

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2012

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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 summary statement of cash receipts, expenditures, and unencumbered cash balances of the Unified School District No. 497, Lawrence, Kansas, (the District), as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement 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, 2011. In our report dated January 11, 2012 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

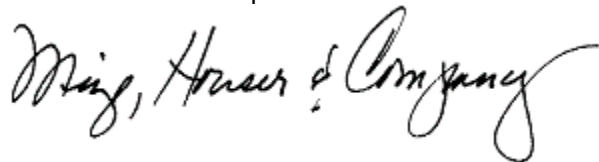
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 497, Lawrence, Kansas, as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the 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, 2011, from which such partial information was derived.

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

A handwritten signature in black ink, appearing to read "Ming, Hauer & Company". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

December 11, 2012

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

<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
Governmental Fund Types:							
General Funds:							
General Fund	\$ 5,104	\$ -	\$ 67,062,273	\$ 67,048,508	\$ 18,869	\$ 5,072,591	\$ 5,091,460
Supplemental General	1,434,171	-	23,349,235	22,379,472	2,403,934	1,308,983	3,712,917
Special Purpose Funds:							
Adult Basic Education	170,098	-	564,260	368,725	365,633	18,732	384,365
At Risk (4 Year Old)	347,924	-	696,148	493,554	550,518	44,618	595,136
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	1,703,644	-	5,254,200	4,391,383	2,566,461	444,788	3,011,249
Bilingual Education	150,661	-	597,240	648,116	99,785	46,418	146,203
Virtual Education	701,732	-	5,057,247	5,173,933	585,046	554,056	1,139,102
Capital Outlay	4,460,028	-	9,625,314	8,684,106	5,401,236	4,084,811	9,486,047
Driver Training	58,980	-	36,998	33,154	62,824	17,656	80,480
Food Service	1,092,512	-	4,731,763	4,545,625	1,278,650	159,623	1,438,273
Professional Development	322,401	-	324,665	330,802	316,264	82,072	398,336
Parent Education Program	69,639	-	137,009	121,576	85,072	2,244	87,316
Summer School	143,887	-	21,805	14,141	151,551	2,873	154,424
Special Education	8,914,857	-	20,301,732	19,423,708	9,792,881	1,598,300	11,391,181
Cost of Living	211,757	-	1,230,807	1,276,842	165,722	-	165,722
Vocational Education	652,594	-	1,500,000	1,453,748	698,846	204,117	902,963
KPERS Special Retirement Contribution	-	-	6,798,202	6,798,202	-	-	-
Contingency Reserve	6,830,992	-	4,853,447	5,072,403	6,612,036	101,369	6,713,405
Textbook Rental	945,014	-	314,773	407,351	852,436	147,116	999,552
Student Material Revolving	654,481	-	448,497	375,697	727,281	87,644	814,925
Grants	296,766	-	2,420,454	2,734,496	[17,276]	317,494	300,218
District Activity	3,251	-	758,189	761,388	52	-	52
Debt Service Funds:							
Bond and Interest	10,868,825	-	12,721,146	11,993,873	11,596,098	-	11,596,098
Special Assessment	313,877	-	233,671	96,415	451,133	-	451,133
Capital Projects Fund:							
Construction	1,573,658	-	72	390,894	1,182,836	50,523	1,233,359
Business Funds:							
School Workers' Compensation Reserve	1,763,448	-	545,253	406,854	1,901,847	-	1,901,847
Health Care Services Reserve	6,880,952	-	8,214,923	8,058,633	7,037,242	614,658	7,651,900
Fiduciary Fund:							
Trusts - Private Purpose	586,417	-	407,779	276,834	717,362	32,197	749,559
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 51,183,652</u>	<u>\$ -</u>	<u>\$ 178,207,102</u>	<u>\$ 173,760,433</u>	<u>\$ 55,630,321</u>	<u>\$ 14,992,883</u>	<u>\$ 70,623,204</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Cash Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2012

Composition of Cash:		
U.S. Bank		
Checking Accounts	\$ 66,212,758	
Savings Accounts	<u>7,778</u>	
Total U.S. Bank		\$ 66,220,536
Douglas County Bank		
Certificates of Deposit	3,200	
Checking Accounts	<u>127,317</u>	
Total Douglas County Bank		130,517
Commerce Bank		
Certificates of Deposit	4,846	
Checking Accounts	<u>26,200</u>	
Total Commerce Bank		31,046
University National Bank - Checking		65
United Missouri Bank - Checking		1,690,010
Peoples Bank - Checking		1,764
Kansas Municipal Investment Pool		1,290,889
Cash on Hand		<u>1,474</u>
Total Cash		69,366,301
Less Agency Funds per Schedule 4		<u>1,256,903</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 70,623,204</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

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

Reimbursed Expenses

Expenditures in the amount of \$345,868 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

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

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

Departure from Generally Accepted Accounting Principles

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

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2012:

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

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

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

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

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

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

Budgetary Information

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

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

Ad Valorem Tax Revenues

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

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

NOTE 2 - Deposits and Investments

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

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

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

As of June 30, 2012, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>	<u>Rating</u>
		<u>Less than 1 year</u>	
Certificate of Deposit	\$ 8,046	\$ 8,046	NA
Kansas Municipal Investment Pool	<u>1,290,889</u>	<u>1,290,889</u>	S&P AAf/S1+
Total fair value	\$ 1,298,935	\$ 1,298,935	

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2012, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$68,073,938 and the bank balance was \$68,334,910. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$2,331,360 was covered by federal depository insurance and the balance of \$66,003,550 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

At June 30, 2012, the District had invested \$1,290,889 in the State's municipal investment pool. 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 U.S. 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.

Substance receipt in transit. The District received \$1,497,328 subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

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	\$ 95,049,809	\$ 93,866,973

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2012:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2012</u>
General Obligation Bonds					
2004A Refunding	11/15/2004	9/1/2014	3.00 - 3.75%	\$ 9,810,000	\$ 4,485,000
2006A Refunding & Improvement	6/15/2006	9/1/2025	4.00 - 5.00%	84,630,000	60,210,000
Capital Leases					
Energy Savings Equipment	7/12/2006	10/12/2025	4.90%	1,683,575	1,384,320
Athletics Fields/Equipment - Phase I	1/15/2009	1/15/2019	4.98%	4,800,000	3,591,053
Athletics Fields/Equipment - Phase II	4/1/2009	1/15/2019	5.10%	4,250,000	<u>3,130,000</u>
Total					<u>\$ 72,800,373</u>

Following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>	<u>Interest Paid</u>
General Obligation Bonds					
2004A Refunding	\$ 5,880,000	\$ -	\$ 1,395,000	\$ 4,485,000	\$ 182,723
2006A Refunding & Improvement	67,595,000	-	7,385,000	60,210,000	3,031,150
Capital Leases					
Energy Savings Equipment	1,437,865	-	53,545	1,384,320	70,455
Athletics Fields/Equipment - Phase I	4,010,336	-	419,283	3,591,053	194,702
Athletics Fields/Equipment - Phase II	<u>3,500,000</u>	<u>-</u>	<u>370,000</u>	<u>3,130,000</u>	<u>169,837</u>
Total	<u>\$ 82,423,201</u>	<u>\$ -</u>	<u>\$ 9,622,828</u>	<u>\$ 72,800,373</u>	<u>\$ 3,648,867</u>

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

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2013	\$ 9,140,000	\$ 2,844,253	\$ 11,984,253
2014	7,065,000	2,493,685	9,558,685
2015	7,395,000	2,173,488	9,568,488
2016	4,470,000	1,906,750	6,376,750
2017	2,930,000	1,745,850	4,675,850
2018-2022	16,885,000	6,395,375	23,280,375
2023-2026	<u>16,810,000</u>	<u>1,732,250</u>	<u>18,542,250</u>
Total	<u>\$ 64,695,000</u>	<u>\$ 19,291,651</u>	<u>\$ 83,986,651</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 4 - Long-Term Debt (Continued)

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

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2013	\$ 885,607	\$ 395,572	\$ 1,281,179
2014	934,779	354,019	1,288,798
2015	980,412	309,100	1,289,512
2016	1,037,581	258,095	1,295,676
2017	1,091,362	204,275	1,295,637
2018-2022	2,684,393	338,329	3,022,722
2023-2026	<u>491,239</u>	<u>61,616</u>	<u>552,855</u>
Total	<u>\$ 8,105,373</u>	<u>\$ 1,921,006</u>	<u>\$ 10,026,379</u>

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

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District's ratio of outstanding bonded debt to the assessed valuation as of June 30, 2012 was 6.61%.

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, 2012, the liability for accrued vacation pay was \$653,483. A current portion, ten days, is reflected in the financial statements as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 186,802
Supplemental General	74,875
Adult Basic Education	7,146
Virtual Education	9,045
Capital Outlay	12,797
At-Risk (4 Year Old)	716
Food Service	7,636
Bilingual	1,009
Special Education	13,001
Vocational Education	<u>2,250</u>
Total	<u>\$ 315,277</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 6 - Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2012, 2011, and 2010, were \$6,798,202, \$3,979,964, and \$4,766,815, 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, 2012, was \$1,086,277. The outstanding liability reflected in the financial statements for the retirees payable in January, 2013, is as follows:

<u>Funds</u>	<u>Amount</u>
Supplemental General	\$ 471,979
Health Care Services Reserve	<u>625,609</u>
Total	<u>\$ 1,097,588</u>

The outstanding liability payable from January, 2013, through January, 2017, is \$2,983,275. Above, only the January, 2013 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, 2012

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, 2012, 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, 2011	\$ 756,826
Incurred claims (including IBNRs)	109,631
Claim payments and adjustments	<u>[302,144]</u>
 Unpaid claims, June 30, 2012	 <u>\$ 564,313</u>

NOTE 9 – Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2012.

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

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

NOTE 10 – Other Post Employment Benefits

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

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2012

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	11,378,072
General	Vocational Education	K.S.A. 72-6428	100,000
General	Contingency Reserve	K.S.A. 72-6428	4,853,447
General	Virtual Education	K.S.A. 72-6428	4,996,026
General	At Risk (4 Year Old)	K.S.A. 72-6428	10,000
General	At Risk (K-12)	K.S.A. 72-6428	1,947,218
General	Health Care Services Reserve	K.S.A. 72-6428	2,759,058
General	School Workers' Compensation Reserve	K.S.A. 72-6428	309,324
Supplemental General	Bilingual Education	K.S.A. 72-6433	592,240
Supplemental General	Special Education	K.S.A. 72-6433	5,811,047
Supplemental General	Vocational Education	K.S.A. 72-6433	1,400,000
Supplemental General	Health Care Services Reserve	K.S.A. 72-6433	1,060,826
Supplemental General	School Workers' Compensation Reserve	K.S.A. 72-6428	33,983
Supplemental General	Professional Development	K.S.A. 72-6433	293,669
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	3,306,982
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,401
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	11,452
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	9,113
Grants	Health Care Services Reserve	K.S.A. 72-8415a	226,673
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	666
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	7,731
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	61
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	592
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	66,664
Food Service	Health Care Services Reserve	K.S.A. 72-8415a	176,960
Contingency Reserve	School Workers' Compensation Reserve	K.S.A. 44-505e	13,199
Contingency Reserve	Health Care Services Reserve	K.S.A. 72-8415a	41,939
Contingency Reserve	General	2011 SB111	3,000,000
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	111
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	3,109
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	46,451
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	17,822
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	344,996
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	1,934
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	38,959
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	5,089
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	90,426
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	7,573
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	126,446
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	64,341
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	1,644,288
Local Donations	School Workers' Compensation Reserve	K.S.A. 44-505e	376
Local Donations	Health Care Services Reserve	K.S.A. 72-8415a	529
Total			<u>\$ 45,113,793</u>

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 66,686,535	\$ [202,338]	\$ 564,311	\$ 67,048,508	\$ 67,048,508	\$ -
Supplemental General	22,379,472	-	-	22,379,472	22,379,472	-
Special Purpose Funds:						
Adult Basic Education	535,000	-	-	535,000	368,725	166,275
At Risk (4 Year Old)	700,000	-	-	700,000	493,554	206,446
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	6,263,339	-	-	6,263,339	4,391,383	1,871,956
Bilingual Education	670,000	-	-	670,000	648,116	21,884
Virtual Education	6,555,475	-	-	6,555,475	5,173,933	1,381,542
Capital Outlay	13,750,000	-	-	13,750,000	8,684,106	5,065,894
Driver Training	141,000	-	-	141,000	33,154	107,846
Food Service	5,110,000	-	-	5,110,000	4,545,625	564,375
Professional Development	465,000	-	-	465,000	330,802	134,198
Parent Education Program	298,000	-	-	298,000	121,576	176,424
Summer School	150,000	-	-	150,000	14,141	135,859
Special Education	23,259,500	-	-	23,259,500	19,423,708	3,835,792
Cost of Living	1,276,842	-	-	1,276,842	1,276,842	-
Vocational Education	1,720,000	-	-	1,720,000	1,453,748	266,252
KPERS Special Retirement Contribution	7,362,933	-	-	7,362,933	6,798,202	564,731
Grants	3,281,900	-	-	3,281,900	2,734,496	547,404
Debt Service Funds:						
Bond and Interest	11,994,873	-	-	11,994,873	11,993,873	1,000
Special Assessment	275,000	-	-	275,000	96,415	178,585

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 17,370,405	\$ 18,657,623	\$ 17,023,410	\$ 1,634,213
Delinquent tax	360,188	416,028	433,456	[17,428]
State Aid:				
Equalization aid	32,236,965	33,344,579	34,784,893	[1,440,314]
Juvenile detention center	217,336	218,443	-	218,443
Special education aid	9,754,042	11,033,284	11,232,300	[199,016]
Federal aid	2,970,011	27,579	-	27,579
In lieu of taxes - I.R.B.s	418	-	646	[646]
Miscellaneous	27,517	18,869	-	18,869
Reimbursed expenses	239,401	345,868	-	345,868
Transfers in	-	3,000,000	3,206,727	[206,727]
Total Cash Receipts	<u>63,176,283</u>	<u>67,062,273</u>	<u>\$ 66,681,432</u>	<u>\$ 380,841</u>
Expenditures				
Instruction	24,687,461	25,414,039	\$ 31,150,523	\$ 5,736,484
Student support services	2,252,132	2,439,729	2,639,500	199,771
Instructional support	2,207,768	1,941,075	2,512,500	571,425
General administration	409,668	169,835	436,000	266,165
School administration	1,318,560	750,204	1,541,200	790,996
Operations and maintenance	7,007,946	7,337,109	7,380,000	42,891
Transportation	262,626	304,447	225,000	[79,447]
Other supplemental services	2,220,195	2,333,925	1,191,000	[1,142,925]
Transfers out	22,804,823	26,358,145	19,610,812	[6,747,333]
Adjustment to comply with legal max budget	-	-	[202,338]	[202,338]
Adjustment for qualifying budget credits	-	-	564,311	564,311
Total Expenditures	<u>63,171,179</u>	<u>67,048,508</u>	<u>\$ 67,048,508</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	5,104	13,765		
Unencumbered Cash, Beginning	-	5,104		
Unencumbered Cash, Ending	<u>\$ 5,104</u>	<u>\$ 18,869</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive <u>[Negative]</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 18,393,650	\$ 18,763,872	\$ 16,332,631	\$ 2,431,241
Delinquent tax	356,569	424,786	457,793	[33,007]
Motor vehicle tax	1,591,052	1,484,151	1,573,861	[89,710]
In lieu of taxes - I.R.B.s	416	-	655	[655]
State aid	<u>1,722,775</u>	<u>2,676,426</u>	<u>2,580,062</u>	<u>96,364</u>
Total Cash Receipts	<u>22,064,462</u>	<u>23,349,235</u>	<u>\$ 20,945,002</u>	<u>\$ 2,404,233</u>
Expenditures				
Instruction	920,719	666,306	\$ 2,307,232	\$ 1,640,926
Student support services	155,071	93,349	132,000	38,651
Instructional support	552,887	738,564	625,000	[113,564]
General administration	123,807	329,085	143,000	[186,085]
School administration	2,697,748	3,530,178	2,965,000	[565,178]
Operations and maintenance	39,189	38,656	53,000	14,344
Transportation	1,564,218	1,673,728	2,025,000	351,272
Other supplemental services	2,649,492	2,502,859	2,960,000	457,141
Transfers out	<u>13,167,739</u>	<u>12,806,747</u>	<u>11,169,240</u>	<u>[1,637,507]</u>
Total Expenditures	<u>21,870,870</u>	<u>22,379,472</u>	<u>\$ 22,379,472</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	193,592	969,763		
Unencumbered Cash, Beginning	<u>1,240,579</u>	<u>1,434,171</u>		
Unencumbered Cash, Ending	<u>\$ 1,434,171</u>	<u>\$ 2,403,934</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Basic Education Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 226,946	\$ 387,007	\$ 356,530	\$ 30,477
Delinquent tax	2,830	3,890	5,698	[1,808]
Motor vehicle tax	12,173	13,819	14,877	[1,058]
Federal aid	92,200	89,354	93,822	[4,468]
State aid	49,180	57,384	57,371	13
In lieu of taxes - I.R.B.s	5	-	6	[6]
Reimbursed expenses	-	2,109	-	2,109
Miscellaneous	6,938	10,697	7,500	3,197
Total Cash Receipts	<u>390,272</u>	<u>564,260</u>	<u>\$ 535,804</u>	<u>\$ 28,456</u>
Expenditures				
Instruction	307,943	294,637	\$ 452,000	\$ 157,363
Student support services	-	19,399	5,000	[14,399]
Instructional support staff	74,757	41,836	78,000	36,164
Transfers out	18,567	12,853	-	[12,853]
Total Expenditures	<u>401,267</u>	<u>368,725</u>	<u>\$ 535,000</u>	<u>\$ 166,275</u>
Cash Receipts Over [Under] Expenditures	[10,995]	195,535		
Unencumbered Cash, Beginning	<u>181,093</u>	<u>170,098</u>		
Unencumbered Cash, Ending	<u>\$ 170,098</u>	<u>\$ 365,633</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance Positive [Negative]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Miscellaneous	\$ 209,871	\$ 296,148	\$ 200,000	\$ 96,148
Donations	-	100,000	-	100,000
Transfers in	300,000	300,000	300,000	-
Total Cash Receipts	<u>509,871</u>	<u>696,148</u>	<u>\$ 500,000</u>	<u>\$ 196,148</u>
Expenditures				
Instruction	325,937	335,545	\$ 448,250	\$ 112,705
Student support services	40,202	46,084	73,150	27,066
Instructional support staff	-	-	9,700	9,700
School administration	65,400	71,032	82,500	11,468
Operations and maintenance	1,879	-	86,400	86,400
Transfers out	51,952	40,893	-	[40,893]
Total Expenditures	<u>485,370</u>	<u>493,554</u>	<u>\$ 700,000</u>	<u>\$ 206,446</u>
Cash Receipts Over [Under] Expenditures	24,501	202,594		
Unencumbered Cash, Beginning	<u>323,423</u>	<u>347,924</u>		
Unencumbered Cash, Ending	<u>\$ 347,924</u>	<u>\$ 550,518</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Supplemental Education Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

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

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 6,283,400	\$ 5,254,200	\$ 5,254,200	\$ -
Total Cash Receipts	<u>6,283,400</u>	<u>5,254,200</u>	<u>\$ 5,254,200</u>	<u>\$ -</u>
Expenditures				
Instruction	4,678,314	4,024,516	\$ 6,080,000	\$ 2,055,484
Instructional support	849	-	-	-
Transportation	3,470	4,049	30,000	25,951
Transfers out	518,444	362,818	153,339	[209,479]
Total Expenditures	<u>5,201,077</u>	<u>4,391,383</u>	<u>\$ 6,263,339</u>	<u>\$ 1,871,956</u>
Cash Receipts Over [Under] Expenditures	1,082,323	862,817		
Unencumbered Cash, Beginning	<u>621,321</u>	<u>1,703,644</u>		
Unencumbered Cash, Ending	<u>\$ 1,703,644</u>	<u>\$ 2,566,461</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
Transfers in	\$ 607,873	\$ 597,240	\$ 597,240	\$ -
Total Cash Receipts	<u>607,873</u>	<u>597,240</u>	<u>\$ 597,240</u>	<u>\$ -</u>
Expenditures				
Instruction	413,337	441,140	\$ 558,000	\$ 116,860
Student support services	35,954	73,626	40,900	[32,726]
Instructional support	42,458	83,790	71,100	[12,690]
Transfers out	62,561	49,560	-	[49,560]
Total Expenditures	<u>554,310</u>	<u>648,116</u>	<u>\$ 670,000</u>	<u>\$ 21,884</u>
Cash Receipts Over [Under] Expenditures	53,563	[50,876]		
Unencumbered Cash, Beginning	<u>97,098</u>	<u>150,661</u>		
Unencumbered Cash, Ending	<u>\$ 150,661</u>	<u>\$ 99,785</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 857	\$ 61,221	\$ 1,000,000	\$ [938,779]
Transfers in	<u>5,276,761</u>	<u>4,996,026</u>	<u>5,709,312</u>	<u>[713,286]</u>
Total Cash Receipts	<u>5,277,618</u>	<u>5,057,247</u>	<u>\$ 6,709,312</u>	<u>\$ [1,652,065]</u>
Expenditures				
Instruction	4,435,695	4,561,347	\$ 5,930,375	\$ 1,369,028
Student support services	10,573	6,514	40,100	33,586
Instructional support	14,235	7,341	32,600	25,259
School administration	446,515	418,849	489,500	70,651
Operations and maintenance	51,939	45,863	62,900	17,037
Transfers out	<u>184,307</u>	<u>134,019</u>	<u>-</u>	<u>[134,019]</u>
Total Expenditures	<u>5,143,264</u>	<u>5,173,933</u>	<u>\$ 6,555,475</u>	<u>\$ 1,381,542</u>
Cash Receipts Over [Under] Expenditures	134,354	[116,686]		
Unencumbered Cash, Beginning	<u>567,378</u>	<u>701,732</u>		
Unencumbered Cash, Ending	<u>\$ 701,732</u>	<u>\$ 585,046</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 5,502,912	\$ 6,848,574	\$ 6,270,678	\$ 577,896
Delinquent tax	122,035	134,910	136,739	[1,829]
Motor vehicle tax	483,776	466,469	491,651	[25,182]
In lieu of taxes - I.R.B.s	124	-	205	[205]
Investment income	27,952	3,695	-	3,695
Reimbursements	-	259,211	-	259,211
Miscellaneous	1,051,891	1,894,581	3,000,000	[1,105,419]
Flood control	17,729	17,874	17,000	874
Total Cash Receipts	<u>7,206,419</u>	<u>9,625,314</u>	<u>\$ 9,916,273</u>	<u>\$ [290,959]</u>
Expenditures				
Instruction	1,330,885	2,005,650	\$ 2,300,000	\$ 294,350
Student support services	19,008	277	25,000	24,723
Instructional support	102,299	141,190	600,000	458,810
General administration	7,152	-	25,000	25,000
School administration	4,257	34,543	25,000	[9,543]
Operations and maintenance	296,727	487,999	300,000	[187,999]
Central support services	233,046	403,512	625,000	221,488
Other support services	43,917	129,183	75,000	[54,183]
Facility acquisition and construction services	5,198,258	5,481,752	9,775,000	4,293,248
Transfers out	5,900	-	-	-
Total Expenditures	<u>7,241,449</u>	<u>8,684,106</u>	<u>\$ 13,750,000</u>	<u>\$ 5,065,894</u>
Cash Receipts Over [Under] Expenditures	[35,030]	941,208		
Unencumbered Cash, Beginning	<u>4,495,058</u>	<u>4,460,028</u>		
Unencumbered Cash, Ending	<u>\$ 4,460,028</u>	<u>\$ 5,401,236</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Driver Training Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 10,508	\$ 11,280	\$ 25,900	\$ [14,620]
Charges for services	29,080	25,718	50,779	[25,061]
Total Cash Receipts	<u>39,588</u>	<u>36,998</u>	<u>\$ 76,679</u>	<u>\$ [39,681]</u>
Expenditures				
Instruction	27,866	24,892	\$ 110,000	\$ 85,108
Instructional support	1,055	488	6,000	5,512
Operations and maintenance	6,117	7,663	25,000	17,337
Transfers out	141	111	-	[111]
Total Expenditures	<u>35,179</u>	<u>33,154</u>	<u>\$ 141,000</u>	<u>\$ 107,846</u>
Cash Receipts Over [Under] Expenditures	4,409	3,844		
Unencumbered Cash, Beginning	<u>54,571</u>	<u>58,980</u>		
Unencumbered Cash, Ending	<u>\$ 58,980</u>	<u>\$ 62,824</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
Federal aid	\$ 2,399,339	\$ 2,627,145	\$ 2,243,302	\$ 383,843
State aid	46,434	49,015	40,004	9,011
Charges for services	2,028,199	2,055,603	2,810,570	[754,967]
Investment income	1,334	-	2,500	[2,500]
Total Cash Receipts	<u>4,475,306</u>	<u>4,731,763</u>	<u>\$ 5,096,376</u>	<u>\$ [364,613]</u>
Expenditures				
Food service operation	3,859,862	4,302,001	\$ 5,110,000	\$ 807,999
Transfers out	405,670	243,624	-	[243,624]
Total Expenditures	<u>4,265,532</u>	<u>4,545,625</u>	<u>\$ 5,110,000</u>	<u>\$ 564,375</u>
Cash Receipts Over [Under] Expenditures	209,774	186,138		
Unencumbered Cash, Beginning	<u>882,738</u>	<u>1,092,512</u>		
Unencumbered Cash, Ending	<u>\$ 1,092,512</u>	<u>\$ 1,278,650</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Miscellaneous	\$ -	\$ 30,996	\$ -	\$ 30,996
Reimbursements	24,728	-	-	-
Transfers in	287,500	293,669	219,000	74,669
Total Cash Receipts	<u>312,228</u>	<u>324,665</u>	<u>\$ 219,000</u>	<u>\$ 105,665</u>
Expenditures				
Instructional support	263,698	328,712	\$ 455,000	\$ 126,288
Student support services	404	150	-	[150]
Other supplemental service	875	1,348	10,000	8,652
Transfers out	437	592	-	[592]
Total Expenditures	<u>265,414</u>	<u>330,802</u>	<u>\$ 465,000</u>	<u>\$ 134,198</u>
Cash Receipts Over [Under] Expenditures	46,814	[6,137]		
Unencumbered Cash, Beginning	<u>275,587</u>	<u>322,401</u>		
Unencumbered Cash, Ending	<u>\$ 322,401</u>	<u>\$ 316,264</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
State aid	\$ 133,417	\$ 104,495	\$ 104,495	\$ -
Donations	2,065	4,545	-	4,545
Miscellaneous	3,226	9,969	107,867	[97,898]
Transfers in	18,000	18,000	18,000	-
Total Cash Receipts	<u>156,708</u>	<u>137,009</u>	<u>\$ 230,362</u>	<u>\$ [93,353]</u>
Expenditures				
Support services	126,759	103,311	\$ 285,500	\$ 182,189
Instructional support staff	864	2,610	12,500	9,890
Operations and maintenance	4,800	7,258	-	[7,258]
Transfers out	18,327	8,397	-	[8,397]
Total Expenditures	<u>150,750</u>	<u>121,576</u>	<u>\$ 298,000</u>	<u>\$ 176,424</u>
Cash Receipts Over [Under] Expenditures	5,958	15,433		
Unencumbered Cash, Beginning	<u>63,681</u>	<u>69,639</u>		
Unencumbered Cash, Ending	<u>\$ 69,639</u>	<u>\$ 85,072</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Summer School Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Charges for services	\$ 31,130	\$ 21,805	\$ 6,114	\$ 15,691
Total Cash Receipts	<u>31,130</u>	<u>21,805</u>	<u>\$ 6,114</u>	<u>\$ 15,691</u>
Expenditures				
Instruction	20,568	14,077	\$ 145,100	\$ 131,023
Student support services	-	-	2,200	2,200
Instructional support staff	13	3	2,700	2,697
Transfers out	108	61	-	[61]
Total Expenditures	<u>20,689</u>	<u>14,141</u>	<u>\$ 150,000</u>	<u>\$ 135,859</u>
Cash Receipts Over [Under] Expenditures	10,441	7,664		
Unencumbered Cash, Beginning	<u>133,446</u>	<u>143,887</u>		
Unencumbered Cash, Ending	<u>\$ 143,887</u>	<u>\$ 151,551</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance Positive [Negative]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
State aid	\$ 1,778	\$ 6,163	\$ 25,000	\$ [18,837]
Federal aid	3,600,634	2,306,761	2,322,000	[15,239]
Reimbursements	314,795	799,689	-	799,689
Transfers in	16,549,811	17,189,119	17,182,300	6,819
Total Cash Receipts	<u>20,467,018</u>	<u>20,301,732</u>	<u>\$ 19,529,300</u>	<u>\$ 772,432</u>
Expenditures				
Instruction	11,661,743	12,062,582	\$ 17,145,000	\$ 5,082,418
Student support services	2,349,968	2,706,691	3,140,000	433,309
Instructional support staff	427,356	570,100	598,000	27,900
Operations and maintenance	19,439	8,938	50,000	41,062
Vehicle operating services	2,367,416	2,366,768	2,325,000	[41,768]
Other supplemental services	-	-	1,500	1,500
Transfers out	1,983,345	1,708,629	-	[1,708,629]
Total Expenditures	<u>18,809,267</u>	<u>19,423,708</u>	<u>\$ 23,259,500</u>	<u>\$ 3,835,792</u>
Cash Receipts Over [Under] Expenditures	1,657,751	878,024		
Unencumbered Cash, Beginning	<u>7,257,106</u>	<u>8,914,857</u>		
Unencumbered Cash, Ending	<u>\$ 8,914,857</u>	<u>\$ 9,792,881</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Cost of Living Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 1,220,431	\$ 1,099,387	\$ 25,773	\$ 1,073,614
Delinquent tax	22,762	28,297	30,320	[2,023]
Motor vehicle tax	105,871	103,123	109,196	[6,073]
In lieu of taxes - I.R.B.s	28	-	46	[46]
Total Cash Receipts	<u>1,349,092</u>	<u>1,230,807</u>	<u>\$ 165,335</u>	<u>\$ 1,065,472</u>
Expenditures				
State payment	<u>1,137,335</u>	<u>1,276,842</u>	<u>\$ 1,276,842</u>	<u>\$ -</u>
Total Expenditures	<u>1,137,335</u>	<u>1,276,842</u>	<u>\$ 1,276,842</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	211,757	[46,035]		
Unencumbered Cash, Beginning	<u>-</u>	<u>211,757</u>		
Unencumbered Cash, Ending	<u>\$ 211,757</u>	<u>\$ 165,722</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Vocational Education Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Reimbursements	\$ 5,564	\$ -	\$ -	\$ -
Miscellaneous	720	-	-	-
Transfers in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Cash Receipts	<u>1,506,284</u>	<u>1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>
Expenditures				
Instruction	1,123,921	1,256,858	\$ 1,602,500	\$ 345,642
Instructional support	92,959	94,437	104,500	10,063
Operations and maintenance	6,465	6,938	13,000	6,062
Transfers out	<u>97,974</u>	<u>95,515</u>	<u>-</u>	<u>[95,515]</u>
Total Expenditures	<u>1,321,319</u>	<u>1,453,748</u>	<u>\$ 1,720,000</u>	<u>\$ 266,252</u>
Cash Receipts Over [Under] Expenditures	184,965	46,252		
Unencumbered Cash, Beginning	<u>467,629</u>	<u>652,594</u>		
Unencumbered Cash, Ending	<u>\$ 652,594</u>	<u>\$ 698,846</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 3,979,964	\$ 6,798,202	\$ 7,362,933	\$ [564,731]
Total Cash Receipts	<u>3,979,964</u>	<u>6,798,202</u>	<u>\$ 7,362,933</u>	<u>\$ [564,731]</u>
Expenditures				
Instruction	2,792,487	4,752,747	\$ 5,147,560	\$ 394,813
Student support services	269,985	476,183	515,740	39,557
Instructional support	219,344	364,766	395,067	30,301
General administration	23,528	40,902	44,300	3,398
School administration	261,664	423,279	458,441	35,162
Operations and maintenance	167,553	237,565	257,300	19,735
Other supplemental services	144,145	296,182	320,786	24,604
Food service	101,258	206,578	223,739	17,161
Total Expenditures	<u>3,979,964</u>	<u>6,798,202</u>	<u>\$ 7,362,933</u>	<u>\$ 564,731</u>
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

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

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Textbook Rental Fund *
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 425,769	\$ 314,773
Total Cash Receipts	<u>425,769</u>	<u>314,773</u>
Expenditures		
Instruction	<u>389,740</u>	<u>407,351</u>
Total Expenditures	<u>389,740</u>	<u>407,351</u>
Cash Receipts Over [Under] Expenditures	36,029	[92,578]
Unencumbered Cash, Beginning	<u>908,985</u>	<u>945,014</u>
Unencumbered Cash, Ending	<u>\$ 945,014</u>	<u>\$ 852,436</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Student Material Revolving Fund *
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 335,913	\$ 448,497
Total Cash Receipts	<u>335,913</u>	<u>448,497</u>
Expenditures		
Instruction	<u>251,287</u>	<u>375,697</u>
Total Expenditures	<u>251,287</u>	<u>375,697</u>
Cash Receipts Over [Under] Expenditures	84,626	72,800
Unencumbered Cash, Beginning	<u>569,855</u>	<u>654,481</u>
Unencumbered Cash, Ending	<u>\$ 654,481</u>	<u>\$ 727,281</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Grants Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
Federal Aid:				
Title I	\$ 2,573,055	\$ 1,853,004	\$ 2,200,000	\$ [346,996]
Title II A - Improving Teacher Quality	546,032	273,311	405,000	[131,689]
Title II D - Technology Literacy	50,950	-	-	-
Title IV - Safe Schools/Healthy Students	-	-	25,000	[25,000]
21st Century Grant	68,846	-	-	-
Carl Perkins Vocational Act Program Improvement	101,987	81,965	-	81,965
Title III-English as a Second Language	28,183	45,545	52,500	[6,955]
Johnson O'Malley Grant	160,098	146,181	-	146,181
Total Federal Aid	3,529,151	2,400,006	2,682,500	[282,494]
Other Cash Receipts:				
Other grants and donations	35,881	20,448	275,000	[254,552]
Total Cash Receipts	3,565,032	2,420,454	\$ 2,957,500	\$ [537,046]
Expenditures				
Instruction	2,315,036	1,849,662	\$ 2,238,700	\$ 389,038
Student support services	130,870	108,969	149,000	40,031
Instructional support staff	288,575	220,717	802,400	581,683
General administration	83,720	84,852	90,300	5,448
Transportation	245,974	234,510	1,500	[233,010]
Transfers out	333,386	235,786	-	[235,786]
Total Expenditures	3,397,561	2,734,496	\$ 3,281,900	\$ 547,404
Cash Receipts Over [Under] Expenditures	167,471	[314,042]		
Unencumbered Cash, Beginning	129,295	296,766		
Unencumbered Cash, Ending	\$ 296,766	\$ [17,276]		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 11,223,794	\$ 11,555,220	\$ 10,526,846	\$ 1,028,374
Delinquent tax	198,706	242,678	279,150	[36,472]
Motor vehicle tax	838,666	923,233	977,995	[54,762]
In lieu of taxes - I.R.B.s	254	-	407	[407]
Investment income	111	15	-	15
Total Cash Receipts	<u>12,261,531</u>	<u>12,721,146</u>	<u>\$ 11,784,398</u>	<u>\$ 936,748</u>
Expenditures				
Bond principal	8,270,000	8,780,000	\$ 8,780,000	\$ -
Interest	3,550,648	3,213,873	3,213,873	-
Commissions	-	-	1,000	1,000
Total Expenditures	<u>11,820,648</u>	<u>11,993,873</u>	<u>\$ 11,994,873</u>	<u>\$ 1,000</u>
Cash Receipts Over [Under] Expenditures	440,883	727,273		
Unencumbered Cash, Beginning	<u>10,427,942</u>	<u>10,868,825</u>		
Unencumbered Cash, Ending	<u>\$ 10,868,825</u>	<u>\$ 11,596,098</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Assessment Fund
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 45,811	\$ 229,367	\$ 214,069	\$ 15,298
Delinquent tax	1,701	1,268	1,149	119
Motor vehicle tax	2,819	3,036	3,059	[23]
In lieu of taxes - I.R.B.'s	1	-	2	[2]
Reimbursed expenses	<u>1,443</u>	<u>-</u>	<u>1,400</u>	<u>[1,400]</u>
Total Cash Receipts	<u>51,775</u>	<u>233,671</u>	<u>\$ 219,679</u>	<u>\$ 13,992</u>
Expenditures				
Capital outlay	<u>98,545</u>	<u>96,415</u>	<u>\$ 275,000</u>	<u>\$ 178,585</u>
Total Expenditures	<u>98,545</u>	<u>96,415</u>	<u>\$ 275,000</u>	<u>\$ 178,585</u>
Cash Receipts Over [Under] Expenditures	[46,770]	137,256		
Unencumbered Cash, Beginning	<u>360,647</u>	<u>313,877</u>		
Unencumbered Cash, Ending	<u>\$ 313,877</u>	<u>\$ 451,133</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Capital Projects Fund *
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 3,017	\$ 72
Total Cash Receipts	<u>3,017</u>	<u>72</u>
Expenditures		
Business services	125,153	33,474
Building repair and remodeling	<u>80,363</u>	<u>357,420</u>
Total Expenditures	<u>205,516</u>	<u>390,894</u>
Cash Receipts Over [Under] Expenditures	[202,499]	[390,822]
Unencumbered Cash, Beginning	<u>1,776,157</u>	<u>1,573,658</u>
Unencumbered Cash, Ending	<u>\$ 1,573,658</u>	<u>\$ 1,182,836</u>

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
School Workers' Compensation Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ 717,240	\$ 535,358
Reimbursements	<u>3,570</u>	<u>9,895</u>
Total Cash Receipts	<u>720,810</u>	<u>545,253</u>
Expenditures		
Instruction	525,947	349,015
Instructional support	-	610
General administration	<u>105,254</u>	<u>57,229</u>
Total Expenditures	<u>631,201</u>	<u>406,854</u>
Cash Receipts Over [Under] Expenditures	89,609	138,399
Unencumbered Cash, Beginning	<u>1,673,839</u>	<u>1,763,448</u>
Unencumbered Cash, Ending	<u>\$ 1,763,448</u>	<u>\$ 1,901,847</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Health Care Services Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 1,771,033	\$ 1,417,564
Investment income	235	-
Transfers in	8,113,096	6,576,734
Miscellaneous	<u>271,345</u>	<u>220,625</u>
Total Cash Receipts	<u>10,155,709</u>	<u>8,214,923</u>
Expenditures		
Group insurance	9,382,925	7,982,000
Other insurance services	<u>70,971</u>	<u>76,633</u>
Total Expenditures	<u>9,453,896</u>	<u>8,058,633</u>
Cash Receipts Over [Under] Expenditures	701,813	156,290
Unencumbered Cash, Beginning	<u>6,179,139</u>	<u>6,880,952</u>
Unencumbered Cash, Ending	<u>\$ 6,880,952</u>	<u>\$ 7,037,242</u>

* This fund is not required to be budgeted.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 497
Fiduciary Funds
Schedule of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

<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
Lawrence High School							
Teen Suicide Prevention	\$ -	\$ -	\$ 528	\$ 528	\$ -	\$ -	\$ -
Heart of a Lion Fund	-	-	7,177	7,177	-	-	-
Testing	-	-	31,549	31,549	-	-	-
School District Landscaping	-	-	4,145	4,145	-	-	-
Jennifer Trapp Memorial	580	-	-	-	580	-	580
Central Middle School							
Tom Olin Memorial	187	-	-	15	172	-	172
Teresa Lail Memorial	258	-	-	-	258	-	258
Duver Memorial	987	-	-	60	927	-	927
Alicia A. Chavez Memorial Fund	2,487	-	-	215	2,272	-	2,272
South Middle School							
Alexander	799	-	-	86	713	-	713
Haskell CoOp	152	-	-	-	152	-	152
Optimists	46	-	-	-	46	-	46
McDonalds	202	-	-	-	202	-	202
Cougar Relief	489	-	4,670	5,159	-	-	-
West Middle School							
Wolf Creek Biology Donation	18	-	-	-	18	-	18
Opportunity West	6,658	-	14,453	9,243	11,868	-	11,868
Carson Memorial	1,028	-	3	70	961	-	961
Cunningham Memorial	2,387	-	-	439	1,948	-	1,948
Lawrence Public Schools							
Memorial Funds	230,208	-	3,180	6,500	226,888	-	226,888
Local Donations Fund	339,931	-	342,074	211,648	470,357	32,197	502,554
Total Other Private Purpose Trust Funds	<u>\$ 586,417</u>	<u>\$ -</u>	<u>\$ 407,779</u>	<u>\$ 276,834</u>	<u>\$ 717,362</u>	<u>\$ 32,197</u>	<u>\$ 749,559</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
ELEMENTARY SCHOOLS				
Broken Arrow Elementary				
Enrichment	\$ -	\$ 2,873	\$ 2,873	\$ -
Total Broken Arrow Activity Funds	-	2,873	2,873	-
Cordley Elementary				
Student Council	135	-	-	135
Just Say No Club	1	-	-	1
Library Media	9	95	104	-
Cordley Instructional Enhancement	-	3,646	3,646	-
Chess Club	466	-	466	-
Yearbook	-	4,875	4,125	750
Total Cordley Activity Funds	611	8,616	8,341	886
Deerfield Elementary				
Student Council	-	6,688	6,688	-
CCM Rebate	5	-	-	5
Picture Fund	-	5,624	5,624	-
Coke Machine	227	710	611	326
Yearbook	-	5,055	5,055	-
Total Deerfield Activity Funds	232	18,077	17,978	331
Hillcrest Elementary				
Picture Club	-	576	576	-
6th Grade Trip	-	956	956	-
Total Hillcrest Activity Funds	-	1,532	1,532	-
Kennedy Elementary				
Student Enrichment	-	1,879	1,879	-
Staff Enrichment	-	21	21	-
Yearbook	-	80	80	-
Library Media	12	59	71	-
Total Kennedy Activity Funds	12	2,039	2,051	-
Langston Hughes Elementary				
Picture Fund	-	9,852	9,852	-
Field Trips	-	4,211	4,211	-
Library Media	-	214	214	-
Recorder Fund	-	321	321	-
Total Langston Hughes Activity Funds	-	14,598	14,598	-
New York Elementary				
Student Council	-	131	131	-
Total New York Activity Funds	-	131	131	-
Prairie Park Elementary				
Student Council	188	5,991	4,562	1,617
Developmental Fund	-	5,633	5,633	-
Total Prairie Park Activity Funds	188	11,624	10,195	1,617
Quail Run Elementary				
Picture Fund	-	5,630	5,630	-
Total Quail Run Activity Fund	-	5,630	5,630	-
Schwegler Elementary				
Pictures	-	3,427	3,427	-
Yearbook	11	2,718	2,729	-
Library	-	140	140	-
Total Schwegler Activity Funds	11	6,285	6,296	-
Sunflower Elementary				
Student Council	1,270	802	262	1,810
Library Fund	-	83	83	-
Picture Fund	-	14,033	14,033	-
Total Sunflower Activity Funds	1,270	14,918	14,378	1,810
Sunset Hill Elementary				
Student Council	145	227	105	267
Field Trip Activities	-	134	134	-
Picture Fund	-	3,557	3,557	-
Total Sunset Hill Activity Funds	145	3,918	3,796	267
Woodlawn Elementary				
Instructional Enrichment	-	1,114	1,114	-
Pop Fund	-	559	559	-
Lost Library Books	-	49	49	-
Student Council	112	-	-	112
Total Woodlawn Activity Funds	112	1,722	1,722	112
Total Elementary School Activity Funds	2,581	91,963	89,521	5,023

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
MIDDLE SCHOOLS				
Central Middle School				
Chess Club	\$ 235	\$ -	\$ -	\$ 235
Excalibur	2,449	2,613	1,880	3,182
Freshman Fund	197	-	-	197
Garden Club	-	1,286	-	1,286
History Day	2,754	-	306	2,448
Pep Club	928	2,273	1,951	1,250
Sales Tax	-	1,040	1,040	-
Speech and Drama	2,190	1,360	1,844	1,706
Student Council	1,037	580	226	1,391
Red Ribbon	310	-	-	310
National Junior Honor Society	329	-	-	329
Yearbook	2,259	4,674	6,020	913
Total Central Middle School Activity Funds	12,688	13,826	13,267	13,247
South Middle School				
Junior Players	1,520	3,684	3,023	2,181
Car Club	47	-	-	47
International Club	186	568	-	754
Adventure Club	4,300	4,119	4,878	3,541
Physical Education	1,759	-	-	1,759
Student Council	2,926	8,348	5,599	5,675
Yearbook	50	9447	9045	452
South Singers	992	3,536	4,528	-
Cheerleaders	861	2	863	-
Band	303	-	78	225
Orchestra	6,494	6,909	7,931	5,472
Black Male Brothers	649	777	723	703
Women of Color	346	1,082	622	806
Native American Youth Leaders	20	-	20	-
Spanish Club	568	-	568	-
Chess Club	1	-	1	-
Rodeo Club	82	-	82	-
Spirit Club	45	-	45	-
Honor the Circle	138	20	-	158
Total South Middle School Activity Funds	21,287	38,492	38,006	21,773
Southwest Middle School				
Student Council	679	5,091	4,424	1,346
Stuco T-Shirt Account	1,231	6,841	3,574	4,498
Cheerleaders	-	2,144	2,144	-
Chess Club	1,164	1,719	1,492	1,391
Future City Group	594	250	-	844
Math Club	5	225	91	139
Science Club	5	125	130	-
Garden Club	-	3,765	3,100	665
Social Awareness Group	125	-	125	-
Volleyball	-	350	350	-
Game Day Shirts/Athletics	-	312	312	-
BelCanto	-	15,801	15,801	-
Yearbook	-	14,864	14,864	-
Drama	-	7,856	7,856	-
Eighth Grade Activities	-	1,204	1,204	-
Enrichment	43	11,456	11,499	-
ER	-	2,448	2,448	-
Newspaper	-	22	22	-
Ninth Grade Activities	12	-	12	-
SITE	-	28	28	-
International Club	149	125	57	217
SPED Project	-	43	43	-
SW Business Partners	-	1,802	1,802	-
Band	-	2,448	2,448	-
Orchestra	-	749	749	-
T-Shirt	-	88	88	-
Adopt A Family	-	165	165	-
Library Book Fair/Fines	-	2,110	2,110	-
Global Studies	-	1,039	1,039	-
ID Supplies	-	2,990	2,990	-
Field Trip/Bus Supplemental	-	128	128	-
Total Southwest Middle School Activity Funds	4,007	86,188	81,095	9,100

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
MIDDLE SCHOOLS (Continued)				
West Middle School				
Applebee's Fundraiser	\$ -	\$ 703	\$ 703	\$ -
Cheerleading Club	841	-	143	698
Speech and Drama	2,850	3,182	5,077	955
Student Council	5,955	6,128	9,106	2,977
Newspaper	5	-	5	-
Yearbook	3,371	5,466	4,291	4,546
Chorale	1,619	9,595	7,338	3,876
Instrumental Music	27	590	583	34
Carnival Fundraiser from POWW	-	4,269	4,269	-
Morgenroth Band	14	1,743	1,526	231
Library Book Fund	13	1,333	1,332	14
Track	494	3,799	3,735	558
TechnoHawks	78	-	78	-
Gifted	814	836	579	1,071
Principal's Fund	10	84	-	94
8th Grade Boys Basketball Fund	195	-	154	41
8th Grade Football Fund	-	561	534	27
Magazine Fundraiser	23	11,491	11,514	-
Sport's Cup Fundraiser/Scholastic Fund	-	1,148	1,148	-
Wrestling Club	-	153	-	153
8th Grade Team Activities	-	162	162	-
7th Grade Team Activities	-	1,010	1,005	5
Functional Skills Projects	36	-	-	36
Total West Middle School Activity Funds	16,345	52,253	53,282	15,316
Total Middle School Activity Funds	54,327	190,759	185,650	59,436
HIGH SCHOOLS				
Lawrence High School				
Alliance for Social Awareness	122	-	-	122
American Indian Club	36	23	45	14
Amnesty International Club	29	-	-	29
Auto Club	1,644	10	-	1,654
Aviation Club	108	-	-	108
Bike Club	51	-	-	51
Biology Club	105	-	-	105
Black American Club	160	-	-	160
Business Professionals	418	2,517	2,891	44
Chess Club	609	2,101	1,919	791
Class of 2009	[1,365]	1,365	-	-
Class of 2010	4,342	-	4,342	-
Class of 2011	292	2,704	-	2,996
Class of 2012	629	-	34	595
Class of 2013	-	307	-	307
Computer Club	91	-	-	91
Disc Golf Club	29	-	-	29
DECA Lion's Den Merchandise	4,021	11,593	14,402	1,212
DECA Club	772	6,129	6,555	346
DECA Chesty's Brew	802	2,119	2,637	284
Environmental Club	348	100	-	448
Ewertmania	22	-	-	22
Fellowship of Christian Athletes	76	-	-	76
French Club	471	-	105	366
Future Farmers of America	105	1,011	846	270
Game Club	193	-	-	193
Geography Club	115	-	-	115
German Club	725	-	100	625
Graffiti Magazine	89	250	291	48
GCTL/FYI	404	2,754	3,006	152
International Club	1,589	454	567	1,476
Jewelry Shop	1,036	12	96	952
Key Club	437	-	-	437
Latin Club	2,928	5,106	4,693	3,341
Latin Club - Courtyard	3	-	-	3
Media Club	189	100	-	289
National Art Honor Society	47	-	-	47
National Honor Society	2,297	1,033	807	2,523
Outdoor Leadership Experience	2	-	-	2
Ski Club	25	-	-	25
Spanish Club	140	174	213	101
Subtotals to Schedule 4, page 4 of 5	24,136	39,862	43,549	20,449

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
FUNDS				
HIGH SCHOOLS (Continued)				
Lawrence High School				
Subtotals from Schedule 4, page 3 of 5	\$ 24,136	\$ 39,862	\$ 43,549	\$ 20,449
Student Council	6,757	25,497	24,160	8,094
Table Tennis Club	40	-	-	40
Teachers of Tomorrow	74	-	-	74
Theater Drama Club	1,310	-	-	1,310
VICA/CIT	2,808	-	-	2,808
Writers Club	1	-	-	1
Y.E.K.	1	-	-	1
Young Democrats	63	-	-	63
Youth in Local Government	137	-	-	137
Athletics-Wedd's Powerade	-	682	682	-
Cap N Gown	-	9,173	9,173	-
C.P. Engineering Competition	-	619	619	-
Culinary	-	532	532	-
CloseUp Foundation	-	66	66	-
Hip Hop/Step	-	69	69	-
Breakfast By Gentleman	-	321	321	-
Diplomas, Past Years	-	247	247	-
Directed Studies	-	77	77	-
Film Festival/Showtime	-	3,616	3,616	-
F&CS Interior Design Proj.	-	30	30	-
French IV Trip	-	2	2	-
Heritage Panel	-	200	200	-
Lions Pride	-	8,380	8,380	-
Lions Pride - Pop Machines	-	2,743	2,743	-
Lions Pride - Tailgate Crew	-	3	3	-
Link Crew	-	849	849	-
Mock Trial	-	125	125	-
Model UN	-	8,718	8,718	-
Math Problem Solving	-	615	615	-
Music Student Accounts	-	6,457	6,457	-
Robotics	-	786	786	-
Nurse Supply	-	96	96	-
Gala	-	15,028	15,028	-
Student Planners	-	2,333	2,333	-
At Risk	-	723	723	-
Welding Projects	-	624	624	-
Woodshop Projects	-	1,351	1,351	-
Total Lawrence High Activity Funds	35,327	129,824	132,174	32,977
Free State High School				
Bike Club	42	-	-	42
Badminton Club	4	-	-	4
Interfaith Forum	133	-	-	133
Geography Club	123	99,613	99,633	103
Asian Awareness	-	26	26	-
Free State Yoga Club	-	64	-	64
Business Professionals	1,770	5,100	4,874	1,996
Chess Club	13	1,210	1,087	136
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 2012	-	4,518	3,042	1,476
Class of 2013	-	214	-	214
Class of 2014	-	214	-	214
Class of 2015	-	214	-	214
Computer Club	344	-	-	344
Diversity Club	84	158	182	60
Future Farmers of America	618	8,466	8,395	689
French Club	175	384	361	198
Advanced Placement /Knowledge Master	1,000	-	-	1,000
GCTL/FYI	1,153	5,974	6,276	851
Key Club	233	1,229	1,263	199
Film Club	4,689	3,426	1,806	6,309
Math Team	47	566	379	234
National Honor Society	4,142	3,755	4,261	3,636
Anime	72	-	-	72
Subtotals to Schedule 4, page 5 of 5	24,858	135,131	132,085	27,904

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
HIGH SCHOOLS (Continued)				
Free State High School				
Subtotals from Schedule 4, page 4 of 5	\$ 24,858	\$ 135,131	\$ 132,085	\$ 27,904
Spanish Club	-	261	255	6
Philosophy Club	17	-	-	17
Native American Club	167	-	-	167
Hype Inc.	270	248	513	5
Science Olympiad	98	637	692	43
Student Council	10,903	10,628	9,267	12,264
Junior Statesmen of America	-	2,003	2,003	-
Thespians	132	3,816	3,878	70
Tolkien Club	183	595	477	301
Environmental Club	-	78	-	78
VICA/CIT	2,706	603	708	2,601
Social Awareness Club	2,007	-	-	2,007
Sweater Club	34	-	-	34
Writers Club	386	66	-	452
Young Democrats Club	97	-	-	97
Baseball Account	10,380	24,394	18,723	16,051
Cap & Gown Rental	-	10,169	10,169	-
Camera Rental & Repair	2,186	-	148	2,038
Model UN	222	18,519	18,331	410
Free State Football	1,991	16,193	14,217	3,967
Free State Boys Soccer	5,042	19,330	19,316	5,056
Firebird Fund	585	2,500	1,851	1,234
Industrial Tech - Special Projects	396	-	-	396
Free State Girls Soccer	692	17,107	17,799	-
Free State Girls Basketball	590	11,625	10,388	1,827
Parking Fines	2,501	2,410	2,578	2,333
Free State Boys Basketball	800	5,530	6,145	185
Student Planners	4,063	135	1,737	2,461
Free State Cross Country/Track	1,029	26,460	26,328	1,161
Special Education	14	2,624	2,638	-
Free State Girls Tennis	43	60	-	103
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	31	520	528	23
Girls Golf	678	1,192	740	1,130
Weight & Film Room	888	-	887	1
Battle of the Bands	773	-	-	773
Grounds Beautification	801	-	153	648
DECA Student Trips	3	-	-	3
Green & Silver	345	-	220	125
LINK	1,433	1,433	1,227	1,639
Autism	40	25	65	-
Freddie's Friends	112	-	69	43
SLEIPS	356	4,529	3,744	1,141
Free State Softball	7,592	13,924	10,441	11,075
Testing Fund	6,527	40,019	37,071	9,475
Jewelry/Metal	369	342	-	711
Gay/Straight Alliance	171	-	60	111
Free State Wrestling	216	4,114	3,938	392
Cartridge Recyclers	221	-	-	221
Volleyball	3,953	4,728	7,375	1,306
Winter Game Intramurals	-	1,412	983	429
Firebird Pride	967	-	-	967
Fundraising for Batting Cages	5,600	-	5,600	-
The Early Bird	100	630	648	82
Track Special Program	2,751	125	1,671	1,205
Jan Guth Memorial/Band	808	69	877	-
Bowling	440	940	106	1,274
Photo Enrichment	605	-	42	563
Girls Swim/Dive	219	9,983	8,794	1,408
Boys Swim/Dive	109	6,233	5,409	933
River City Baseball	7,431	15,079	22,510	-
CORE/DUB Club	400	-	-	400
Sales Tax	-	33,860	33,860	-
Total Free State High Activity Funds	<u>116,531</u>	<u>450,279</u>	<u>447,264</u>	<u>119,546</u>
Total High School Activity Funds	<u>151,858</u>	<u>580,103</u>	<u>579,438</u>	<u>152,523</u>
Total Student Activity Funds	<u>208,766</u>	<u>862,825</u>	<u>854,609</u>	<u>216,982</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	16,982	47,456	54,909	9,529
Health Reimbursement Account Fund	-	410,108	203,445	206,663
School and District Accounts	8,135	1,173,529	1,167,050	14,614
Payroll Clearing Fund	[1,184,169]	76,606,801	77,127,770	[1,705,138]
Concessions Fund	193	643	389	447
Total Other Agency Funds	<u>[1,158,859]</u>	<u>78,238,537</u>	<u>78,553,563</u>	<u>[1,473,885]</u>
Total Agency Funds	<u>\$ [950,093]</u>	<u>\$ 79,101,362</u>	<u>\$ 79,408,172</u>	<u>\$ [1,256,903]</u>

See independent auditor's report on the financial statements.

SCHEDULE 5

UNIFIED SCHOOL DISTRICT NO. 497
District Activity Funds
Schedule of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUNDS</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Lawrence High School							
Activity Tickets and Other	\$ -	\$ -	\$ 48,488	\$ 48,488	\$ -	\$ -	\$ -
Athletics	-	-	118,069	118,069	-	-	-
Band	-	-	168,779	168,779	-	-	-
NSF Rebate	-	-	110	110	-	-	-
Theater/Showtime	-	-	38,600	38,600	-	-	-
Free State High School							
Activity Tickets and Other	-	-	36,655	36,655	-	-	-
Athletics	-	-	155,100	155,100	-	-	-
Band	-	-	11,762	11,762	-	-	-
Encore	-	-	50,433	50,433	-	-	-
Vocal	-	-	108,016	107,974	42	-	42
Central Middle School							
Gate Receipts	-	-	6,333	6,333	-	-	-
South Middle School							
Gate Receipts	-	-	3,548	3,548	-	-	-
Southwest Middle School							
Gate Receipts	-	-	11,635	11,635	-	-	-
West Middle School							
Gate Receipts	<u>3,251</u>	<u>-</u>	<u>661</u>	<u>3,902</u>	<u>10</u>	<u>-</u>	<u>10</u>
Total District Activity Funds	<u>\$ 3,251</u>	<u>\$ -</u>	<u>\$ 758,189</u>	<u>\$ 761,388</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 52</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

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	\$ [4,095]	\$ 146,181	\$ 148,911	\$ [6,825]
Total Direct U.S. Department of Interior		[4,095]	146,181	148,911	[6,825]
<u>U.S. Department of Education</u>					
Twenty-First Century Community Learning Centers Passed Through Kansas State Department of Education	84.287	1	-	1	-
Title I Grants to Local Educational Agencies	84.010	208,211	1,853,004	2,089,152	[27,937]
Special Education Grants to States	84.027	255,232	2,189,076	2,444,308	-
Special Education Discretionary	84.027	10,811	56,450	65,882	1,379
Vocational Education Basic Grants to States	84.048	3,248	81,965	83,638	1,575
Special Education Preschool Grants	84.173	980	61,235	62,215	-
Education Technology State Grants	84.318	164	-	164	-
English Language Acquisition Grants	84.365	14,740	45,545	62,493	[2,208]
Improving Teacher Quality State Grants	84.367	64,946	273,311	321,490	16,767
Education Jobs Fund	84.410	-	27,579	27,579	-
Total Direct or Passed Through Kansas State Department of Education		558,333	4,588,165	5,156,922	[10,424]
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
Youth Risk Behavior Survey	93.938	-	1,035	611	424
Total U.S. Department of Health and Human Services Passed Through Kansas Department of Education		-	1,035	611	424
<u>Corporation for National and Community Service</u>					
Passed Through Kansas State Department of Education					
Learn and Serve	94.004	3,950	6,040	9,990	-
Total Corporation for National and Community Service Passed Through Kansas Department of Education		3,950	6,040	9,990	-
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
School Breakfast Program	10.553	-	446,185	446,185	-
National School Lunch Program	10.555	-	1,967,979	1,967,979	-
Summer Food Service Program for Children	10.559	-	96,220	96,220	-
Team Nutrition Training Grant	10.574	-	2,895	2,895	-
Food Backpacks	10.579	-	41,918	41,918	-
Fresh Food & Vegetables	10.582	-	113,866	113,866	-
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		-	2,669,063	2,669,063	-
Total		\$ 558,188	\$ 7,410,484	\$ 7,985,497	\$ [16,825]

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

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, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified (Regulatory Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiency (ies) identified that are not
considered to be material weaknesses? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency (ies) identified that are not
considered to be material weaknesses? ___ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with section 510(a)
of Circular A-133? ___ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027, 84.173

Title VI-B - Special Education Cluster

84.010

Title I Grants to Local Educational Agencies

84.367

Improving Teacher Quality State Grant

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

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

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2012

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, 2012, and have issued our report thereon dated December 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

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

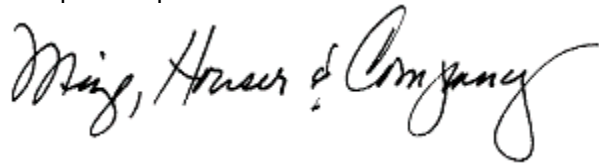
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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*.

However, we noted certain other matters that we reported to management of the District in a separate letter dated December 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 "Ming, Hwaer & Company". The signature is written in black ink and is positioned above the date.

December 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, 2012. Major federal financial 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, 2012.

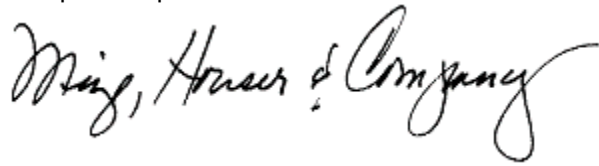
Internal Control Over Compliance

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.

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.

December 11, 2012