	1,434,171	1,791,386	3,225,557
Adult Basic Education	181,093	-	390,272	401,267	170,098	24,349	194,447
At Risk (4 Year Old)	323,423	-	509,871	485,370	347,924	42,699	390,623
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	621,321	-	6,283,400	5,201,077	1,703,644	325,285	2,028,929
Bilingual Education	97,098	-	607,873	554,310	150,661	43,868	194,529
Virtual Education	567,378	-	5,277,618	5,143,264	701,732	737,523	1,439,255
Capital Outlay	4,495,058	-	7,206,419	7,241,449	4,460,028	3,392,523	7,852,551
Driver Training	54,571	-	39,588	35,179	58,980	16,249	75,229
Food Service	882,738	-	4,475,306	4,265,532	1,092,512	167,175	1,259,687
Professional Development	275,587	-	312,228	265,414	322,401	132,629	455,030
Parent Education Program	63,681	-	156,708	150,750	69,639	1,169	70,808
Summer School	133,446	-	31,130	20,689	143,887	2,887	146,774
Special Education	7,257,106	-	20,467,018	18,809,267	8,914,857	1,472,842	10,387,699
Cost of Living	-	-	1,349,092	1,137,335	211,757	-	211,757
Vocational Education	467,629	-	1,506,284	1,321,319	652,594	231,407	884,001
KPERS Special Retirement Contribution	-	-	3,979,964	3,979,964	-	-	-
Contingency Reserve	6,830,992	-	-	-	6,830,992	-	6,830,992
Textbook Rental	908,985	-	425,769	389,740	945,014	240,235	1,185,249
Student Material Revolving	569,855	-	335,913	251,287	654,481	120,910	775,391
Grants	129,295	-	3,565,032	3,397,561	296,766	403,655	700,421
Gate Receipts	4,057	-	598,128	598,934	3,251	-	3,251
Debt Service Funds:							
Bond and Interest	10,427,942	-	12,261,531	11,820,648	10,868,825	-	10,868,825
Special Assessment	360,647	-	51,775	98,545	313,877	-	313,877
Capital Projects Fund	1,776,157	-	3,017	205,516	1,573,658	56,858	1,630,516
Proprietary Fund Types:							
Internal Service Funds:							
School Workers' Compensation Reserve	1,673,839	-	720,810	631,201	1,763,448	90,410	1,853,858
Health Care Services Reserve	6,179,139	-	10,155,709	9,453,896	6,880,952	25,971	6,906,923
Fiduciary Fund Types:							
Private Purpose Trust Funds	534,008	-	286,741	234,332	586,417	37,154	623,571
Total Reporting Entity (Excluding Agency Funds)	\$ 46,081,606	\$ -	\$ 166,237,941	\$ 161,135,895	\$ 51,183,652	\$ 14,709,137	\$ 65,892,789

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash (Continued)
For the Year Ended June 30, 2011

Composition of Cash:		
U.S. Bank		
Checking Accounts	\$ 61,327,020	
Savings Accounts	<u>7,616</u>	
Total U.S. Bank		\$ 61,334,636
Douglas County Bank		
Certificates of Deposit	3,200	
Checking Accounts	<u>122,974</u>	
Total Douglas County Bank		126,174
Commerce Bank		
Certificates of Deposit	4,021	
Checking Accounts	<u>28,067</u>	
Total Commerce Bank		32,088
University National Bank - Checking		133
United Missouri Bank - Checking		1,666,027
Peoples Bank - Checking		340
Kansas Municipal Investment Pool		1,782,119
Cash on Hand		<u>1,179</u>
Total Cash		64,942,696
Less Agency Funds per Statement 4		<u>950,093</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 65,892,789</u>

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

STATEMENT 2

UNIFIED SCHOOL DISTRICT NO. 497
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2011

<u>Funds</u>	Certified <u>Budget</u>	Adjustment to Comply with <u>Legal Max Budget</u>	Adjustment for Qualifying <u>Budget Credits</u>	Total Budget for <u>Comparison</u>	Expenditures Chargeable to Current Year <u>Budget</u>	Variance Positive <u>[Negative]</u>
General Fund	\$ 65,020,879	\$ [2,306,437]	\$ 456,737	\$ 63,171,179	\$ 63,171,179	\$ -
Special Revenues Funds:						
Supplemental General	22,342,368	[471,498]	-	21,870,870	21,870,870	-
Adult Basic Education	530,000	-	-	530,000	401,267	128,733
At Risk (4 Year Old)	700,000	-	-	700,000	485,370	214,630
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	5,877,232	-	-	5,877,232	5,201,077	676,155
Bilingual Education	670,000	-	-	670,000	554,310	115,690
Virtual Education	6,449,294	-	-	6,449,294	5,143,264	1,306,030
Capital Outlay	12,750,000	-	-	12,750,000	7,241,449	5,508,551
Driver Training	141,000	-	-	141,000	35,179	105,821
Food Service	5,000,000	-	-	5,000,000	4,265,532	734,468
Professional Development	400,000	-	-	400,000	265,414	134,586
Parent Education Program	300,000	-	-	300,000	150,750	149,250
Summer School	150,000	-	-	150,000	20,689	129,311
Special Education	23,175,000	-	-	23,175,000	18,809,267	4,365,733
Cost of Living	1,319,050	-	-	1,319,050	1,137,335	181,715
Vocational Education	1,590,779	-	-	1,590,779	1,321,319	269,460
KPERs Special Retirement Contribution	5,481,838	-	-	5,481,838	3,979,964	1,501,874
Grants	3,682,500	-	-	3,682,500	3,397,561	284,939
Debt Service Funds:						
Bond and Interest	11,821,648	-	-	11,821,648	11,820,648	1,000
Special Assessment	275,000	-	-	275,000	98,545	176,455

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 17,597,527	\$ 17,370,405	\$ 16,855,878	\$ 514,527
Delinquent tax	236,405	360,188	271,624	88,564
State Aid:				
Equalization aid	33,069,278	32,236,965	37,138,611	[4,901,646]
Juvenile detention center	252,903	217,336	-	217,336
Special education aid	9,635,895	9,754,042	9,674,750	79,292
Federal aid	2,869,300	2,970,011	1,079,612	1,890,399
In lieu of taxes - I.R.B.s	583	418	404	14
Miscellaneous	8,696	27,517	-	27,517
Reimbursed expenses	746,685	239,401	-	239,401
Total Cash Receipts	<u>64,417,272</u>	<u>63,176,283</u>	<u>\$ 65,020,879</u>	<u>\$ [1,844,596]</u>
Expenditures and Transfers				
Instruction	26,083,308	24,687,461	\$ 30,198,629	\$ 5,511,168
Student support services	2,300,818	2,252,132	2,528,000	275,868
Instructional support	2,301,575	2,207,768	2,477,000	269,232
General administration	548,685	409,668	588,000	178,332
School administration	1,399,902	1,318,560	1,615,000	296,440
Operations and maintenance	6,347,493	7,007,946	7,070,000	62,054
Transportation	209,015	262,626	210,000	[52,626]
Other supplemental services	2,180,149	2,220,195	1,283,000	[937,195]
Transfers out	23,046,327	22,804,823	19,051,250	[3,753,573]
Adjustment to comply with legal max budget	-	-	[2,306,437]	[2,306,437]
Adjustment for qualifying budget credits	-	-	456,737	456,737
Total Expenditures and Transfers	<u>64,417,272</u>	<u>63,171,179</u>	<u>\$ 63,171,179</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	5,104		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 5,104</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Supplemental General Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 17,529,039	\$ 18,393,650	\$ 17,472,175	\$ 921,475
Delinquent tax	241,259	356,569	270,068	86,501
Motor vehicle tax	1,570,098	1,591,052	1,593,451	[2,399]
In lieu of taxes - I.R.B.s	544	416	422	[6]
State aid	1,884,552	1,722,775	1,765,673	[42,898]
Federal aid	641,777	-	-	-
Total Cash Receipts	<u>21,867,269</u>	<u>22,064,462</u>	<u>\$ 21,101,789</u>	<u>\$ 962,673</u>
Expenditures and Transfers				
Instruction	740,559	920,719	\$ 1,852,443	\$ 931,724
Student support services	226,464	155,071	143,575	[11,496]
Instructional support	684,730	552,887	762,000	209,113
General administration	113,140	123,807	77,350	[46,457]
School administration	2,992,379	2,697,748	3,170,000	472,252
Operations and maintenance	31,697	39,189	64,000	24,811
Transportation	1,869,580	1,564,218	2,225,000	660,782
Other supplemental services	2,637,868	2,649,492	2,971,000	321,508
Transfers out	12,510,139	13,167,739	11,077,000	[2,090,739]
Adjustment to comply with legal max budget	-	-	[471,498]	[471,498]
Total Expenditures and Transfers	<u>21,806,556</u>	<u>21,870,870</u>	<u>\$ 21,870,870</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	60,713	193,592		
Unencumbered Cash, Beginning	<u>1,179,866</u>	<u>1,240,579</u>		
Unencumbered Cash, Ending	<u>\$ 1,240,579</u>	<u>\$ 1,434,171</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Adult Basic Education Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 139,495	\$ 226,946	\$ 222,587	\$ 4,359
Delinquent tax	1,874	2,830	2,152	678
Motor vehicle tax	12,093	12,173	12,089	84
Federal aid	94,947	92,200	97,824	[5,624]
State aid	54,258	49,180	47,946	1,234
In lieu of taxes - I.R.B.s	4	5	3	2
Miscellaneous	<u>7,208</u>	<u>6,938</u>	<u>7,000</u>	<u>[62]</u>
Total Cash Receipts	<u>309,879</u>	<u>390,272</u>	<u>\$ 389,601</u>	<u>\$ 671</u>
Expenditures and Transfers				
Instruction	275,403	307,943	\$ 412,000	\$ 104,057
Student support services	4,154	-	8,050	8,050
Instructional support staff	94,580	74,757	109,950	35,193
Transfers out	<u>21,973</u>	<u>18,567</u>	<u>-</u>	<u>[18,567]</u>
Total Expenditures and Transfers	<u>396,110</u>	<u>401,267</u>	<u>\$ 530,000</u>	<u>\$ 128,733</u>
Receipts Over [Under] Expenditures	[86,231]	[10,995]		
Unencumbered Cash, Beginning	<u>267,324</u>	<u>181,093</u>		
Unencumbered Cash, Ending	<u>\$ 181,093</u>	<u>\$ 170,098</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 319,014	\$ 209,871	\$ 100,000	\$ 109,871
Donations	200,000	-	-	-
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Cash Receipts	<u>819,014</u>	<u>509,871</u>	<u>\$ 400,000</u>	<u>\$ 109,871</u>
Expenditures and Transfers				
Instruction	304,206	325,937	\$ 405,700	\$ 79,763
Student support services	60,181	40,202	73,100	32,898
Instructional support staff	-	-	9,700	9,700
School administration	113,092	65,400	123,100	57,700
Operations and maintenance	73,077	1,879	88,400	86,521
Transfers out	<u>55,425</u>	<u>51,952</u>	<u>-</u>	<u>[51,952]</u>
Total Expenditures and Transfers	<u>605,981</u>	<u>485,370</u>	<u>\$ 700,000</u>	<u>\$ 214,630</u>
Receipts Over [Under] Expenditures	213,033	24,501		
Unencumbered Cash, Beginning	<u>110,390</u>	<u>323,423</u>		
Unencumbered Cash, Ending	<u>\$ 323,423</u>	<u>\$ 347,924</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Adult Supplemental Education Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures and Transfers				
Instruction	-	-	\$ 25,981	\$ 25,981
Total Expenditures and Transfers	<u>-</u>	<u>-</u>	<u>\$ 25,981</u>	<u>\$ 25,981</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>25,982</u>	<u>25,982</u>		
Unencumbered Cash, Ending	<u>\$ 25,982</u>	<u>\$ 25,982</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	<u>\$ 5,500,000</u>	<u>\$ 6,283,400</u>	<u>\$ 5,500,000</u>	<u>\$ 783,400</u>
Total Cash Receipts	<u>5,500,000</u>	<u>6,283,400</u>	<u>\$ 5,500,000</u>	<u>\$ 783,400</u>
Expenditures and Transfers				
Instruction	4,881,317	4,678,314	\$ 5,872,232	\$ 1,193,918
Instructional support	95	849	-	[849]
Transportation	1,118	3,470	5,000	1,530
Transfers out	<u>461,558</u>	<u>518,444</u>	<u>-</u>	<u>[518,444]</u>
Total Expenditures and Transfers	<u>5,344,088</u>	<u>5,201,077</u>	<u>\$ 5,877,232</u>	<u>\$ 676,155</u>
Receipts Over [Under] Expenditures	155,912	1,082,323		
Unencumbered Cash, Beginning	<u>465,409</u>	<u>621,321</u>		
Unencumbered Cash, Ending	<u>\$ 621,321</u>	<u>\$ 1,703,644</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 605,000	\$ 607,873	\$ 605,000	\$ 2,873
Total Cash Receipts	<u>605,000</u>	<u>607,873</u>	<u>\$ 605,000</u>	<u>\$ 2,873</u>
Expenditures and Transfers				
Instruction	453,916	413,337	\$ 585,740	\$ 172,403
Student support services	15,061	35,954	19,200	[16,754]
Instructional support	61,106	42,458	65,060	22,602
Transfers out	<u>55,533</u>	<u>62,561</u>	-	<u>[62,561]</u>
Total Expenditures and Transfers	<u>585,616</u>	<u>554,310</u>	<u>\$ 670,000</u>	<u>\$ 115,690</u>
Receipts Over [Under] Expenditures	19,384	53,563		
Unencumbered Cash, Beginning	<u>77,714</u>	<u>97,098</u>		
Unencumbered Cash, Ending	<u>\$ 97,098</u>	<u>\$ 150,661</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Virtual Education Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ -	\$ 857	\$ -	\$ 857
Transfers in	<u>4,450,000</u>	<u>5,276,761</u>	<u>5,925,000</u>	<u>[648,239]</u>
Total Cash Receipts	<u>4,450,000</u>	<u>5,277,618</u>	<u>\$ 5,925,000</u>	<u>\$ [647,382]</u>
Expenditures and Transfers				
Instruction	3,557,523	4,435,695	\$ 5,894,484	\$ 1,458,789
Student support services	26,421	10,573	50,250	39,677
Instructional support	21,639	14,235	32,560	18,325
School administration	383,405	446,515	419,500	[27,015]
Operations and maintenance	44,821	51,939	52,500	561
Transfers out	<u>181,752</u>	<u>184,307</u>	<u>-</u>	<u>[184,307]</u>
Total Expenditures and Transfers	<u>4,215,561</u>	<u>5,143,264</u>	<u>\$ 6,449,294</u>	<u>\$ 1,306,030</u>
Receipts Over [Under] Expenditures	234,439	134,354		
Unencumbered Cash, Beginning	<u>332,939</u>	<u>567,378</u>		
Unencumbered Cash, Ending	<u>\$ 567,378</u>	<u>\$ 701,732</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 5,590,018	\$ 5,502,912	\$ 5,378,358	\$ 124,554
Delinquent tax	82,627	122,035	86,242	35,793
Motor vehicle tax	568,516	483,776	485,454	[1,678]
In lieu of taxes - I.R.B.s	174	124	128	[4]
Investment income	18,523	27,952	15,000	12,952
Reimbursements	3,383	-	-	-
Miscellaneous	665,047	1,051,891	3,050,000	[1,998,109]
Capital lease proceeds	1,034,796	-	-	-
Flood control	17,339	17,729	-	17,729
Total Cash Receipts	<u>7,980,423</u>	<u>7,206,419</u>	<u>\$ 9,015,182</u>	<u>\$ [1,808,763]</u>
Expenditures and Transfers				
Instruction	2,050,969	1,330,885	\$ 2,265,000	\$ 934,115
Student support services	-	19,008	25,000	5,992
Instructional support	90,910	102,299	600,000	497,701
General administration	-	7,152	25,000	17,848
School administration	2,424	4,257	25,000	20,743
Operations and maintenance	184,528	296,727	300,000	3,273
Central support services	179,737	233,046	625,000	391,954
Other support services	73,879	43,917	75,000	31,083
Facility acquisition and construction services	6,700,356	5,198,258	8,810,000	3,611,742
Transfers out	40,610	5,900	-	[5,900]
Total Expenditures and Transfers	<u>9,323,413</u>	<u>7,241,449</u>	<u>\$ 12,750,000</u>	<u>\$ 5,508,551</u>
Receipts Over [Under] Expenditures	[1,342,990]	[35,030]		
Unencumbered Cash, Beginning	5,837,748	4,495,058		
Prior Year Cancelled Encumbrances	<u>300</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 4,495,058</u>	<u>\$ 4,460,028</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Driver Training Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 7,750	\$ 10,508	\$ 24,500	\$ [13,992]
Charges for services	<u>32,174</u>	<u>29,080</u>	<u>70,000</u>	<u>[40,920]</u>
Total Cash Receipts	<u>39,924</u>	<u>39,588</u>	<u>\$ 94,500</u>	<u>\$ [54,912]</u>
Expenditures and Transfers				
Instruction	31,410	27,866	\$ 110,000	\$ 82,134
Instructional support	923	1,055	6,000	4,945
Operations and maintenance	5,820	6,117	25,000	18,883
Transfers out	<u>174</u>	<u>141</u>	<u>-</u>	<u>[141]</u>
Total Expenditures and Transfers	<u>38,327</u>	<u>35,179</u>	<u>\$ 141,000</u>	<u>\$ 105,821</u>
Receipts Over [Under] Expenditures	1,597	4,409		
Unencumbered Cash, Beginning	<u>52,974</u>	<u>54,571</u>		
Unencumbered Cash, Ending	<u>\$ 54,571</u>	<u>\$ 58,980</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 2,204,199	\$ 2,399,339	\$ 2,174,107	\$ 225,232
State aid	46,606	46,434	40,004	6,430
Charges for services	2,081,712	2,028,199	3,016,972	[988,773]
Investment income	2,904	1,334	5,000	[3,666]
Total Cash Receipts	<u>4,335,421</u>	<u>4,475,306</u>	<u>\$ 5,236,083</u>	<u>\$ [760,777]</u>
Expenditures and Transfers				
Food service operation	3,852,570	3,859,862	\$ 5,000,000	\$ 1,140,138
Transfers out	90,775	405,670	-	[405,670]
Total Expenditures and Transfers	<u>3,943,345</u>	<u>4,265,532</u>	<u>\$ 5,000,000</u>	<u>\$ 734,468</u>
Receipts Over [Under] Expenditures	392,076	209,774		
Unencumbered Cash, Beginning	<u>490,662</u>	<u>882,738</u>		
Unencumbered Cash, Ending	<u>\$ 882,738</u>	<u>\$ 1,092,512</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Professional Development Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Donations	\$ 3,500	\$ -	\$ -	\$ -
Reimbursements	83	24,728	-	24,728
Transfers in	264,500	287,500	219,000	68,500
Total Cash Receipts	<u>268,083</u>	<u>312,228</u>	<u>\$ 219,000</u>	<u>\$ 93,228</u>
Expenditures and Transfers				
Instructional support	159,231	263,698	\$ 390,000	\$ 126,302
Student support services	-	404	-	[404]
Other supplemental service	7,285	875	10,000	9,125
Transfers out	551	437	-	[437]
Total Expenditures and Transfers	<u>167,067</u>	<u>265,414</u>	<u>\$ 400,000</u>	<u>\$ 134,586</u>
Receipts Over [Under] Expenditures	101,016	46,814		
Unencumbered Cash, Beginning	<u>174,571</u>	<u>275,587</u>		
Unencumbered Cash, Ending	<u>\$ 275,587</u>	<u>\$ 322,401</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 134,689	\$ 133,417	\$ 134,689	\$ [1,272]
Donations	3,855	2,065	-	2,065
Miscellaneous	-	3,226	84,000	[80,774]
Transfers in	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total Cash Receipts	<u>156,544</u>	<u>156,708</u>	<u>\$ 236,689</u>	<u>\$ [79,981]</u>
Expenditures and Transfers				
Support services	141,664	126,759	\$ 285,500	\$ 158,741
Instructional support staff	1,272	864	14,500	13,636
Operations and maintenance	-	4,800	-	[4,800]
Transfers out	<u>16,979</u>	<u>18,327</u>	<u>-</u>	<u>[18,327]</u>
Total Expenditures and Transfers	<u>159,915</u>	<u>150,750</u>	<u>\$ 300,000</u>	<u>\$ 149,250</u>
Receipts Over [Under] Expenditures	[3,371]	5,958		
Unencumbered Cash, Beginning	<u>67,052</u>	<u>63,681</u>		
Unencumbered Cash, Ending	<u>\$ 63,681</u>	<u>\$ 69,639</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Summer School Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 29,160	\$ 31,130	\$ 50,000	\$ [18,870]
Reimbursements	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>29,170</u>	<u>31,130</u>	<u>\$ 50,000</u>	<u>\$ [18,870]</u>
Expenditures and Transfers				
Instruction	22,125	20,568	\$ 145,100	\$ 124,532
Student support services	-	-	2,200	2,200
Instructional support staff	11	13	2,700	2,687
Transfers out	<u>119</u>	<u>108</u>	<u>-</u>	<u>[108]</u>
Total Expenditures and Transfers	<u>22,255</u>	<u>20,689</u>	<u>\$ 150,000</u>	<u>\$ 129,311</u>
Receipts Over [Under] Expenditures	6,915	10,441		
Unencumbered Cash, Beginning	<u>126,531</u>	<u>133,446</u>		
Unencumbered Cash, Ending	<u>\$ 133,446</u>	<u>\$ 143,887</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 14,468	\$ 1,778	\$ 15,000	\$ [13,222]
Federal aid	3,556,903	3,600,634	4,142,572	[541,938]
Reimbursements	896,572	314,795	-	314,795
Donations	500	-	-	-
Transfers in	<u>16,334,827</u>	<u>16,549,811</u>	<u>16,061,250</u>	<u>488,561</u>
Total Cash Receipts	<u>20,803,270</u>	<u>20,467,018</u>	<u>\$ 20,218,822</u>	<u>\$ 248,196</u>
Expenditures and Transfers				
Instruction	12,398,433	11,661,743	\$ 17,145,000	\$ 5,483,257
Student support services	2,360,909	2,349,968	3,140,000	790,032
Instructional support staff	392,405	427,356	526,000	98,644
General administration	[3,209]	-	10,000	10,000
Operations and maintenance	23,979	19,439	53,200	33,761
Vehicle operating services	2,029,264	2,367,416	2,290,800	[76,616]
Other supplemental services	-	-	10,000	10,000
Transfers out	<u>2,011,729</u>	<u>1,983,345</u>	<u>-</u>	<u>[1,983,345]</u>
Total Expenditures and Transfers	<u>19,213,510</u>	<u>18,809,267</u>	<u>\$ 23,175,000</u>	<u>\$ 4,365,733</u>
Receipts Over [Under] Expenditures	1,589,760	1,657,751		
Unencumbered Cash, Beginning	<u>5,667,346</u>	<u>7,257,106</u>		
Unencumbered Cash, Ending	<u>\$ 7,257,106</u>	<u>\$ 8,914,857</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Cost of Living Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 1,255,240	\$ 1,220,431	\$ 1,193,227	\$ 27,204
Delinquent tax	-	22,762	19,141	3,621
Motor vehicle tax	105,594	105,871	106,654	[783]
In lieu of taxes - I.R.B.s	<u>39</u>	<u>28</u>	<u>28</u>	<u>-</u>
Total Cash Receipts	<u>1,360,873</u>	<u>1,349,092</u>	<u>\$ 1,319,050</u>	<u>\$ 30,042</u>
Expenditures and Transfers				
State payment	<u>1,345,714</u>	<u>1,137,335</u>	<u>\$ 1,319,050</u>	<u>\$ 181,715</u>
Total Expenditures and Transfers	<u>1,345,714</u>	<u>1,137,335</u>	<u>\$ 1,319,050</u>	<u>\$ 181,715</u>
Excess local effort paid to the State of Kansas	<u>15,159</u>	<u>-</u>		
Receipts Over [Under] Expenditures	-	211,757		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 211,757</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Vocational Education Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Reimbursements	\$ -	\$ 5,564	\$ -	\$ 5,564
Miscellaneous	-	720	-	720
Transfers in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Cash Receipts	<u>1,500,000</u>	<u>1,506,284</u>	<u>\$ 1,500,000</u>	<u>\$ 6,284</u>
Expenditures and Transfers				
Instruction	1,067,047	1,123,921	\$ 1,475,779	\$ 351,858
Instructional support	86,232	92,959	102,000	9,041
Operations and maintenance	9,471	6,465	13,000	6,535
Transfers out	<u>104,677</u>	<u>97,974</u>	<u>-</u>	<u>[97,974]</u>
Total Expenditures and Transfers	<u>1,267,427</u>	<u>1,321,319</u>	<u>\$ 1,590,779</u>	<u>\$ 269,460</u>
Receipts Over [Under] Expenditures	232,573	184,965		
Unencumbered Cash, Beginning	<u>235,056</u>	<u>467,629</u>		
Unencumbered Cash, Ending	<u>\$ 467,629</u>	<u>\$ 652,594</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 4,766,815	\$ 3,979,964	\$ 5,481,838	\$ [1,501,874]
Total Cash Receipts	<u>4,766,815</u>	<u>3,979,964</u>	<u>\$ 5,481,838</u>	<u>\$ [1,501,874]</u>
Expenditures and Transfers				
Instruction	3,389,054	2,792,487	\$ 3,846,257	\$ 1,053,770
Student support services	313,512	269,985	371,866	101,881
Instructional support	290,642	219,344	302,115	82,771
General administration	41,039	23,528	32,406	8,878
School administration	313,582	261,664	360,405	98,741
Operations and maintenance	197,655	167,553	230,781	63,228
Other supplemental services	102,072	144,145	198,539	54,394
Food service	<u>119,259</u>	<u>101,258</u>	<u>139,469</u>	<u>38,211</u>
Total Expenditures and Transfers	<u>4,766,815</u>	<u>3,979,964</u>	<u>\$ 5,481,838</u>	<u>\$ 1,501,874</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Contingency Reserve Fund *
For the Year Ended June 30, 2011 and 2010

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Miscellaneous	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures and Transfers		
General administration	-	-
Total Expenditures and Transfers	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>6,830,992</u>	<u>6,830,992</u>
Unencumbered Cash, Ending	<u>\$ 6,830,992</u>	<u>\$ 6,830,992</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Textbook Rental Fund *
For the Year Ended June 30, 2011 and 2010

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 481,100	\$ 425,769
Total Cash Receipts	<u>481,100</u>	<u>425,769</u>
 Expenditures and Transfers		
Instruction	<u>444,331</u>	<u>389,740</u>
Total Expenditures and Transfers	<u>444,331</u>	<u>389,740</u>
 Receipts Over [Under] Expenditures	 36,769	 36,029
 Unencumbered Cash, Beginning	 <u>872,216</u>	 <u>908,985</u>
 Unencumbered Cash, Ending	 <u>\$ 908,985</u>	 <u>\$ 945,014</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Student Material Revolving Fund *
For the Year Ended June 30, 2011 and 2010

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 263,764	\$ 335,913
Total Cash Receipts	<u>263,764</u>	<u>335,913</u>
Expenditures and Transfers		
Instruction	<u>186,996</u>	<u>251,287</u>
Total Expenditures and Transfers	<u>186,996</u>	<u>251,287</u>
Receipts Over [Under] Expenditures	76,768	84,626
Unencumbered Cash, Beginning	<u>493,087</u>	<u>569,855</u>
Unencumbered Cash, Ending	<u>\$ 569,855</u>	<u>\$ 654,481</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Grants Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal Aid:				
Title I	\$ 2,368,762	\$ 2,573,055	\$ 2,675,277	\$ [102,222]
Title V	4,223	-	-	-
Title II A - Improving Teacher Quality	556,496	546,032	613,561	[67,529]
Title II D - Technology Literacy	11,032	50,950	-	50,950
Title IV - Safe Schools/Healthy Students	-	-	7,000	[7,000]
Drug Free Schools and Communities Act	35,402	-	-	-
21st Century Grant	77,539	68,846	-	68,846
Carl Perkins Vocational Act Program Improvement	104,094	101,987	-	101,987
Indian Education Grant	124,067	-	-	-
Reading First Grant	170,339	-	-	-
Title III-English as a Second Language	53,081	28,183	65,336	[37,153]
Homeless Child Grant	10,544	-	-	-
Johnson O'Malley Grant	26,081	160,098	-	160,098
Total Federal Aid	3,541,660	3,529,151	3,361,174	167,977
Other Cash Receipts:				
Other grants and donations	37,096	35,881	192,426	[156,545]
Total Cash Receipts	3,578,756	3,565,032	\$ 3,553,600	\$ 11,432
Expenditures and Transfers				
Instruction	2,501,827	2,315,036	\$ 2,625,000	\$ 309,964
Student support services	161,261	130,870	219,000	88,130
Instructional support staff	283,296	288,575	762,000	473,425
General administration	130,769	83,720	61,500	[22,220]
Transportation	207,343	245,974	15,000	[230,974]
Transfers out	310,834	333,386	-	[333,386]
Total Expenditures and Transfers	3,595,330	3,397,561	\$ 3,682,500	\$ 284,939
Receipts Over [Under] Expenditures	[16,574]	167,471		
Unencumbered Cash, Beginning	145,869	129,295		
Unencumbered Cash, Ending	\$ 129,295	\$ 296,766		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 10,944,531	\$ 11,223,794	\$ 10,971,428	\$ 252,366
Delinquent tax	120,616	198,706	169,350	29,356
Motor vehicle tax	758,367	838,666	846,861	[8,195]
In lieu of taxes - I.R.B.s	341	254	225	29
Investment income	12,171	111	25,000	[24,889]
Transfers in	<u>7,862</u>	-	-	-
Total Cash Receipts	<u>11,843,888</u>	<u>12,261,531</u>	<u>\$ 12,012,864</u>	<u>\$ 248,667</u>
Expenditures and Transfers				
Bond principal	7,510,000	8,270,000	\$ 8,270,000	\$ -
Interest	3,864,760	3,550,648	3,550,648	-
Commissions	-	-	1,000	1,000
Total Expenditures and Transfers	<u>11,374,760</u>	<u>11,820,648</u>	<u>\$ 11,821,648</u>	<u>\$ 1,000</u>
Receipts Over [Under] Expenditures	469,128	440,883		
Unencumbered Cash, Beginning	<u>9,958,814</u>	<u>10,427,942</u>		
Unencumbered Cash, Ending	<u>\$ 10,427,942</u>	<u>\$ 10,868,825</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual and Budget
Special Assessment Fund
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 31,093	\$ 45,811	\$ 44,756	\$ 1,055
Delinquent tax	-	1,701	462	1,239
Motor vehicle tax	10,418	2,819	2,642	177
In lieu of taxes - I.R.B.'s	1	1	-	1
Reimbursed expenses	<u>1,396</u>	<u>1,443</u>	<u>-</u>	<u>1,443</u>
Total Cash Receipts	<u>42,908</u>	<u>51,775</u>	<u>\$ 47,860</u>	<u>\$ 3,915</u>
Expenditures and Transfers				
Capital outlay	<u>97,831</u>	<u>98,545</u>	<u>\$ 275,000</u>	<u>\$ 176,455</u>
Total Expenditures and Transfers	<u>97,831</u>	<u>98,545</u>	<u>\$ 275,000</u>	<u>\$ 176,455</u>
Receipts Over [Under] Expenditures	[54,923]	[46,770]		
Unencumbered Cash, Beginning	<u>415,570</u>	<u>360,647</u>		
Unencumbered Cash, Ending	<u>\$ 360,647</u>	<u>\$ 313,877</u>		

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Capital Projects Fund *
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 3,144	\$ 3,017
Lease proceeds	<u>5,231,290</u>	<u>-</u>
Total Cash Receipts	<u>5,234,434</u>	<u>3,017</u>
Expenditures and Transfers		
Business services	68,342	125,153
Building repair and remodeling	3,479,648	80,363
Transfers out	<u>7,862</u>	<u>-</u>
Total Expenditures and Transfers	<u>3,555,852</u>	<u>205,516</u>
Receipts Over [Under] Expenditures	1,678,582	[202,499]
Unencumbered Cash, Beginning	97,012	1,776,157
Prior Year Cancelled Encumbrances	<u>563</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 1,776,157</u>	<u>\$ 1,573,658</u>

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
School Workers' Compensation Reserve Fund *
For the Year Ended June 30, 2011 and 2010

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ 1,018,411	\$ 717,240
Reimbursements	<u>1,033</u>	<u>3,570</u>
Total Cash Receipts	<u>1,019,444</u>	<u>720,810</u>
 Expenditures and Transfers		
Instruction	327,576	525,947
General administration	<u>97,390</u>	<u>105,254</u>
Total Expenditures and Transfers	<u>424,966</u>	<u>631,201</u>
 Receipts Over [Under] Expenditures	 594,478	 89,609
 Unencumbered Cash, Beginning	 <u>1,079,361</u>	 <u>1,673,839</u>
 Unencumbered Cash, Ending	 <u>\$ 1,673,839</u>	 <u>\$ 1,763,448</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Expenditures - Actual
Health Care Services Reserve Fund *
For the Year Ended June 30, 2011 and 2010

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 1,400,496	\$ 1,771,033
Investment income	-	235
Transfers in	8,918,417	8,113,096
Miscellaneous	<u>220,728</u>	<u>271,345</u>
Total Cash Receipts	<u>10,539,641</u>	<u>10,155,709</u>
Expenditures and Transfers		
Group insurance	8,390,029	9,382,925
Other insurance services	74,360	70,971
Other supplemental services	<u>11,250</u>	<u>-</u>
Total Expenditures and Transfers	<u>8,475,639</u>	<u>9,453,896</u>
Receipts Over [Under] Expenditures	2,064,002	701,813
Unencumbered Cash, Beginning	<u>4,115,137</u>	<u>6,179,139</u>
Unencumbered Cash, Ending	<u>\$ 6,179,139</u>	<u>\$ 6,880,952</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2011

<u>FUNDS</u>	<u>Beginning Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending Cash</u> <u>Balance</u>
ELEMENTARY SCHOOLS				
Broken Arrow Elementary				
Enrichment	\$ -	\$ 3,993	\$ 3,993	\$ -
Total Broken Arrow Activity Funds	<u>-</u>	<u>3,993</u>	<u>3,993</u>	<u>-</u>
Cordley Elementary				
Student Council	-	135	-	135
Just Say No Club	-	1	-	1
Library Media	-	156	147	9
Cordley Instructional Enhancement	-	4,009	4,009	-
Chess Club	-	2,307	1,841	466
Yearbook	-	5,468	5,468	-
Total Cordley Activity Funds	<u>-</u>	<u>12,076</u>	<u>11,465</u>	<u>611</u>
Deerfield Elementary				
Student Council	3,805	800	4,605	-
CCM Rebate	-	5	-	5
Library Book Club	-	76	76	-
Picture Fund	-	4,810	4,810	-
Coke Machine	-	1,069	842	227
Yearbook	-	5,040	5,040	-
Total Deerfield Activity Funds	<u>3,805</u>	<u>11,800</u>	<u>15,373</u>	<u>232</u>
Hillcrest Elementary				
Picture Club	[150]	635	485	-
6th Grade Trip	-	869	869	-
Total Hillcrest Activity Funds	<u>[150]</u>	<u>1,504</u>	<u>1,354</u>	<u>-</u>
Kennedy Elementary				
Student Enrichment	-	2,097	2,097	-
Staff Enrichment	-	21	21	-
Yearbook	-	80	80	-
Library Media	-	110	98	12
Total Kennedy Activity Funds	<u>-</u>	<u>2,308</u>	<u>2,296</u>	<u>12</u>
Langston Hughes Elementary				
Picture Fund	-	11,766	11,766	-
Field Trips	-	5,368	5,368	-
Library Media	-	185	185	-
Recorder Fund	-	180	180	-
Total Langston Hughes Activity Funds	<u>-</u>	<u>17,499</u>	<u>17,499</u>	<u>-</u>
New York Elementary				
Student Council	-	271	271	-
Total New York Activity Funds	<u>-</u>	<u>271</u>	<u>271</u>	<u>-</u>
Pinckney Elementary				
Library Club	-	70	70	-
Total Pinckney Activity Funds	<u>-</u>	<u>70</u>	<u>70</u>	<u>-</u>
Prairie Park Elementary				
Student Council	137	620	569	188
Developmental Fund	-	4,465	4,465	-
Total Prairie Park Activity Funds	<u>137</u>	<u>5,085</u>	<u>5,034</u>	<u>188</u>
Quail Run Elementary				
Picture Fund	-	4,477	4,477	-
Total Quail Run Activity Fund	<u>-</u>	<u>4,477</u>	<u>4,477</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2011

FUNDS	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Receipts</u>	Ending Cash <u>Balance</u>
ELEMENTARY SCHOOLS (Continued)				
Schwegler Elementary				
Pictures	\$ -	\$ 2,622	\$ 2,622	\$ -
Yearbook	-	2,989	2,978	11
Library	-	140	140	-
Total Schwegler Activity Funds	<u>-</u>	<u>5,751</u>	<u>5,740</u>	<u>11</u>
Sunflower Elementary				
Student Council	1,014	932	676	1,270
Library Fund	-	148	148	-
Picture Fund	-	13,926	13,926	-
Total Sunflower Activity Funds	<u>1,014</u>	<u>15,006</u>	<u>14,750</u>	<u>1,270</u>
Sunset Hill Elementary				
Library Birthday Club	-	309	309	-
Student Council	305	54	214	145
Field Trip Activities	-	134	134	-
Picture Fund	-	3,516	3,516	-
Total Sunset Hill Activity Funds	<u>305</u>	<u>4,013</u>	<u>4,173</u>	<u>145</u>
Wakarusa Valley Elementary				
Library	-	14	14	-
Chess Program	-	680	680	-
Enhancement	-	1,605	1,605	-
Total Wakarusa Valley Activity Funds	<u>-</u>	<u>2,299</u>	<u>2,299</u>	<u>-</u>
Woodlawn Elementary				
Instructional Enrichment	-	640	640	-
Pop Fund	-	624	624	-
Lost Library Books	-	27	27	-
Student Council	262	-	150	112
Total Woodlawn Activity Funds	<u>262</u>	<u>1,291</u>	<u>1,441</u>	<u>112</u>
Total Elementary School Activity Funds	<u>5,373</u>	<u>87,443</u>	<u>90,235</u>	<u>2,581</u>

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2011

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
MIDDLE SCHOOLS				
Central Middle School				
Chess Club	\$ 100	\$ 1,478	\$ 1,343	\$ 235
Excalibur	1,834	7,272	6,657	2,449
Freshman Fund	72	125	-	197
History Day	3,024	-	270	2,754
Pep Club	1,033	1,802	1,907	928
Sales Tax	-	1,604	1,604	-
Speech and Drama	2,380	935	1,125	2,190
Student Council	873	1,079	915	1,037
Red Ribbon	-	310	-	310
National Junior Honor Society	329	-	-	329
Yearbook	2,895	5,646	6,282	2,259
Total Central Middle School Activity Funds	12,540	20,251	20,103	12,688
South Middle School				
Junior Players	4,761	2,980	6,221	1,520
Car Club	47	-	-	47
International Club	186	-	-	186
Adventure Club	4,392	3,765	3,857	4,300
Physical Education	1,759	-	-	1,759
Student Council	373	9,667	7,114	2,926
Yearbook	-	8,761	8,711	50
South Singers	803	3,966	3,777	992
Cheerleaders	861	-	-	861
Band	41	2,653	2,391	303
Orchestra	5,801	11,593	10,900	6,494
Black Male Brothers	570	186	107	649
Women of Color	548	720	922	346
Native American Youth Leaders	20	-	-	20
Spanish Club	568	-	-	568
Chess Club	-	1	-	1
Rodeo Club	152	-	70	82
Spirit Club	45	-	-	45
Honor the Circle	183	-	45	138
Total South Middle School Activity Funds	21,110	44,292	44,115	21,287
Southwest Middle School				
Student Council	4,353	7,465	11,139	679
Stuco T-Shirt Account	-	5,845	4,614	1,231
Cheerleaders	-	2,611	2,611	-
Chess Club	126	1,999	961	1,164
Drama Club	-	2,210	2,210	-
Future City Group	250	400	56	594
KU/Barker Activities	631	-	631	-
Math Club	5	-	-	5
Science Club	5	-	-	5
Social Awareness Group	125	-	-	125
Volleyball	-	381	381	-
Game Day Shirts/Athletics	-	257	257	-
BelCanto	-	16,776	16,776	-
Yearbook	-	16,465	16,465	-
Seventh Grade Activities	-	1,661	1,661	-
Drama	-	7,570	7,570	-
Eighth Grade Activities	-	2,210	2,210	-
Enrichment	6	9,307	9,270	43
ER	-	1,121	1,121	-
Newspaper	-	337	337	-
Ninth Grade Activities	12	1,583	1,583	12
SITE	-	28	28	-
International Club	189	-	40	149
SPED Project	-	306	306	-
Special Lunch Parties	-	17	17	-
SW Business Partners	-	2,058	2,058	-
Band	-	2,551	2,551	-
Orchestra	-	1,210	1,210	-
T-Shirt	-	536	536	-
Student Assistance	-	86	86	-
Library Book Fair/Fines	-	1,061	1,061	-
Global Studies	-	1,204	1,204	-
ID Supplies	-	2,883	2,883	-
Field Trip/Bus Supplemental	-	1,698	1,698	-
Total Southwest Middle School Activity Funds	5,702	91,836	93,531	4,007

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2011

FUNDS	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
MIDDLE SCHOOLS (Continued)				
West Middle School				
Pep Club	\$ 841	\$ -	\$ -	\$ 841
Speech and Drama	2,329	4,796	4,275	2,850
Student Council	5,204	8,382	7,631	5,955
Newspaper	5	-	-	5
Yearbook	3,431	11,206	11,266	3,371
Chorale	1,914	9,686	9,981	1,619
Instrumental Music	41	1,050	1,064	27
Carnival Fundraiser from POWW	-	3,431	3,431	-
Gaugert Band Funds	14	-	-	14
Library Book Fund	329	1,499	1,815	13
Track	493	2,551	2,550	494
TechnoHawks	78	-	-	78
8th Grade Football	-	576	576	-
Gifted	484	620	290	814
Principal's Fund	27	-	17	10
Boys Freshman Basketball Team	415	-	220	195
Magazine Fundraiser	-	14,165	14,142	23
Chief's Ticket Sales Fundraiser	-	3,075	3,075	-
Sport's Cup Fundraiser	-	1,515	1,515	-
Social Studies	-	885	885	-
Functional Skills Projects	36	-	-	36
Total West Middle School Activity Funds	<u>15,641</u>	<u>63,437</u>	<u>62,733</u>	<u>16,345</u>
Total Middle School Activity Funds	<u>54,993</u>	<u>219,816</u>	<u>220,482</u>	<u>54,327</u>
HIGH SCHOOLS				
Lawrence High School				
Alliance for Social Awareness	122	-	-	122
American Indian Club	-	10,583	10,547	36
Amnesty International Club	29	-	-	29
Auto Club	1,644	-	-	1,644
Aviation Club	108	-	-	108
Bike Club	98	-	47	51
Biology Club	105	-	-	105
Black American Club	160	-	-	160
Business Professionals	184	984	750	418
Chess Club	879	1,897	2,167	609
Class of 2009	-	-	1,365	[1,365]
Class of 2010	1,365	10,493	7,516	4,342
Class of 2011	19	642	369	292
Class of 2012	322	704	397	629
Computer Club	91	-	-	91
Disc Golf Club	29	-	-	29
DECA Lion's Den Merchandise	2,795	22,319	21,093	4,021
DECA Club	260	4,558	4,046	772
DECA Chesty's Brew	639	1,101	938	802
Environmental Club	336	285	273	348
Ewertmania	22	-	-	22
Fellowship of Christian Athletes	1	75	-	76
French Club	488	-	17	471
Future Farmers of America	163	750	808	105
Game Club	193	-	-	193
Geography Club	233	-	118	115
German Club	892	118	285	725
Grafitti Magazine	89	250	250	89
GCTL/FYI	284	1,554	1,434	404
International Club	1,594	1,056	1,061	1,589
Jewelry Shop	1,036	-	-	1,036
Key Club	437	-	-	437
Latin Club	4,875	8,574	10,521	2,928
Latin Club - Courtyard	3	-	-	3
Media Club	189	-	-	189
National Art Honor Society	47	-	-	47
National Honor Society	1,247	1,316	266	2,297
Outdoor Leadership Experience	2	-	-	2
Ski Club	25	-	-	25
Spanish Club	159	175	194	140
Subtotals to Statement 4, page 5 of 6	<u>21,164</u>	<u>67,434</u>	<u>64,462</u>	<u>24,136</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2011

FUNDS	Beginning	Cash	Cash	Ending
	Cash	Receipts	Disbursements	Cash
	Balance			Balance
HIGH SCHOOLS (Continued)				
Lawrence High School				
Subtotals from Statement 4, page 4 of 6	\$ 21,164	\$ 67,434	\$ 64,462	\$ 24,136
Student Council	5,211	11,107	9,561	6,757
Table Tennis Club	40	-	-	40
Teachers of Tomorrow	74	-	-	74
Theater Drama Club	1,076	454	220	1,310
VICA/CIT	2,242	566	-	2,808
Writers Club	1	-	-	1
Y.E.K.	1	-	-	1
Young Democrats	75	132	144	63
Youth in Local Government	137	-	-	137
Athletics-Wedd's Powerade	-	598	598	-
Cap N Gown	-	12,602	12,602	-
C.P. Engineering Competition	-	5,192	5,192	-
Culinary	-	123	123	-
CloseUp Foundation	-	66	66	-
Hip Hop/Step	-	69	69	-
Breakfast By Gentleman	-	446	446	-
Diplomas, Past Years	-	361	361	-
Directed Studies	-	77	77	-
Film Festival/Showtime	-	2,381	2,381	-
F&CS Interior Design Proj.	-	30	30	-
French IV Trip	-	2	2	-
History Day Competition	-	7,316	7,316	-
Heritage Panel	-	200	200	-
Lions Pride	-	8,975	8,975	-
Lions Pride - Pop Machines	-	1,702	1,702	-
Lions Pride - Tailgate Crew	-	3	3	-
Link Crew	-	247	247	-
Mock Trial	-	125	125	-
Model UN	-	9,695	9,695	-
Math Problem Solving	-	615	615	-
Music Student Accounts	-	34,780	34,780	-
Robotics	-	786	786	-
Nurse Supply	-	96	96	-
Gala	-	14,665	14,665	-
Student Planners	-	2,333	2,333	-
At Risk	-	362	362	-
Welding Projects	-	624	624	-
Woodshop Projects	-	1,336	1,336	-
Camera Rental Fee	-	720	720	-
Total Lawrence High Activity Funds	30,021	186,220	180,914	35,327
Free State High School				
Bike Club	42	-	-	42
Badminton Club	4	-	-	4
Interfaith Forum	133	-	-	133
Geography Club	-	44,851	44,728	123
Biology Club	25	-	25	-
Business Professionals	1,720	3,978	3,928	1,770
Chess Club	13	-	-	13
Class of 2001	500	-	-	500
Class of 2002	500	-	-	500
Class of 2003	500	-	-	500
Class of 2004	500	-	-	500
Class of 2005	500	-	-	500
Class of 2006	500	-	-	500
Class of 2007	500	-	-	500
Class of 2008	500	-	-	500
Class of 2009	500	-	-	500
Class of 2010	5,716	-	-	5,716
Class of 2011	-	634	634	-
Computer Club	344	-	-	344
Diversity Club	49	87	52	84
Future Farmers of America	441	10,967	10,790	618
French Club	1,315	157,938	159,078	175
Advanced Placement /Knowledge Master	1,000	-	-	1,000
GCTL/FYI	1,734	3,900	4,481	1,153
Key Club	331	934	1,032	233
Film Club	4,826	3,401	3,538	4,689
Math Team	85	415	453	47
National Honor Society	4,341	4,340	4,539	4,142
Anime	72	-	-	72
Subtotals to Statement 4, page 6 of 6	26,691	231,445	233,278	24,858

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2011

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
HIGH SCHOOLS (Continued)				
Free State High School				
Subtotals from Statement 4, page 5 of 6	\$ 26,691	\$ 231,445	\$ 233,278	\$ 24,858
Philosophy Club	17	-	-	17
Native American Club	167	-	-	167
Hype Inc.	-	607	337	270
Science Olympiad	55	405	362	98
Student Council	15,112	11,253	15,462	10,903
Thespians	242	620	730	132
Tolkien Club	82	237	136	183
Environmental Club	-	1,030	1,030	-
VICA/CIT	994	1,932	220	2,706
Social Awareness Club	504	1,903	400	2,007
Sweater Club	-	34	-	34
Writers Club	330	56	-	386
Young Democrats Club	133	-	36	97
Baseball Account	10,666	15,304	15,590	10,380
Cap & Gown Rental	-	10,918	10,918	-
Camera Rental & Repair	2,417	-	231	2,186
Model UN	565	10,844	11,187	222
Free State Football	1,705	11,397	11,111	1,991
Free State Boys Soccer	529	15,129	10,616	5,042
Firebird Fund	797	1,018	1,230	585
Industrial Tech - Special Projects	396	-	-	396
Free State Girls Soccer	1,264	22,821	23,393	692
Free State Girls Basketball	183	8,790	8,383	590
Parking Fines	3,057	1,861	2,417	2,501
Free State Boys Basketball	131	7,646	6,977	800
Student Planners	8,601	62	4,600	4,063
Free State Cross Country/Track	397	36,585	35,953	1,029
Special Education	207	326	519	14
Free State Girls Tennis	194	1,681	1,832	43
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	711	295	975	31
Girls Golf	481	1,692	1,495	678
Weight & Film Room	1,688	-	800	888
Battle of the Bands	773	-	-	773
Grounds Beautification	857	-	56	801
DECA Student Trips	3	-	-	3
Green & Silver	810	1,070	1,535	345
LINK	173	2,269	1,009	1,433
Autism	316	100	376	40
Freddie's Friends	146	-	34	112
SLEIPS	-	4,729	4,373	356
Free State Softball	7,050	12,825	12,283	7,592
Testing Fund	7,968	34,472	35,913	6,527
Jewelry/Metal	507	234	372	369
Gay/Straight Alliance	126	45	-	171
Work Books	-	2,891	2,891	-
Free State Wrestling	55	2,985	2,824	216
Cartridge Recyclers	221	-	-	221
Volleyball	1,805	5,278	3,130	3,953
Winter Game Intramurals	-	870	870	-
Winter Classic Program	-	3,100	3,100	-
Firebird Pride	967	-	-	967
Fundraising for Batting Cages	-	5,700	100	5,600
The Early Bird	-	100	-	100
Track Special Program	2,885	2,180	2,314	2,751
Jan Guth Memorial/Band	808	-	-	808
Bowling	84	2,230	1,874	440
Photo Enrichment	605	-	-	605
Girls Swim/Dive	129	6,324	6,234	219
Boys Swim/Dive	531	5,345	5,767	109
River City Baseball	-	11,477	4,046	7,431
CORE/DUB Club	400	-	-	400
Sales Tax	-	30,860	30,860	-
Total Free State High Activity Funds	<u>105,735</u>	<u>530,975</u>	<u>520,179</u>	<u>116,531</u>
Total High School Activity Funds	<u>135,756</u>	<u>717,195</u>	<u>701,093</u>	<u>151,858</u>
Total Student Activity Funds	<u>196,122</u>	<u>1,024,454</u>	<u>1,011,810</u>	<u>208,766</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	9,357	44,863	37,238	16,982
School and District Accounts	8,477	1,504,254	1,504,596	8,135
Payroll Clearing Fund	800,520	63,405,647	65,390,336	[1,184,169]
Concessions Fund	360	44	211	193
Total Other Agency Funds	<u>818,714</u>	<u>64,954,808</u>	<u>66,932,381</u>	<u>[1,158,859]</u>
Total Agency Funds	<u>\$ 1,014,836</u>	<u>\$ 65,979,262</u>	<u>\$ 67,944,191</u>	<u>\$ [950,093]</u>

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

STATEMENT 5

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts, Expenditures and Unencumbered Cash
Gate Receipts and School Project Funds
For the Year Ended June 30, 2011

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts</u>							
MIDDLE SCHOOLS							
Central Middle School	\$ -	\$ -	\$ 9,581	\$ 9,581	\$ -	\$ -	\$ -
South Middle School	-	-	3,826	3,826	-	-	-
Southwest Middle School	-	-	12,434	12,434	-	-	-
West Middle School	<u>4,057</u>	<u>-</u>	<u>3,360</u>	<u>4,166</u>	<u>3,251</u>	<u>-</u>	<u>3,251</u>
Total Middle School Gate Receipts	<u>4,057</u>	<u>-</u>	<u>29,201</u>	<u>30,007</u>	<u>3,251</u>	<u>-</u>	<u>3,251</u>
HIGH SCHOOL							
Lawrence High School							
Activity Tickets and Other	-	-	48,286	48,286	-	-	-
Athletics	-	-	83,171	83,171	-	-	-
Band	-	-	28,113	28,113	-	-	-
NSF Rebate	-	-	50	50	-	-	-
Theater/Showtime	<u>-</u>	<u>-</u>	<u>43,091</u>	<u>43,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Lawrence High School	<u>-</u>	<u>-</u>	<u>202,711</u>	<u>202,711</u>	<u>-</u>	<u>-</u>	<u>-</u>
Free State High School							
Activity Tickets and Other	-	-	32,167	32,167	-	-	-
Athletics	-	-	141,018	141,018	-	-	-
Band	-	-	86,880	86,880	-	-	-
Encore	-	-	47,494	47,494	-	-	-
Vocal	<u>-</u>	<u>-</u>	<u>58,657</u>	<u>58,657</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Free State High School	<u>-</u>	<u>-</u>	<u>366,216</u>	<u>366,216</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total High School Gate Receipts	<u>-</u>	<u>-</u>	<u>568,927</u>	<u>568,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Gate Receipts	<u>\$ 4,057</u>	<u>\$ -</u>	<u>\$ 598,128</u>	<u>\$ 598,934</u>	<u>\$ 3,251</u>	<u>\$ -</u>	<u>\$ 3,251</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts, Expenditures and Unencumbered Cash
Private Purpose Trust Funds
For the Year Ended June 30, 2011

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
South Middle School							
SJHS/Alexander	\$ 1,000	\$ -	\$ -	\$ 201	\$ 799	\$ -	\$ 799
SJHS/Haskell CoOp	152	-	-	-	152	-	152
SJHS/Optimists	328	-	-	282	46	-	46
SJHS/McDonalds	202	-	-	-	202	-	202
SJHS/Cougar Relief	87	-	507	105	489	-	489
Total South Middle school Private Purpose Trust Funds	<u>1,769</u>	<u>-</u>	<u>507</u>	<u>588</u>	<u>1,688</u>	<u>-</u>	<u>1,688</u>
West Middle School							
Wolf Creek Biology Donation	18	-	-	-	18	-	18
Opportunity West	3,156	-	13,308	9,806	6,658	-	6,658
Total West Middle School Private Purpose Trust Funds	<u>3,174</u>	<u>-</u>	<u>13,308</u>	<u>9,806</u>	<u>6,676</u>	<u>-</u>	<u>6,676</u>
Lawrence High School							
Teen Suicide Prevention	-	-	678	678	-	-	-
Heart of a Lion Fund	-	-	13,737	13,737	-	-	-
Testing	-	-	29,448	29,448	-	-	-
Total Lawrence High Private Purpose Trust Funds	<u>-</u>	<u>-</u>	<u>43,863</u>	<u>43,863</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other							
Local Donations Fund	287,811	-	220,320	168,200	339,931	36,904	376,835
Total Other Private Purpose Trust Funds	<u>287,811</u>	<u>-</u>	<u>220,320</u>	<u>168,200</u>	<u>339,931</u>	<u>36,904</u>	<u>376,835</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Statement of Cash Receipts, Expenditures and Unencumbered Cash
Private Purpose Trust Funds
For the Year Ended June 30, 2011

<u>FUNDS</u>	Beginning Unencumbered Cash <u>Balance</u>	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Central Middle School						
Tom Olin Memorial	\$ 39	\$ 161	\$ 13	\$ 187	\$ -	\$ 187
Teresa Lail Memorial	330	-	72	258	-	258
Duver Memorial	1,043	-	56	987	-	987
Alicia A. Chavez Memorial Fund	<u>2,487</u>	<u>-</u>	<u>-</u>	<u>2,487</u>	<u>-</u>	<u>2,487</u>
Total Central Middle School Private Purpose Trust Funds	<u>3,899</u>	<u>161</u>	<u>141</u>	<u>3,919</u>	<u>-</u>	<u>3,919</u>
West Middle School						
Carson Memorial	1,021	7	-	1,028	-	1,028
Cunningham Memorial	<u>2,567</u>	<u>200</u>	<u>380</u>	<u>2,387</u>	<u>-</u>	<u>2,387</u>
Total West Middle School Private Purpose Trust Funds	<u>3,588</u>	<u>207</u>	<u>380</u>	<u>3,415</u>	<u>-</u>	<u>3,415</u>
Lawrence High School						
School District Landscaping	-	1,753	1,753	-	-	-
Jennifer Trapp Memorial	<u>580</u>	<u>-</u>	<u>-</u>	<u>580</u>	<u>-</u>	<u>580</u>
Total Lawrence High School Private Purpose Trust Funds	<u>580</u>	<u>1,753</u>	<u>1,753</u>	<u>580</u>	<u>-</u>	<u>580</u>
Lawrence Public Schools Memorial Funds	<u>233,187</u>	<u>6,622</u>	<u>9,601</u>	<u>230,208</u>	<u>250</u>	<u>230,458</u>
Total District Private Purpose Trust Funds	<u>233,187</u>	<u>6,622</u>	<u>9,601</u>	<u>230,208</u>	<u>250</u>	<u>230,458</u>
Total Private Purpose Trust Funds	<u>\$ 534,008</u>	<u>\$ 286,741</u>	<u>\$ 234,332</u>	<u>\$ 586,417</u>	<u>\$ 37,154</u>	<u>\$ 623,571</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

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

Reimbursed Expenses

Expenditures in the amount of \$239,401 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

Basis of Accounting. These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The District has a GAAP waiver, which allows it to use this prescribed basis of accounting. When a local government adopts a Kansas GAAP waiver, KSA 75-1120a specifically requires that the government must prepare its "financial statements and financial reports...on the basis of cash receipts and disbursements as adjusted to show compliance with the cash-basis and budget laws of this state." KSA 72-6417 requires that any general fund state aid payment that is due to be paid in June but is paid after that "shall be recorded and accounted for by the school districts as a receipt for the school year ending on the preceding June 30."

To attempt to reconcile this statutory conflict, the prescribed basis of accounting requires that state aid payments due in June but received in July be recorded in July of the following year in the financial statements. Compliance with KSA 72-6417 is required to be presented in the notes to the financial statements. The District has chosen to present its state aid payments due in June but received in July in the financial statements for the year ended June 30, 2011 rather than in July of the following fiscal year which is not in compliance with the Kansas prescribed basis of accounting. These payments were \$1,887,748 in the General Fund, \$98,376 in the Supplemental General Fund and \$66,072 in the Parent Education Program Fund.

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the fund financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Cash

Cash as reported in the financial statements includes all bank checking, saving accounts, certificates of deposit, money market accounts, and U.S. Treasury obligations of the District as of June 30, 2011, stated at cost which approximates market.

Fund Descriptions

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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2011:

Governmental Funds

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds - to account for the accumulation of resources for, and the payments of, interest and principal and related costs, on general long-term debt.

Capital Project Funds - to account for the financial resources segregated for the acquisition of major capital facilities.

Proprietary Funds

Internal Service Funds - to account for the operations that provide service to other funds on a cost-reimbursement basis.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Fund Descriptions (Continued)

Fiduciary Funds

Trust and Agency Funds - to account for assets held by the District in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds.

The private purpose trust funds consist of various funds created to meet specific requests of the contributors.

The Board authorized by resolution to establish a fund in which memorial gifts may be deposited. The fund is named the Memorial Fund. The corpus of the fund is to be kept intact. The earnings from the fund are restricted for the purpose of assisting certain eligible students to complete their high school education.

Other private purpose trust funds are maintained at or for the benefit of certain individual schools.

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget for year ended June 30, 2011 was not amended.

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

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

A legal operating budget is not required for capital projects funds, internal service funds, trust funds and the following special revenue funds: Contingency Reserve, Textbook Rental, Student Material Revolving, Gate Receipts and School Projects.

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Ad Valorem Tax Revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1 and become delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits and Investments

The District's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county in which the District is located or an adjacent county and that the bank provide an acceptable rate for active funds.

The District's investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that at the District invest its idle funds in only temporary notes of the District, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. treasuries or notes, the Municipal Investment Pool (KMIP) and certain other investments if the municipality has extended investment authority. Maturities of the above investments may not exceed two years by statute.

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

At June 30, 2011, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Certificate of Deposit	\$ 7,221	NA
Kansas Municipal Investment Pool	<u>1,782,119</u>	S&P AAf/S1+
Total fair value	<u>\$ 1,789,340</u>	

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 2 - Deposits and Investments (Continued)

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the US government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402.

NOTE 3 - Capital Projects

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

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
School Building & Athletic Field Improvements	\$ 95,049,737	\$ 93,476,079

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District long-term debt including capital leases:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>
General Obligation Bonds			
2004A Refunding	11/15/2004	\$ 9,810,000	3.00 - 3.75%
2006A Refunding & Improvement	6/15/2006	84,630,000	4.00 - 5.00%
Capital Leases			
Copiers/Duplicators	2/18/2005	577,937	5.04%
Energy Savings Equipment	7/12/2006	1,683,575	4.90%
Athletics Fields/Equipment - Phase I	1/15/2009	4,800,000	4.98%
Athletics Fields/Equipment - Phase II	4/1/2009	4,250,000	5.10%

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 4 - Long-Term Debt (Continued)

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The ratio of net bonded debt to the assessed valuation as of June 30, 2011 was 8%.

Following is a summary of changes in long-term debt for the year ended June 30, 2011:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>
General Obligation Bonds				
2004A Refunding	\$ 7,230,000	\$ -	\$ 1,350,000	\$ 5,880,000
2006A Refunding & Improvement	74,515,000	-	6,920,000	67,595,000
Capital Leases				
Energy Savings Equipment	1,486,049	-	48,184	1,437,865
Athletics Fields/Equipment - Phase I	4,409,479	-	399,143	4,010,336
Athletics Fields/Equipment - Phase II	<u>3,855,000</u>	<u>-</u>	<u>355,000</u>	<u>3,500,000</u>
 Total	 <u>\$ 91,495,528</u>	 <u>\$ -</u>	 <u>\$ 9,072,327</u>	 <u>\$ 82,423,201</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2011-12	\$ 8,780,000	\$ 3,213,873	\$ 11,993,873
2012-13	9,140,000	2,844,253	11,984,253
2013-14	7,065,000	2,493,685	9,558,685
2014-15	7,395,000	2,173,488	9,568,488
2015-16	4,470,000	1,906,750	6,376,750
2016-21	16,100,000	7,207,850	23,307,850
2021-26	<u>20,525,000</u>	<u>2,665,625</u>	<u>23,190,625</u>
 Total	 <u>\$ 73,475,000</u>	 <u>\$ 22,505,524</u>	 <u>\$ 95,980,524</u>

Continuing disclosure requirements under SEC Rule 15c 2-12 (b)(5) are as follows with financial statement page reference:

- | | |
|-------------------------------|--------------------|
| 1. Assessed valuation | Page i |
| 2. Property tax levy in mills | Page i |
| 3. Ad valorem tax collections | Pages 6 through 32 |
| 4. Ratio of net bonded debt | Page 47 |

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 4 - Long-Term Debt (Continued)

The following displays annual debt service requirements to maturity for the capital leases for the full proceeds amounts:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2011-12	\$ 842,828	\$ 434,994	\$ 1,277,822
2012-13	885,607	395,572	1,281,179
2013-14	934,779	354,019	1,288,798
2014-15	980,412	309,100	1,289,512
2015-16	1,037,581	258,095	1,295,676
2016-21	3,666,944	513,201	4,180,145
2021-26	<u>600,050</u>	<u>91,019</u>	<u>691,069</u>
Total	<u>\$ 8,948,201</u>	<u>\$ 2,356,000</u>	<u>\$ 11,304,201</u>

NOTE 5 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2011, the liability for accrued vacation pay was \$748,281. A current portion, ten days, is reflected in the financial statements as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 94,524
Supplemental General	201,743
Adult Basic Education	6,876
At Risk (K-12)	1,702
Virtual Education	7,026
Capital Outlay	12,608
Food Service	9,216
Special Education	13,768
Vocational Education	<u>1,472</u>
Total	<u>\$ 348,935</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 6 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Topeka, Kansas 66603-3803).

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate up to 6% of covered salary. Member-employees contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.17% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas contributions to KPERS for the District employees for the years ending June 30, 2011, 2010, and 2009, were \$3,979,964, \$4,766,815, and \$4,682,703, respectively, equal to the required contributions for each year.

NOTE 7 - Termination Benefits

The District also has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERS).

The benefits from this plan are computed using a formula based upon salary, age, and KPERS service credit and are payable over a five year period in January of each year. The cost of this plan in the fiscal year ended June 30, 2011, was \$970,648. The outstanding liability reflected in the financial statements for the retirees payable in January, 2012, is as follows:

<u>Fund</u>	<u>Amount</u>
Supplemental General	<u>\$ 970,648</u>
Total	<u>\$ 970,648</u>

The outstanding liability payable from January, 2012, through January, 2016, is \$2,701,930. Above, only the January, 2012 payment is reflected in the financial statements as an accounts payable.

NOTE 8 - Risk Management

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 8 - Risk Management (Continued)

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2011, such interfund premiums did not exceed reimbursable expenditures.

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

Unpaid claims, July 1, 2010	\$ 603,996
Incurred claims (including IBNRs)	1,031,083
Claim payments and adjustments	<u>[878,253]</u>
Unpaid claims, June 30, 2011	<u>\$ 756,826</u>

NOTE 9 - Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2011.

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

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

NOTE 10 - Statutory Violations

A negative cash balance at June 30, 2011 in the following Student Organization Fund violates KSA 10-1113: Lawrence High School Class of 2009 Fund.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 11 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Bilingual Education	K.S.A. 72-6428	\$ 5,000
General	Special Education	K.S.A. 72-6428	9,854,042
General	Vocational Education	K.S.A. 72-6428	100,000
General	Virtual Education	K.S.A. 72-6428	5,276,761
General	At Risk (4 Year Old)	K.S.A. 72-6428	10,000
General	At Risk (K-12)	K.S.A. 72-6428	3,661,120
General	Health Care Services Reserve	K.S.A. 72-6428	3,584,998
General	School Workers' Compensation Reserve	K.S.A. 72-6428	312,902
Supplemental General	Bilingual Education	K.S.A. 72-6433	602,873
Supplemental General	Special Education	K.S.A. 72-6433	6,695,769
Supplemental General	Vocational Education	K.S.A. 72-6433	1,400,000
Supplemental General	Health Care Services Reserve	K.S.A. 72-6433	1,071,808
Supplemental General	School Workers' Compensation Reserve	K.S.A. 72-6428	179,509
Supplemental General	Professional Development	K.S.A. 72-6433	287,500
Supplemental General	Parent Education Program	K.S.A. 72-6433	18,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	290,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	2,622,280
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,848
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	16,719
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	14,216
Grants	Health Care Services Reserve	K.S.A. 72-8415a	319,170
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	635
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	17,692
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	108
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	437
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	81,715
Food Service	Health Care Services Reserve	K.S.A. 72-8415a	323,955
Capital Outlay	School Workers' Compensation Reserve	K.S.A. 44-505e	5,900
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	141
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,433
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	60,128
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	24,627
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	493,817
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	2,287
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	49,665
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	5,599
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	92,375
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	10,112
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	174,195
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	74,771
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	1,908,574
Total			<u>\$ 39,653,681</u>

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Interior</u>					
Indian Education Assistance to Schools	15.130	\$ [11,228]	\$ 160,098	\$ 152,965	\$ [4,095]
Total Direct U.S. Department of Interior		<u>[11,228]</u>	<u>160,098</u>	<u>152,965</u>	<u>[4,095]</u>
<u>U.S. Department of Education</u>					
Twenty-First Century Community Learning Centers Passed Through Kansas State Department of Education	84.287	7,317	68,846	76,162	1
Title I Grants to Local Educational Agencies	84.010	100,258	1,824,158	1,716,205	208,211
Title I Grants to Local Educational Agencies (ARRA)	84.389	[6,316]	748,897	742,581	-
Special Education Grants to States	84.027	386	2,233,104	1,978,258	255,232
Special Education Discretionary	84.027	53,004	84,744	126,937	10,811
Special Education Grants to States (ARRA)	84.391	-	1,170,303	1,170,303	-
Vocational Education Basic Grants to States	84.048	15,722	101,987	114,461	3,248
Special Education Preschool Grants	84.173	-	63,193	62,213	980
Special Education Preschool Grants (ARRA)	84.392	-	49,290	49,290	-
Mathematics & Science Partnership	84.366	-	102	102	-
Innovative Education Program Strategies	84.298	320	-	320	-
Education Technology State Grants	84.318	[3,916]	16,126	12,046	164
Education Technology State Grants (ARRA)	84.386	3,417	34,824	38,241	-
Reading First	84.357	4,046	-	4,046	-
English Language Acquisition Grants	84.365	12,209	28,183	25,652	14,740
Improving Teacher Quality State Grants	84.367	6,000	546,032	487,086	64,946
Education Jobs Fund	84.410	-	1,890,399	1,890,399	-
State Fiscal Stabilization Funds (ARRA)	84.394	-	1,079,612	1,079,612	-
Total Direct or Passed Through Kansas State Department of Education		<u>192,447</u>	<u>9,939,800</u>	<u>9,573,914</u>	<u>558,333</u>
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
Youth Risk Behavior Survey	93.938	-	1,250	1,250	-
AIDS Education	93.938	-	300	300	-
Total U.S. Department of Health and Human Services Passed Through Kansas Department of Education		<u>-</u>	<u>1,550</u>	<u>1,550</u>	<u>-</u>
<u>Corporation for National and Community Service</u>					
Passed Through Kansas State Department of Education					
Learn and Serve	94.004	-	3,950	3,950	-
Total Corporation for National and Community Service Passed Through Kansas Department of Education		<u>-</u>	<u>3,950</u>	<u>3,950</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
School Breakfast Program	10.553	-	425,292	425,292	-
National School Lunch Program	10.555	-	1,839,008	1,839,008	-
Summer Food Service Program for Children	10.559	-	79,684	79,684	-
Team Nutrition Training Grant	10.574	-	1,055	1,055	-
Fresh Food & Vegetables	10.582	-	54,300	54,300	-
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		<u>-</u>	<u>2,399,339</u>	<u>2,399,339</u>	<u>-</u>
Total		<u>\$ 181,219</u>	<u>\$ 12,504,737</u>	<u>\$ 12,131,718</u>	<u>\$ 554,238</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

1. General

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

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 497
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Qualified (Prescribed Basis) <u>Adverse (GAAP)</u>
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	___ Yes <u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes <u>X</u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	___ Yes <u>X</u> None reported
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___ Yes <u>X</u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173, 84.391, 84.392 84.394 84.410	Title VI-B - Special Education Cluster State Fiscal Stabilization Funds Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs:	<u>\$363,952</u>
Auditee qualified as low-risk auditee?	___ Yes <u>X</u> No

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2011

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



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

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

We have audited the financial statements of the Unified School District No. 497, (the District), Lawrence, Kansas, as of and for the year ended June 30, 2011, and have issued our report thereon dated January 11, 2012, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

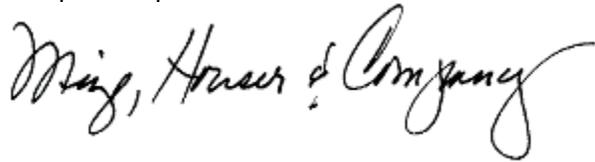
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

www.mizehouser.com ■ mhco@mizehouser.com

534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f
534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f
7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f
120 E Ninth ■ Lawrence, KS 66044-2682 ■ 785.842.8844 p ■ 785.842.9049 f
900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

However, we noted certain other matters that we reported to management of Unified School District No. 497, Lawrence, Kansas, in a separate letter dated January 11, 2012.

This communication is intended solely for the information and use of the Board of Education, administration, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script that reads "King, Horner & Company". The signature is written in black ink and is positioned above the date.

January 11, 2012



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

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

Compliance

We have audited the compliance of the Unified School District No. 497 (the District), Lawrence, Kansas, with the types of compliance requirements described in the "OMB Circular A-133 Compliance Supplement" that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. Major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

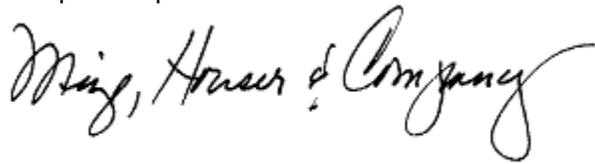
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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct,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

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

This communication is intended solely for the information and use of management, the Board of Education, federal awarding agencies and pass through entities, is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Ming, Horner & Company". The signature is written in a cursive, flowing style.

January 11, 2012