

OAKLAWN IMPROVEMENT DISTRICT
WICHITA, KANSAS

FINANCIAL STATEMENTS
DECEMBER 31, 2009

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**OAKLAWN IMPROVEMENT DISTRICT
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DECEMBER 31, 2009**

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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Directors
Oaklawn Improvement District
Wichita, Kansas**

We have audited the accompanying financial statements of the **Oaklawn Improvement District, Wichita, Kansas**, as of and for the year ended **December 31, 2009**. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative financial information has been derived from the District's 2008 financial statements and, in our report dated June 30, 2009, we expressed an unqualified opinion that the financial statements were fairly presented in accordance with the cash basis and budget laws of the State of Kansas.

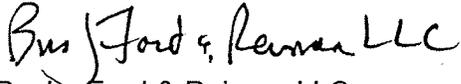
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free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

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Oaklawn Improvement District, Wichita, Kansas**, as of **December 31, 2009**, or the changes in its financial position for the year then ended.

**Board of Directors
Oaklawn Improvement District**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of **Oaklawn Improvement District, Wichita, Kansas**, as of **December 31, 2009**, and its cash receipts and expenditures, and budgetary comparisons for the year then ended, on the basis of accounting described in Note 1.



Busby Ford & Reimer, LLC
May 20, 2010

**OAKLAWN IMPROVEMENT DISTRICT
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED DECEMBER 31, 2009**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental							
General Fund	\$ 19,613	\$ 0	\$ 76,729	\$ 88,937	\$ 7,405	\$ 0	\$ 7,405
Special Revenue Funds							
Senior Center	995	0	37,500	37,955	540	0	540
Community Center	6,111	0	14,799	15,198	5,712	0	5,712
Debt Service Fund							
Bond and Interest	157,179	0	228,214	210,871	174,522	0	174,522
Special Assessment	88,387	0	26,261	13,524	101,124	0	101,124
Proprietary							
Sewer Utility	76,295	0	387,185	357,675	105,805	0	105,805
Sewer Replacement Reserve	8,400	0	600	0	9,000	0	9,000
	<u>\$ 356,980</u>	<u>\$ 0</u>	<u>\$ 771,288</u>	<u>\$ 724,160</u>	<u>\$ 404,108</u>	<u>\$ 0</u>	<u>\$ 404,108</u>
Composition of Cash:							
			Checking Accounts				\$ 134,021
			Sedgwick County Treasurer				275,646
			Agency Funds				409,667
							(5,559)
							<u>\$ 404,108</u>

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

**OAKLAWN IMPROVEMENT DISTRICT
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2009**

Fund	Certified Budget	Adjustment to		Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
		Legal Max	Comply with	Budget Credits	Qualifying			
Governmental								
General Fund	\$ 90,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000	\$ 88,937	\$ 1,063
Special Revenue Funds								
Senior Center	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	37,955	XXXXXXXXXX
Community Center	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	15,198	XXXXXXXXXX
Debt Service Fund								
Bond and Interest	368,556	0	0	0	0	368,556	210,871	157,685
Special Assessment	13,620	0	0	0	0	13,620	13,524	96
Proprietary								
Sewer Utility	358,000	0	0	0	0	358,000	357,675	325
Sewer Replacement Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
	<u>\$ 830,176</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 830,176</u>	<u>\$ 724,160</u>	<u>\$ 159,169</u>

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Taxes	\$ 56,792	\$ 58,022	\$ 53,387	\$ 4,635
Miscellaneous Receipts	4,758	2,707	0	2,707
Transfer In	38,230	16,000	17,000	(1,000)
	<u>99,780</u>	<u>76,729</u>	<u>\$ 70,387</u>	<u>\$ 6,342</u>
Expenditures				
Salary & Wages	3,142	4,325	\$ 9,250	\$ 4,925
Payroll Tax Expense	256	1,632	1,800	168
Legal Publications	558	823	700	(123)
Repairs & Maintenance	0	17,493	5,000	(12,493)
Fire Hydrant Maintenance	183	199	200	1
Street & Area Lighting	8,992	9,987	9,000	(987)
Office Supplies	0	480	500	20
Equipment & Area Improvements	60,686	38,592	44,650	6,058
Insurance	0	1,000	1,000	0
District Office Compensation	0	10,800	10,800	0
Community Policing	0	0	600	600
Equipment Purchases	5,861	0	0	0
Nuisance Abatement	1,149	1,997	4,000	2,003
Senior Center Expenses	2,522	2,500	2,500	0
Miscellaneous	389	(891)	0	891
	<u>83,738</u>	<u>88,937</u>	<u>\$ 90,000</u>	<u>\$ 1,063</u>
Receipts Over (Under) Expenditures	16,042	(12,208)		
Unencumbered Cash, Beginning	<u>3,571</u>	<u>19,613</u>		
Unencumbered Cash, Ending	<u>\$ 19,613</u>	<u>\$ 7,405</u>		

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)**

<u>Bond and Interest Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes	\$ 231,418	\$ 228,214	\$ 216,451	\$ 11,763
	<u>231,418</u>	<u>228,214</u>	<u>\$ 216,451</u>	<u>\$ 11,763</u>
Expenditures				
Principal	168,000	183,000	\$ 183,000	\$ 0
Interest	39,795	27,860	27,860	0
Commission	10	11	100	89
Cash Basis	<u>0</u>	<u>0</u>	<u>157,596</u>	<u>157,596</u>
	<u>207,805</u>	<u>210,871</u>	<u>\$ 368,556</u>	<u>\$ 157,685</u>
Receipts Over (Under) Expenditures	23,613	17,343		
Unencumbered Cash, Beginning	<u>133,566</u>	<u>157,179</u>		
Unencumbered Cash, Ending	<u>\$ 157,179</u>	<u>\$ 174,522</u>		

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)**

<u>Special Assessment Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Taxes	\$ 27,396	\$ 26,261	\$ 24,208	\$ 2,053
	27,396	26,261	\$ 24,208	\$ 2,053
Expenditures				
Principal	10,000	11,000	\$ 11,000	\$ 0
Interest	3,220	2,520	2,520	0
Commission	1	4	100	96
	13,221	13,524	\$ 13,620	\$ 96
Receipts Over (Under) Expenditures	14,175	12,737		
Unencumbered Cash, Beginning	74,212	88,387		
Unencumbered Cash, Ending	\$ 88,387	\$ 101,124		

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)**

<u>Sewer Utility Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Charges For Services	\$ 308,676	\$ 340,982	\$ 318,000	\$ 22,982
Outside Sewer Charges	32,781	45,891	40,000	5,891
Interest	430	182	0	182
Other Revenue	106	130	0	130
	<u>341,993</u>	<u>387,185</u>	<u>\$ 358,000</u>	<u>\$ 29,185</u>
Expenditures				
Salaries and Wages	80,092	80,897	\$ 90,000	\$ 9,103
Payroll Taxes	8,590	8,323	9,000	677
Attorney Fees	719	3,719	5,000	1,281
Accounting Fees	8,055	9,750	9,500	(250)
Other Taxes and Licenses	305	447	1,000	553
Repairs and Maintenance	63,232	35,655	35,000	(655)
Sewage Treatment	127,246	139,926	140,000	74
Contractual Services	0	356	0	(356)
Office Supplies and Expenses	11,790	2,397	5,000	2,603
Equipment & Area Improvements	3,880	3,987	3,000	(987)
Gasoline, Oil and Grease	7,205	3,259	5,000	1,741
Electricity	4,678	5,817	6,000	183
Telephone	7,317	7,748	8,000	252
Natural Gas	3,527	2,774	7,000	4,226
Water	796	1,650	1,500	(150)
Insurance	22,619	25,496	25,000	(496)
Engineer Fees	4,496	1,840	1,500	(340)
Equipment Purchases	7,086	0	5,400	5,400
Miscellaneous	563	7,034	500	(6,534)
Transfer Out	35,000	16,600	600	(16,000)
	<u>397,196</u>	<u>357,675</u>	<u>\$ 358,000</u>	<u>\$ 325</u>
Receipts Over (Under) Expenditures	(55,203)	29,510		
Unencumbered Cash, Beginning	<u>131,498</u>	<u>76,295</u>		
Unencumbered Cash, Ending	<u>\$ 76,295</u>	<u>\$ 105,805</u>		

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)**

<u>Senior Center Fund</u>	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Sedgwick County	\$ 30,500	\$ 37,500
Other Revenue	<u>3,145</u>	<u>0</u>
	<u>33,645</u>	<u>37,500</u>
 Expenditures		
Personnel	21,125	26,486
Contractual	5,200	5,728
Office Supplies	252	132
Electricity	0	0
Telephone	0	0
Natural Gas	0	0
Payroll Taxes	1,847	2,593
Water	10	0
Repairs and Maintenance	0	0
Equipment & Area Improvements	0	20
Other	<u>5,385</u>	<u>2,996</u>
	<u>33,819</u>	<u>37,955</u>
 Receipts Over (Under) Expenditures	(174)	(455)
 Unencumbered Cash, Beginning	<u>1,169</u>	<u>995</u>
 Unencumbered Cash, Ending	<u>\$ 995</u>	<u>\$ 540</u>

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)**

<u>Community Center Fund</u>	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Food Shares	\$ 11,013	\$ 11,126
Other Revenue	<u>9,608</u>	<u>3,673</u>
	<u>20,621</u>	<u>14,799</u>
 Expenditures		
Fundraiser Product	0	0
Bank Fees	0	0
Supplies and Activities	8,992	4,177
Food Shares	<u>10,613</u>	<u>11,021</u>
	<u>19,605</u>	<u>15,198</u>
 Receipts Over (Under) Expenditures	1,016	(399)
 Unencumbered Cash, Beginning	<u>5,095</u>	<u>6,111</u>
 Unencumbered Cash, Ending	<u>\$ 6,111</u>	<u>\$ 5,712</u>

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)**

Sewer Replacement Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfer In	\$ 0	\$ 600
	<u>0</u>	<u>600</u>
Expenditures	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	600
Unencumbered Cash, Beginning	<u>8,400</u>	<u>8,400</u>
Unencumbered Cash, Ending	<u>\$ 8,400</u>	<u>\$ 9,000</u>

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

**OAKLAWN IMPROVEMENT DISTRICT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Fund	Beginning Cash Balance	Cash Receipts	Expenditures	Ending Cash Balance
Block Party	\$ 5,006	\$ 604	\$ 51	\$ 5,559

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

**OAKLAWN IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The Oaklawn Improvement District is a municipal corporation governed by an elected three-member board. The District's financial statements include all funds over which the board exercise's financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

The following types of funds comprise the financial activities of the City for the year:

Governmental Funds

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

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

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

Agency Funds-To account for resources held by the City as an agent for others

Proprietary Funds

Enterprise Funds-To account for operations that are financed and operated in a manner similar to private business enterprises—where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges—or where periodic determination of revenues earned, expenses incurred, and/or net revenue is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**OAKLAWN IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Statutory Basis of Accounting

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

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

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

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Budget and Tax Cycle

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

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

**OAKLAWN IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one amendment to the budget for the year ended December 31, 2009.

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

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

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

Senior Center Fund
Sewer Replacement Reserve Fund

Community Center Fund

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

Special Assessments

Projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured in full by the District and are retired from the District's bond and interest fund. Further, state statutes permit the levying of additional general ad valorem property taxes in the District's bond and interest fund to finance delinquent special assessments. Special assessment taxes are levied over a ten or fifteen year period and the annual installments are due and payable with annual ad valorem property taxes. The District may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

**OAKLAWN IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Note 2 - Deposits:

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2009.

At December 31, 2009, the District's carrying amount of deposits was \$409,667 and the bank balance was \$142,723. The bank balance is held by one bank. Of the bank balance, \$100,000 was covered by depository insurance, and the remaining \$42,723 was collateralized with securities held by the pledging financial institution's agent in the District's name. \$275,646 was held by the City of Wichita for payment of indebtedness.

Note 3 - Compensated Absences:

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

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

Note 4 - Reimbursed Expenses:

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.

**OAKLAWN IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Note 5 - Prior Year Balances:

Certain prior year balances are presented for comparison purposes.

Note 6 - Interfund Transactions:

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Sewer Utility	General	K.S.A. 12-825d	\$16,000
Sewer Utility	Sewer Reserve	K.S.A. 12-825d	<u> 600</u>
			<u>\$16,600</u>

Note 7 - Postemployment Benefits:

The District did not provide any significant postemployment benefits for former employees for the year ended December 31, 2009.

Note 8 - Contingencies:

Risk Management

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

Note 9 - Subsequent Events:

The City has evaluated subsequent events through May 20, 2010, the date which the financial statements were available to be issued.

**OAKLAWN IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Note 10 - Long-Term Debt:

Principal payments are due annually on September 1 and interest payments are due semi-annually on September 1 and March 1 on long term debt.

Terms for long-term liabilities for the City for the year ended December 31, 2009 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General obligation bonds				
Sewer improvements	6.10 - 8.50	1/1/90	\$ 1,030,703	9/1/10
Sewer improvements	6.40 - 10.75	5/1/90	\$ 1,100,000	9/1/10
Sewer improvements	5.25 - 7.75	9/1/91	\$ 133,636	9/1/11
Sewer improvements	6.00	7/1/02	\$ 49,000	9/1/17

Changes in long-term liabilities for the City for the year ended December 31, 2009 were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds					
Sewer improvements	\$ 175,000	\$ 0	\$ 85,000	\$ 90,000	\$ 12,645
Sewer improvements	195,000	0	95,000	100,000	13,175
Sewer improvements	36,000	0	11,000	25,000	2,520
Sewer improvements	34,000	0	3,000	31,000	2,040
	<u>\$ 440,000</u>	<u>\$ 0</u>	<u>\$ 194,000</u>	<u>\$ 246,000</u>	<u>\$ 30,380</u>

**OAKLAWN IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	
	General obligation bonds	General obligation bonds	Total Principal and Interest
2010	\$ 205,000	\$ 17,135	\$ 222,135
2011	16,000	2,590	18,590
2012	4,000	1,500	5,500
2013	4,000	1,260	5,260
2014	4,000	1,020	5,020
2015 - 2019	<u>13,000</u>	<u>1,620</u>	<u>14,620</u>
	<u>\$ 246,000</u>	<u>\$ 25,125</u>	<u>\$ 271,125</u>