

UNIFIED SCHOOL DISTRICT NO. 362

LaCygne, Kansas

Financial Statements

For the Year Ended June 30, 2009

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UNIFIED SCHOOL DISTRICT NO. 362
 Financial Statements
 For the Year Ended June 30, 2009

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Education
Unified School District No. 362
LaCygne, Kansas

We have audited the financial statements of the Unified School District No. 362 (the District), LaCygne, Kansas, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2008. In our report dated November 20, 2008, 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 and the "Kansas Municipal Audit Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepares its financial statements on a prescribed basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of those differences is also described in Note 1.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2009, or the respective changes in financial position thereof for the year then ended.

Also, in our opinion, except for the July, 2009 receipt of the final state aid payment for the fiscal year ended June 30, 2009 being recorded in June, 2009, the financial statements referred to above present fairly, in all material respects, the fund cash and unencumbered cash balances of the District as of June 30, 2009, and its cash receipts and expenditures by fund and fund budget to actual comparisons for the year then ended, taken as a whole on the prescribed basis of accounting described in Note 1.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas prescribed basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2008, from which such partial information was derived.

Lowenthal, Wett & Odenmann, P.A.

April 6, 2010

STATEMENT 1

UNIFIED SCHOOL DISTRICT NO. 362
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2009

Funds	Beginning	Prior Year Cancelled Encumbrances	Cash		Ending	Outstanding Encumbrances and Accounts Payable	Ending
	Unencumbered Cash Balance		Receipts	Expenditures	Unencumbered Cash Balance		Cash Balance
General Fund	\$ 4,678	\$ -	\$ 8,004,842	\$ 8,009,520	\$ -	\$ 109,401	\$ 109,401
Special Revenue Funds:							
Supplemental General	146,413	989	2,409,332	2,394,471	162,263	104,494	266,757
At Risk (K-12)	-	-	1,152,629	1,152,629	-	-	-
Capital Outlay	2,142,198	-	1,890,641	1,843,728	2,189,111	309,145	2,498,256
Driver Training	13,908	-	4,716	11,723	6,901	120	7,021
Food Service	106,610	-	694,879	651,781	149,708	98,684	248,392
Professional Development	1,951	-	-	225	1,726	-	1,726
Bilingual Education	-	-	17,070	17,070	-	-	-
Special Education	306,009	-	2,052,582	1,982,866	375,725	1,593	377,318
Vocational Education	-	-	289,897	289,897	-	4,567	4,567
Grant	11,824	-	204,091	209,242	6,673	1,255	7,928
Textbook Rental	88,735	-	26,965	-	115,700	-	115,700
District Activity	23,126	-	355,587	353,392	25,320	-	25,320
KPERs	-	-	421,040	421,040	-	-	-
Contingency Reserve	379,756	-	436,288	24,000	792,044	-	792,044
Gifts and Grants	7,996	-	24,190	24,125	8,061	750	8,811
Debt Service Funds:							
Bond and Interest	905,496	-	826,274	807,098	924,672	-	924,672
Capital Projects Fund:							
Construction	91,847	-	992	-	92,839	-	92,839
Private Purpose Trust Funds:							
Scholarships	25,202	-	8,919	6,313	27,808	-	27,808
Total	\$ 4,255,749	\$ 989	\$ 18,820,934	\$ 18,199,120	\$ 4,878,551	\$ 630,009	\$ 5,508,560

Composition of Cash:

Labette Bank	
Checking Accounts	\$ 1,684,824
Certificates of Deposit	3,477,000
Total Labette Bank	<u>5,161,824</u>
First Option Bank	
Checking Accounts	1,107
Certificates of Deposit	400,000
Total First Option Bank	<u>401,107</u>
Total Cash	5,562,931
Less: Agency Funds per Statement 4	<u>[54,371]</u>
Total Reporting Entity (excluding Agency Funds)	<u>\$ 5,508,560</u>

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

UNIFIED SCHOOL DISTRICT NO. 362
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2009

<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 Fund	\$ 8,142,091	\$ [221,651]	\$ 89,080	\$ 8,009,520	\$ 8,009,520	\$ -
Special Revenue Funds:						
Supplemental General	2,442,627	[51,911]	3,755	2,394,471	2,394,471	-
At Risk (K-12)	1,371,322	-	-	1,371,322	1,152,629	218,693
Capital Outlay	2,310,300	-	-	2,310,300	1,843,728	466,572
Driver Training	26,003	-	-	26,003	11,723	14,280
Food Service	788,209	-	-	788,209	651,781	136,428
Professional Development	2,951	-	-	2,951	225	2,726
Bilingual Education	19,000	-	-	19,000	17,070	1,930
Special Education	2,290,008	-	-	2,290,008	1,982,866	307,142
Vocational Education	300,000	-	-	300,000	289,897	10,103
Grant	191,822	-	-	191,822	209,242	[17,420]
KPERS	540,113	-	-	540,113	421,040	119,073
Gifts and Grants	7,996	-	-	7,996	24,125	[16,129]
Debt Service Funds:						
Bond and Interest	807,098	-	-	807,098	807,098	-

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,532,089	\$ 2,485,666	\$ 2,437,615	\$ 48,051
Delinquent ad valorem taxes	23,588	27,526	25,766	1,760
Mineral production taxes	72	72	-	72
State Aid:				
Equalization aid	3,871,603	3,989,853	4,134,236	[144,383]
Special education aid	1,216,520	1,412,645	1,539,796	[127,151]
Miscellaneous	2,700	-	-	-
Reimbursements	140,073	89,080	-	89,080
Total Cash Receipts	<u>7,786,645</u>	<u>8,004,842</u>	<u>\$ 8,137,413</u>	<u>\$ [132,571]</u>
Expenditures and Transfers				
Instruction	2,943,910	2,704,310	\$ 2,677,279	\$ [27,031]
Student support services	235,973	234,113	236,380	2,267
Instructional support services	264,040	238,789	281,502	42,713
General administration	328,130	220,353	244,430	24,077
School administration	571,889	570,374	586,415	16,041
Operations and maintenance	175	42	-	[42]
Transportation	699,947	773,125	1,060,000	286,875
Other supplemental service	85,425	213,837	135,670	[78,167]
Transfers out	2,656,085	3,054,577	2,920,415	[134,162]
Adjustment for qualifying budget credits	-	-	89,080	89,080
Adjustment to comply with legal max budget	-	-	[221,651]	[221,651]
Total Expenditures and Transfers	<u>7,785,574</u>	<u>8,009,520</u>	<u>\$ 8,009,520</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	1,071	[4,678]		
Unencumbered Cash, Beginning	-	4,678		
Prior Year Cancelled Encumbrances	<u>3,607</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 4,678</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Supplemental General Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,112,300	\$ 2,253,636	\$ 2,146,434	\$ 107,202
Delinquent ad valorem taxes	19,761	26,413	21,386	5,027
Motor vehicle taxes	104,523	121,075	123,357	[2,282]
Recreational vehicle taxes	3,839	4,453	4,389	64
State aid	-	-	646	[646]
Reimbursements	-	3,755	-	3,755
Total Cash Receipts	<u>2,240,423</u>	<u>2,409,332</u>	<u>\$ 2,296,212</u>	<u>\$ 113,120</u>
Expenditures and Transfers				
Instruction	95,740	61,632	\$ 100,000	\$ 38,368
Student support services	100,781	73,515	105,000	31,485
General administration	554	70	-	[70]
Operations and maintenance	1,290,880	1,264,618	1,338,720	74,102
Other supplemental service	-	-	115,000	115,000
Transfers out	806,558	994,636	783,907	[210,729]
Adjustment for qualifying budget credits	-	-	3,755	3,755
Adjustment to comply with legal max budget	-	-	[51,911]	[51,911]
Total Expenditures and Transfers	<u>2,294,513</u>	<u>2,394,471</u>	<u>\$ 2,394,471</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[54,090]	14,861		
Unencumbered Cash, Beginning	186,417	146,413		
Prior Year Cancelled Encumbrances	<u>14,086</u>	<u>989</u>		
Unencumbered Cash, Ending	<u>\$ 146,413</u>	<u>\$ 162,263</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer in	\$ 1,035,707	\$ 1,152,629	\$ 1,371,322	\$ [218,693]
Total Cash Receipts	<u>1,035,707</u>	<u>1,152,629</u>	<u>\$ 1,371,322</u>	<u>\$ [218,693]</u>
Expenditures and Transfers				
Instruction	1,019,791	1,147,879	\$ 1,371,322	\$ 223,443
Student support services	-	4,750	-	[4,750]
Transportation	<u>15,916</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Transfers	<u>1,035,707</u>	<u>1,152,629</u>	<u>\$ 1,371,322</u>	<u>\$ 218,693</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 799,623	\$ 782,335	\$ 771,151	\$ 11,184
Delinquent ad valorem taxes	8,159	10,181	8,105	2,076
Motor vehicle taxes	49,835	45,795	45,602	193
Recreational vehicle taxes	1,720	1,650	1,623	27
State aid	-	-	239	[239]
Bond proceeds	-	965,000	-	965,000
Miscellaneous	227	-	-	-
Reimbursements	-	85,680	-	85,680
Total Cash Receipts	<u>859,564</u>	<u>1,890,641</u>	<u>\$ 826,720</u>	<u>\$ 1,063,921</u>
Expenditures and Transfers				
Instruction	40,086	54,022	\$ 300,000	\$ 245,978
Student support services	224,319	253,019	500,000	246,981
General administration	9,255	855	50,000	49,145
School administration	1,109	3,651	10,000	6,349
Central services	-	-	50,000	50,000
Operations and maintenance	51,777	153,503	125,000	[28,503]
Transportation	-	965,000	-	[965,000]
Facility acquisition and construction	308,013	413,678	1,275,300	861,622
Total Expenditures and Transfers	<u>634,559</u>	<u>1,843,728</u>	<u>\$ 2,310,300</u>	<u>\$ 466,572</u>
Receipts Over [Under] Expenditures	225,005	46,913		
Unencumbered Cash, Beginning	1,903,721	2,142,198		
Prior Year Cancelled Encumbrances	<u>13,472</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 2,142,198</u>	<u>\$ 2,189,111</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Driver Training Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 2,750	\$ 1,216	\$ 4,320	\$ [3,104]
Miscellaneous	3,702	3,500	2,500	1,000
Investment income	5,022	-	5,000	[5,000]
Transfer in	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>16,474</u>	<u>4,716</u>	<u>\$ 11,820</u>	<u>\$ [7,104]</u>
Expenditures and Transfers				
Instruction	12,737	9,475	\$ 20,053	\$ 10,578
Operations and maintenance	-	-	2,450	2,450
Transportation	<u>1,533</u>	<u>2,248</u>	<u>3,500</u>	<u>1,252</u>
Total Expenditures and Transfers	<u>14,270</u>	<u>11,723</u>	<u>\$ 26,003</u>	<u>\$ 14,280</u>
Receipts Over [Under] Expenditures	2,204	[7,007]		
Unencumbered Cash, Beginning	<u>11,704</u>	<u>13,908</u>		
Unencumbered Cash, Ending	<u>\$ 13,908</u>	<u>\$ 6,901</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 252,557	\$ 275,910	\$ 247,404	\$ 28,506
State aid	9,360	6,040	6,011	29
Charges for services	211,671	220,688	232,197	[11,509]
Transfers in	-	120,000	30,000	90,000
Investment income	143,540	65,530	125,000	[59,470]
Reimbursements	8,407	4,813	-	4,813
Miscellaneous	6,044	1,898	-	1,898
Total Cash Receipts	<u>631,579</u>	<u>694,879</u>	<u>\$ 640,612</u>	<u>\$ 54,267</u>
Expenditures and Transfers				
Food service operation	<u>572,934</u>	<u>651,781</u>	<u>\$ 788,209</u>	<u>\$ 136,428</u>
Total Expenditures and Transfers	<u>572,934</u>	<u>651,781</u>	<u>\$ 788,209</u>	<u>\$ 136,428</u>
Receipts Over [Under] Expenditures	58,645	43,098		
Unencumbered Cash, Beginning	46,519	106,610		
Prior Year Cancelled Encumbrances	<u>1,446</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 106,610</u>	<u>\$ 149,708</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Professional Development Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 1,976	\$ -	\$ 1,000	\$ [1,000]
Total Cash Receipts	<u>1,976</u>	<u>-</u>	<u>1,000</u>	<u>[1,000]</u>
Expenditures and Transfers				
Instruction support staff	<u>60</u>	<u>225</u>	\$ 2,951	\$ 2,726
Total Expenditures and Transfers	<u>60</u>	<u>225</u>	<u>\$ 2,951</u>	<u>\$ 2,726</u>
Receipts Over [Under] Expenditures	1,916	[225]		
Unencumbered Cash, Beginning	-	1,951		
Prior Year Cancelled Encumbrances	<u>35</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 1,951</u>	<u>\$ 1,726</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer in	\$ 15,050	\$ 17,070	\$ 19,000	\$ [1,930]
Total Cash Receipts	<u>15,050</u>	<u>17,070</u>	<u>\$ 19,000</u>	<u>\$ [1,930]</u>
Expenditures and Transfers				
Instruction	15,050	17,070	\$ 19,000	\$ 1,930
Total Expenditures and Transfers	<u>15,050</u>	<u>17,070</u>	<u>\$ 19,000</u>	<u>\$ 1,930</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Investment income	\$ -	\$ 7,764	\$ -	\$ 7,764
Reimbursements	8,160	11,489	-	11,489
Transfers in	<u>1,809,788</u>	<u>2,033,329</u>	<u>1,984,000</u>	<u>49,329</u>
Total Cash Receipts	<u>1,817,948</u>	<u>2,052,582</u>	<u>\$ 1,984,000</u>	<u>\$ 68,582</u>
Expenditures and Transfers				
Instruction	1,394,565	1,604,284	\$ 1,795,421	\$ 191,137
Transportation	<u>388,770</u>	<u>378,582</u>	<u>494,587</u>	<u>116,005</u>
Total Expenditures and Transfers	<u>1,783,335</u>	<u>1,982,866</u>	<u>\$ 2,290,008</u>	<u>\$ 307,142</u>
Receipts Over [Under] Expenditures	34,613	69,716		
Unencumbered Cash, Beginning	271,282	306,009		
Prior Year Cancelled Encumbrances	<u>114</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 306,009</u>	<u>\$ 375,725</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Vocational Education Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 293,342	\$ 289,897	\$ 300,000	\$ [10,103]
Total Cash Receipts	<u>293,342</u>	<u>289,897</u>	<u>\$ 300,000</u>	<u>\$ [10,103]</u>
Expenditures and Transfers				
Instruction	295,307	289,897	\$ 300,000	\$ 10,103
Total Expenditures and Transfers	<u>295,307</u>	<u>289,897</u>	<u>\$ 300,000</u>	<u>\$ 10,103</u>
Receipts Over [Under] Expenditures	[1,965]	-		
Unencumbered Cash, Beginning	-	-		
Prior Year Cancelled Encumbrances	<u>1,965</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Grant Funds
For the Year Ended June 30, 2009

	Title I	Title II Teacher Quality	Title I Education Technology
Cash Receipts			
Federal aid	\$ 130,563	\$ 48,187	\$ 1,248
Transfer in	<u>24,093</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>154,656</u>	<u>48,187</u>	<u>1,248</u>
 Expenditures and Transfers			
Instruction	155,614	21,771	27
Support services	-	6,489	1,248
Transfer out	<u>-</u>	<u>24,093</u>	<u>-</u>
Total Expenditures and Transfers	<u>155,614</u>	<u>52,353</u>	<u>1,275</u>
 Receipts Over [Under] Expenditures	 [958]	 [4,166]	 [27]
 Unencumbered Cash, Beginning	 <u>958</u>	 <u>10,839</u>	 <u>27</u>
 Unencumbered Cash, Ending	 <u>\$ -</u>	 <u>\$ 6,673</u>	 <u>\$ -</u>

Actual	Budget	Variance Positive [Negative]
\$ 179,998	\$ 179,998	\$ -
<u>24,093</u>	<u>-</u>	<u>24,093</u>
<u>204,091</u>	<u>\$ 179,998</u>	<u>\$ 24,093</u>
177,412	\$ 180,121	\$ 2,709
7,737	11,701	3,964
<u>24,093</u>	<u>-</u>	<u>[24,093]</u>
<u>209,242</u>	<u>\$ 191,822</u>	<u>\$ [17,420]</u>
[5,151]		
<u>11,824</u>		
<u>\$ 6,673</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual
Textbook Rental Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 24,659	\$ 26,965
Total Cash Receipts	<u>24,659</u>	<u>26,965</u>
Expenditures and Transfers		
Instruction	<u>1,126</u>	<u>-</u>
Total Expenditures and Transfers	<u>1,126</u>	<u>-</u>
Receipts Over [Under] Expenditures	23,533	26,965
Unencumbered Cash, Beginning	<u>65,202</u>	<u>88,735</u>
Unencumbered Cash, Ending	<u>\$ 88,735</u>	<u>\$ 115,700</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
KPERs Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 415,471	\$ 421,040	\$ 540,113	\$ [119,073]
Total Cash Receipts	<u>415,471</u>	<u>421,040</u>	<u>\$ 540,113</u>	<u>\$ [119,073]</u>
Expenditures and Transfers				
Instruction	245,243	246,608	\$ 300,000	\$ 53,392
Student support services	17,311	18,045	25,000	6,955
Instructional support staff	23,082	21,052	32,000	10,948
General administration	11,541	12,030	15,000	2,970
School administration	32,277	33,082	50,000	16,918
Operations and maintenance	46,164	48,119	75,000	26,881
Food service	39,853	42,104	43,113	1,009
Total Expenditures and Transfers	<u>415,471</u>	<u>421,040</u>	<u>\$ 540,113</u>	<u>\$ 119,073</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual
Contingency Reserve Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfer in	<u>\$ 303,756</u>	<u>\$ 436,288</u>
Total Cash Receipts	<u>303,756</u>	<u>436,288</u>
Expenditures and Transfers		
Instruction	<u>24,000</u>	<u>24,000</u>
Total Expenditures and Transfers	<u>24,000</u>	<u>24,000</u>
Receipts Over [Under] Expenditures	279,756	412,288
Unencumbered Cash, Beginning	<u>100,000</u>	<u>379,756</u>
Unencumbered Cash, Ending	<u>\$ 379,756</u>	<u>\$ 792,044</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Gifts and Grants Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Donations	\$ 13,112	\$ 17,565	\$ -	\$ 17,565
Miscellaneous income	<u>8,853</u>	<u>6,625</u>	<u>-</u>	<u>6,625</u>
Total Cash Receipts	<u>21,965</u>	<u>24,190</u>	<u>\$ -</u>	<u>\$ 24,190</u>
Expenditures and Transfers				
Instruction	13,969	20,238	\$ 7,996	\$ [12,242]
Student support services	<u>-</u>	<u>3,887</u>	<u>-</u>	<u>[3,887]</u>
Total Expenditures and Transfers	<u>13,969</u>	<u>24,125</u>	<u>\$ 7,996</u>	<u>\$ [16,129]</u>
Receipts Over [Under] Expenditures	7,996	65		
Unencumbered Cash, Beginning	<u>-</u>	<u>7,996</u>		
Unencumbered Cash, Ending	<u>\$ 7,996</u>	<u>\$ 8,061</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2009
(With Comparative Actual Amounts For the Year Ended June 30, 2008)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 762,938	\$ 772,880	\$ 761,040	\$ 11,840
Delinquent ad valorem taxes	8,178	9,797	7,733	2,064
Motor vehicle tax	43,197	42,043	42,913	[870]
Recreational vehicle tax	1,566	1,554	1,527	27
State aid	-	-	225	[225]
Total Cash Receipts	<u>815,879</u>	<u>826,274</u>	<u>\$ 813,438</u>	<u>\$ 12,836</u>
Expenditures and Transfers				
Principal	600,000	625,000	\$ 625,000	\$ -
Interest	<u>197,660</u>	<u>182,098</u>	<u>182,098</u>	<u>-</u>
Total Expenditures and Transfers	<u>797,660</u>	<u>807,098</u>	<u>\$ 807,098</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	18,219	19,176		
Unencumbered Cash, Beginning	<u>887,277</u>	<u>905,496</u>		
Unencumbered Cash, Ending	<u>\$ 905,496</u>	<u>\$ 924,672</u>		

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts and Expenditures - Actual
Construction Fund *
For the Year Ended June 30, 2009 and 2008

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 2,536	\$ 992
Total Cash Receipts	<u>2,536</u>	<u>992</u>
Expenditures and Transfers		
Construction	<u>-</u>	<u>-</u>
Total Expenditures and Transfers	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	2,536	992
Unencumbered Cash, Beginning	<u>89,311</u>	<u>91,847</u>
Unencumbered Cash, Ending	<u>\$ 91,847</u>	<u>\$ 92,839</u>

* This fund is not required to be budgeted.

STATEMENT 4

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts, Cash Disbursements and Cash
Agency Funds
For the Year Ended June 30, 2009

<u>FUND</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
ELEMENTARY SCHOOL FUND				
LaCygne Attendance Center				
Student store	\$ 482	\$ 589	\$ 800	\$ 271
Guided reading	2,446	1,529	1,960	2,015
Playground funds	140	-	-	140
Student project	105	542	442	205
Total LaCygne Attendance Center	<u>3,173</u>	<u>2,660</u>	<u>3,202</u>	<u>2,631</u>
Parker Attendance Center				
ACC	418	-	418	-
Total Parker Attendance Center	<u>418</u>	<u>-</u>	<u>418</u>	<u>-</u>
Total Elementary Schools	<u>3,591</u>	<u>2,660</u>	<u>3,620</u>	<u>2,631</u>
MIDDLE SCHOOL FUNDS				
Class of 2012	307	-	307	-
Library	382	2,308	1,731	959
Musicals and plays	568	322	220	670
Student council	1,386	73	182	1,277
School store	190	-	-	190
Textbooks	-	7,896	7,881	15
Cheerleaders	-	422	68	354
Reimbursements	90	-	90	-
Reward fund	5,833	10,995	13,051	3,777
Total Middle School	<u>8,756</u>	<u>22,016</u>	<u>23,530</u>	<u>7,242</u>
HIGH SCHOOL FUNDS				
All school plays	2,631	2,834	4,006	1,459
Art club	14	617	623	8
Band supplies	465	1,437	1,626	276
Chess fund	127	-	-	127
Choir	-	578	530	48
Class of 2008	201	-	201	-
Class of 2009	10,608	-	10,608	-
Class of 2010	4,314	17,028	11,025	10,317
Class of 2011	3,291	2,980	1,288	4,983
Class of 2012	-	5,011	2,755	2,256
Concert choir fundraiser	1,554	422	342	1,634
Crimestoppers	252	-	-	252
Danz team	858	2,717	3,575	-
Drama	768	431	341	858

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts, Cash Disbursements and Cash
Agency Funds
For the Year Ended June 30, 2009

<u>FUND</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL FUNDS (Continued)				
FFA	\$ 6,158	\$ 25,761	\$ 22,696	\$ 9,223
FCA	27	206	90	143
FCCLA	1,772	1,153	1,437	1,488
French Club	70	223	129	164
Future business leaders	2,269	6,135	6,019	2,385
Letterman	237	-	-	237
Library club	797	985	841	941
Math club	1,856	7	1,082	781
Multi-media class	32	76	-	108
Music festival	247	3,187	3,026	408
National forensics league	16	-	-	16
National honor society	9	80	-	89
Newspaper	-	1,042	-	1,042
PVHS band account	869	1,907	2,106	670
Reimbursements	100	4,738	4,838	-
Science club	278	1,068	900	446
Senior executives	462	-	-	462
Sign language	463	185	600	48
Sr. high pep club	1	5,404	5,405	-
Student council	3,469	1,930	4,010	1,389
Students promoting and encouraging	399	377	-	776
Summer science club	1,171	-	-	1,171
Textbooks	108	14,268	14,376	-
Tri-M	75	-	-	75
Vo-ag and chem fees	10	7,826	7,618	218
Yearbooks	-	15,320	15,320	-
Total High School	<u>45,978</u>	<u>125,933</u>	<u>127,413</u>	<u>44,498</u>
Total Student Organization Funds	<u>\$ 58,325</u>	<u>\$ 150,609</u>	<u>\$ 154,145</u>	<u>\$ 54,371</u>

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

STATEMENT 5

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts, Expenditures and Unencumbered Cash
District Activity Funds
For the Year Ended June 30, 2009

<u>FUND</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Special Projects:							
Parker Attendance Center	\$ 1,009	\$ -	\$ 39,112	\$ 39,014	\$ 1,107	\$ -	\$ 1,107
LaCygne Attendance Center	1,612	-	55,126	54,876	1,862	-	1,862
Fontana Attendance Center	652	-	26,167	25,283	1,536	-	1,536
Middle School Food Service	-	-	55,442	55,442	-	-	-
Middle School Gate Receipts	4,129	-	16,056	13,910	6,275	-	6,275
Middle School Other District Accts	116	-	2,182	1,771	527	-	527
High School Food Service	2,699	-	73,732	76,431	-	-	-
High School Gate Receipts	12,909	-	56,869	63,363	6,415	-	6,415
District Employee Flex Spending	-	-	<u>30,901</u>	<u>23,303</u>	<u>7,598</u>	-	<u>7,598</u>
Total District Activity Funds	<u>\$ 23,126</u>	<u>\$ -</u>	<u>\$ 355,587</u>	<u>\$ 353,392</u>	<u>\$ 25,320</u>	<u>\$ -</u>	<u>\$ 25,320</u>

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

UNIFIED SCHOOL DISTRICT NO. 362
Statement of Cash Receipts, Expenditures and Unencumbered Cash
Private Purpose Trust Funds
For the Year Ended June 30, 2009

<u>FUND</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL FUNDS				
High School				
Scholarships	\$ 25,202	\$ 8,919	\$ 6,313	\$ 27,808
Total High School	<u>25,202</u>	<u>8,919</u>	<u>6,313</u>	<u>27,808</u>
 Total Private Purpose Trust Funds	 <u>\$ 25,202</u>	 <u>\$ 8,919</u>	 <u>\$ 6,313</u>	 <u>\$ 27,808</u>

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

UNIFIED SCHOOL DISTRICT NO. 362
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 362 (the District) is a municipal corporation governed by an elected seven member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

Reimbursed Expenses

Expenditures in the amount of \$89,080 in the General Fund and \$3,755 in the Supplemental General Fund are classified as reimbursed expenses. 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

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

The District has a GAAP waiver, which allows it to use this prescribed basis of accounting. When a local government adopts a Kansas GAAP waiver, KSA 75-1120a specifically requires that the government must prepare its "financial statements and financial reports on the basis of cash receipts and disbursements as adjusted to show compliance with the cash-basis and budget laws of this state." KSA 72-6417 and 72-6434 require that any general fund or supplemental general fund state aid payment that is due to be paid in June but is paid after that "shall be recorded and accounted for by the school districts as a receipt for the school year ending on the preceding June 30."

To attempt to reconcile this statutory conflict, the prescribed basis of accounting requires that state aid payments due in June but received in July be recorded in July of the following year in the financial statements. Compliance with KSA 72-6417 is required to be presented in the notes to the financial statements. The District has chosen to present its state aid payment due in June but received in July in the financial statements for the year ended June 30, 2009 rather than in July of the following fiscal year which is not in compliance with the Kansas prescribed basis of accounting. The payment was \$223,958 in the General Fund.

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation which shows cash receipts, 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.

UNIFIED SCHOOL DISTRICT NO. 362
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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.

Fund Descriptions

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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2009:

Governmental Funds

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

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

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

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

Fiduciary Funds

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

UNIFIED SCHOOL DISTRICT NO. 362
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended by the District for the June 30, 2009 school 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.

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

A legal operating budget is not required for capital projects funds, trust funds, internal service funds, and the following special revenue funds: Textbook Rental and Contingency Reserve Funds.

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

Ad Valorem Tax Revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1, and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, 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.

UNIFIED SCHOOL DISTRICT NO. 362
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 2 - Deposits

The District's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that bank's eligible to hold active funds have a main or branch bank in the county in which the District is located or an adjacent county, that the bank(s) provide an acceptable rate of active funds, and that the deposits in excess of FDIC coverage be adequately secured per KSA 9-1402. The District does not have any formal deposit policies that would further limit interest rate, credit or custodial credit risks beyond state statutes.

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

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District's long-term debt:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>
G.O. Bonds				
2003 Refunding Bonds	6/17/03	\$ 7,435,000	2.100 to 3.40%	11/1/16
Leases				
Qualified Zone Academy Bond Lease	6/29/09	965,000	0.00%	6/29/19

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14 percent of the assessed value of all tangible taxable property within the District. At June 30, 2009, the statutory debt limit for the District was \$18,542,058 providing a debt margin of \$11,772,058. Following is a summary of changes in long-term debt for the year ended June 30, 2009:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
G.O. Bonds To Be Paid With:				
Tax Levies				
2003 Refunding Bonds	\$ 6,430,000	\$ -	\$ 625,000	\$ 5,805,000
Leases				
Qualified Zone Academy Bond Lease	<u>196,000</u>	<u>965,000</u>	<u>196,000</u>	<u>965,000</u>
Total	<u>\$ 6,626,000</u>	<u>\$ 965,000</u>	<u>\$ 821,000</u>	<u>\$ 6,770,000</u>

UNIFIED SCHOOL DISTRICT NO. 362
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 3 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the above long-term debt:

General Obligation Bonds			
Year Ended December 31,	Principal	Interest	Total
2010	\$ 640,000	\$ 167,855	\$ 807,855
2011	660,000	151,265	811,265
2012	690,000	132,350	822,350
2013	710,000	111,695	821,695
2014	740,000	89,575	829,575
2015 - 17	2,365,000	120,718	2,485,718
Total	\$ 5,805,000	\$ 773,458	\$ 6,578,458

Qualified Zone Academy Bond Lease	
Year Ended December 31,	Principal Due
2010	\$ 96,500
2011	96,500
2012	96,500
2013	96,500
2014	96,500
2015 - 2019	482,500
Total	\$ 965,000

NOTE 4 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6428	\$ 760,000
General	Special Education	K.S.A. 72-6428	1,858,219
General	Bilingual Education	K.S.A. 72-6428	70
General	Contingency Reserve	K.S.A. 72-6428	436,288
Supplemental General	Bilingual Education	K.S.A. 72-6433	17,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	392,629
Supplemental General	Special Education	K.S.A. 72-6433	175,110
Supplemental General	Vocational Education	K.S.A. 72-6433	289,897
Supplemental General	Food Service	K.S.A. 72-6433	120,000
Title II Teacher Quality	Title I	Federal Law	24,093
Total			\$ 4,073,306

UNIFIED SCHOOL DISTRICT NO. 362
Notes to the Financial Statements
For the Year Ended June 30, 2009

NOTE 5 - Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 6.97% of covered payroll. These contribution requirements are established by KPERs and periodically revised. Kansas contributions to KPERs for the District employees for the years ending June 30, 2009, 2008 and 2007 were \$421,040, \$415,471, and \$360,110 respectively, equal to the required contributions for each year.

NOTE 6 - Compensated Absences

The District gives each employee five (5) days of leave time, to be used for personal leave or for attending funerals. The employees are not allowed to accumulate this leave time. The District also gives each employee 12 days sick leave per year. This can be carried forward and accumulated to a maximum of 72 days. Upon retirement from employment, the District will pay \$40 per day of accrued sick leave to a maximum of 72 days to any employee eligible for retirement. As of June 30, 2009, the liability for accrued sick leave pay was \$35,850.

NOTE 7 - 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, 2009.

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; injuries to employees; and natural disasters for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 - Capital Project Fund Expenditures

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

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
School Construction	\$11,617,678	\$11,524,839

As of June 30, 2009, the remaining project authorization available was \$92,839.

NOTE 10 - Related Party Transactions

The District paid \$20,238 during the year ended June 30, 2009, for building supplies and fuel to a company owned by a board of education member.