

UNIFIED SCHOOL DISTRICT NO. 366

Yates Center, Kansas

Financial Statements
and
Supplemental Information

with Report of Independent Auditors

For the Year Ended June 30, 2010

Unified School District No. 366
 Yates Center, Kansas
 Special Financial Statements
 For the Fiscal Year Ended June 30, 2010

TABLE OF CONTENTS

<u>Item</u>	<u>Page Number</u>
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Statement 1	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	4
Statement 2	
Summary of Expenditures - Actual and Budget	5
Statement 3	
Statement of Receipts and Expenditures - Actual and Budget - Individually Presented by Fund	
General Fund	6-8
Supplemental General Fund	9-10
Special Revenue Funds	
Adult Education Fund	11
At Risk 4-Year Old Fund	12
At Risk K-12 Fund	13
Capital Outlay Fund	14
Driver Training Fund	15
Food Service Fund	16
Professional Development Fund	17
Parent Education Fund	18
Summer School Fund	19
Special Education Fund	20
Vocational Education Fund	21
KPERs Special Retirement Contribution Fund	22
Contingency Reserve Fund	23
Special Mini-Grants Fund	24
Title I Fund	25
Title II Fund	26
Educational Foundation Fund	27
Fiduciary, Expendable Trust Funds	
Glades Memorial Fund	28
OWLS Project Fund	29
Steele Memorial Fund	30
Statement 4	
Statement of Cash Receipts and Disbursements - Agency Funds	31
Statement 5	
Statement of Cash Receipts, Expenditures and Unencumbered Cash - District Activity Funds	32
Statement 6	
Statement of Changes in General Long Term Debt	33
Notes to Financial Statements	34-41
APPENDIX A	
Auditor's Report on Compliance and Internal Control - Government Auditing Standards	42-43
Auditor's Report on Compliance and Internal Control - OMB Circular A-133	44-45
Schedule of Findings and Questioned Costs	46
Schedule of Expenditures of Federal Awards	47

SCHLOTTERBECK AND BURNS, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
702 WEST MAIN *** P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

S & B

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 366
Yates Center, Kansas

We have audited the accompanying statutory basis financial statements of Unified School District No. 366, Yates Center, Kansas, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 366, management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described more fully in Note 1, Unified School District No. 366, Yates Center, Kansas, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between this regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

The financial statements referred to above include only the primary government of the District, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the District's legal entity. The financial statements do not include the financial data of any legally separate component units which accounting principles generally accepted in the United States of America require to be reported with the financial data of the District's primary government.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding two paragraphs, 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 Unified School District No. 366 as of June 30, 2010, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 366, as of June 30, 2010, and the revenues it received and expenditures it paid for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2011, on our consideration of Unified School District No. 366 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 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 results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 366 statutory basis financial statements. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the statutory basis 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 also not a required part Unified School District No. 366 statutory basis financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements, and, in our opinion, is fairly stated, in all material respects in relation to the statutory basis financial statements taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 366, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

February 10, 2011

(This page left blank intentionally)

Unified School District No. 366
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Year Ended June 30, 2010

Statement 1

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(2)	\$ 359	2,076	3,488,989	3,489,348	2,076	85,789	87,865
Supplemental General	(2)	24,913	2,606	1,012,136	1,009,656	29,999	153,901	183,900
Special Revenue:								
At Risk 4 Year Old	(2)	2	17	44,130	44,049	100		100
At Risk K-12	(2)	100	636	406,958	407,604	90	50,221	50,311
Capital Outlay		181,301		23,234	3,941	200,594		200,594
Driver Training	(2)		212	3,784	3,996			
Food Service	(2)	60,526	497	261,788	269,916	52,895	14,474	67,369
Professional Development		1,144				1,144		1,144
Parent Education Program				1,800	1,800			
Special Education		50,508		684,639	676,033	59,114	88	59,202
Vocational Education	(2)	259	107	192,875	192,197	1,044	1,469	2,513
KPERS Special Retirement Contribution				98,133	192,166	(94,033)	94,033	
Contingency Reserve		55,011		5,000		60,011		60,011
Special Mini-Grants	(10,522)		110,930	119,098	(18,690)	5,006	(13,684)
Title I				161,563	161,482	81		81
Title II				35,998	35,998		607	607
Educational Foundation		4,740		2,250		6,990		6,990
Gate Receipts	(1,726)		36,087	30,975	3,386		3,386
Special Projects		23,523		20,182	4,571	39,134		39,134
Expendable Trusts:								
Glades Memorial		13,718		1,030	1,000	13,748		13,748
OWLS Project		1,365				1,365		1,365
Steele Memorial		10,042		754	750	10,046		10,046
Total Primary Government	(1)	<u>415,263</u>	<u>6,151</u>	<u>6,592,260</u>	<u>6,644,580</u>	<u>369,094</u>	<u>405,588</u>	<u>774,682</u>

Composition of Cash:

Cash Items on Hand								211
Certificates of Deposit								55,705
Demand Deposits								209,844
Due from State of Kansas								449,542
Money Market Account								92,634
Petty Cash Advance								1,400
Less: Agency Funds per Statement 4								(34,659)
Adjustment for Rounding								5
Total Primary Government	(1)							<u>774,682</u>

(1) Excluding Agency Funds

(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

See accompanying notes to financial statements

Unified School District No. 366
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2010

Statement 2

	<u>Certified Budget</u>	<u>Legal Max. Adjustment</u>	<u>Qualified Budget Cr. Adjustment</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:						
General	\$ 3,504,736	(22,320)	6,932	3,489,348	3,489,348	
Supplemental General	993,050		16,606	1,009,656	1,009,656	
Special Revenue:						
At Risk 4 Year Old	44,050			44,050	44,049	1
At Risk K-12	407,619			407,619	407,604	15
Capital Outlay	200,000			200,000	3,941	196,059
Driver Training	4,710			4,710	3,996	714
Food Service	347,300		19,871	367,171	269,916	97,255
Professional Development	10,000			10,000		10,000
Parent Education Program	4,000			4,000	1,800	2,200
Special Education	695,883			695,883	676,033	19,850
Vocational Education	196,200		8,587	204,787	192,197	12,590
KPERs Special Retirement Contribution	233,189			233,189	192,166	41,023
Totals	<u>6,640,737</u>	<u>(22,320)</u>	<u>51,996</u>	<u>6,670,413</u>	<u>6,290,706</u>	<u>379,707</u>

See accompanying notes to financial statements

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

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 418,834	394,428	398,592	(4,164)
Delinquent Taxes	7,370	4,048	4,300	(252)
Reimbursements	16,811	6,932		6,932
Total Revenue from Local Sources	<u>443,015</u>	<u>405,408</u>	<u>402,892</u>	<u>2,516</u>
Revenue from State Sources				
General State Aid	2,819,346	2,423,851	2,485,664	(61,813)
Mineral Production Tax	2,840	490	5,000	(4,510)
Machinery and Equipment State Aid	3,505			
Special Education Aid	550,054	497,628	426,889	70,739
Total Revenue from State Sources	<u>3,375,745</u>	<u>2,921,969</u>	<u>2,917,553</u>	<u>4,416</u>
Revenue from Federal Sources				
Federal Financial Assistance ARRA		161,612	161,612	
Total Cash Receipts	<u>3,818,760</u>	<u>3,488,989</u>	<u>3,482,057</u>	<u>6,932</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	1,036,229	913,223	961,669	48,446
Non-Certified Salaries	72,124	54,147	79,000	24,853
Group Insurance	98,980	119,565	95,000	(24,565)
Social Security	92,350	79,776	90,000	10,224
Other Employee Benefits	13,163	2,624	15,500	12,876
Purchased Professional and Technical Services	12,338	11,975	10,000	(1,975)
General Supplies and Materials	7,782	98		(98)
Textbooks	10,710			
Miscellaneous Supplies	834	173		(173)
Property (Equipment & Furnishings)	28,121	22,221		(22,221)
Other	8,323	6,371	5,000	(1,371)
Total Instruction	<u>1,380,954</u>	<u>1,210,173</u>	<u>1,256,169</u>	<u>45,996</u>
Support Services - Students				
Certified Salaries	96,100	96,718	93,600	(3,118)
Non-Certified Salaries	58,644	39,214	38,000	(1,214)
Group Insurance	15,694	13,698	15,000	1,302
Social Security	10,688	9,259	10,500	1,241
Other Employee Benefits	2,434	164	2,700	2,536
General Supplies and Materials	5,977	5,259	5,000	(259)
Property (Equipment & Furnishings)			1,000	1,000
Other		677		(677)
Total Support Services - Students	<u>189,537</u>	<u>164,989</u>	<u>165,800</u>	<u>811</u>
Support Services - Instr. Staff				
Certified Salaries	50,192	43,638	44,000	362
Non-Certified Salaries	27,585			
Group Insurance	10,487	4,892	4,900	8
Social Security	4,962	3,341	3,400	59
Other Employee Benefits	1,212	90	1,350	1,260
Audio Visual and Software	489	4,275		(4,275)
Total Support Services - Instr. Staff	<u>94,927</u>	<u>56,236</u>	<u>53,650</u>	<u>(2,586)</u>
General Administration				
Certified Salaries	84,525	84,375	84,600	225
Group Insurance	3,924	4,893	4,900	7
Social Security	6,079	6,031	6,100	69
Other Employee Benefits	1,226	150	1,400	1,250
Purchased Professional and Technical Services	19,387	17,093	12,000	(5,093)
Legal Services	1,100	1,400		(1,400)
General Supplies and Materials	19,759	15,212	10,000	(5,212)
Total General Administration	<u>136,000</u>	<u>129,154</u>	<u>119,000</u>	<u>(10,154)</u>

See accompanying notes to financial statements

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

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
School Administration				
Certified Salaries	\$ 143,700	143,700	134,000	(9,700)
Non-Certified Salaries	68,008	67,047	66,300	(747)
Group Insurance	21,144	29,256	13,241	(16,015)
Social Security	15,293	14,983	16,000	1,017
Other Employee Benefits	2,341	267	2,500	2,233
Purchased Professional and Technical Services	2,545	4,538	2,500	(2,038)
Total School Administration	<u>253,031</u>	<u>259,791</u>	<u>234,541</u>	<u>(25,250)</u>
Support Services - Business				
Non-Certified Salaries	73,294	73,386	68,500	(4,886)
Group Insurance	8,148	9,786	9,800	14
Social Security	5,158	5,148	5,250	102
Other Employee Benefits	65	64	110	46
Total Support Services - Business	<u>86,665</u>	<u>88,384</u>	<u>83,660</u>	<u>(4,724)</u>
Operations and Maintenance				
Non-Certified Salaries	158,348	132,226	127,500	(4,726)
Group Insurance	26,090	24,706	20,000	(4,706)
Social Security	11,527	9,311	9,800	489
Other Employee Benefits	5,645	991	5,710	4,719
Purchased Professional and Technical Services	13,638	15,901	8,000	(7,901)
General Supplies and Materials	97	17		(17)
Total Operations and Maintenance	<u>215,345</u>	<u>183,152</u>	<u>171,010</u>	<u>(12,142)</u>
Vehicle Operation Services				
Non-Certified Salaries	79,692	72,149	75,000	2,851
Group Insurance	8,473	10,173	9,200	(973)
Social Security	5,912	5,443	5,750	307
Other Employee Benefits	2,775	669	3,100	2,431
Equipment		31,768		(31,768)
Other	4,349	4,017		(4,017)
Total Vehicle Operation Services	<u>101,201</u>	<u>124,219</u>	<u>93,050</u>	<u>(31,169)</u>
Monitoring Services				
Non-Certified Salaries	32,868	33,446	33,000	(446)
Group Insurance	3,924	4,893	4,900	7
Social Security	2,417	2,515	2,500	(15)
Other Employee Benefits	2,380	107	2,550	2,443
Other			2,000	2,000
Total Monitoring Services	<u>41,589</u>	<u>40,961</u>	<u>44,950</u>	<u>3,989</u>
Fund Transfers				
At Risk 4-Year Old	41,935	44,130	44,050	(80)
Adult Education			2,000	2,000
At Risk K-12	336,607	406,958	407,520	562
Capital Outlay	1,041	15,083	200	(14,883)
Driver Training	2,882	2,384	3,410	1,026
Food Service	130,600	40,000	75,283	35,283
Parent Education Program	2,580	1,800	4,000	2,200
Summer School			5,125	5,125
Special Education	575,268	532,646	545,376	12,730
Vocational Education	189,824	184,288	195,942	11,654
Contingency Reserve	38,865	5,000		(5,000)
Total Fund Transfers	<u>1,319,602</u>	<u>1,232,289</u>	<u>1,282,906</u>	<u>50,617</u>
Budget Adjustments				
Legal Max Adjustment			(22,320)	(22,320)
Budget Credit Adjustment			6,932	6,932
Total Expenditures and Transfers	<u>3,818,851</u>	<u>3,489,348</u>	<u>3,489,348</u>	

Unified School District No. 366
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Receipts Over (Under) Expenditures and Transfers	\$ (91)	(359)		
Unencumbered Cash, Beginning	91	359		
Prior Year Encumbrances Cancelled	359	2,076		
Unencumbered Cash, Ending	<u>359</u>	<u>2,076</u>		

See accompanying notes to financial statements

Unified School District No. 366
Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 487,676	540,803	507,754	33,049
Delinquent Taxes	9,061	5,782	5,037	745
Reimbursements	9,926	16,606		16,606
Total Revenue from Local Sources	<u>506,663</u>	<u>563,191</u>	<u>512,791</u>	<u>50,400</u>
Revenue from County Sources				
Motor Vehicle Tax	72,828	70,220	74,631	(4,411)
Recreational Vehicle Tax	1,010	1,044	1,051	(7)
Total Revenue from County Sources	<u>73,838</u>	<u>71,264</u>	<u>75,682</u>	<u>(4,418)</u>
Revenue from State Sources				
Supplemental State Aid	372,474	281,902	379,663	(97,761)
Machinery and Equipment State Aid	248			
Total Revenue from State Sources	<u>372,722</u>	<u>281,902</u>	<u>379,663</u>	<u>(97,761)</u>
Revenue from Federal Sources				
Federal Financial Assistance ARRA		95,779		95,779
Total Cash Receipts	<u>953,223</u>	<u>1,012,136</u>	<u>968,136</u>	<u>44,000</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	20,728	95,779	81,194	(14,585)
General Supplies and Materials	20,844	24,451	54,000	29,549
Textbooks	1,465	29,979	50,000	20,021
Audio Visual and Software	97,448	58,870	45,000	(13,870)
Miscellaneous Supplies	62,784	83,000	50,000	(33,000)
Equipment	41,641	58,847	40,000	(18,847)
Total Instruction	<u>244,910</u>	<u>350,926</u>	<u>320,194</u>	<u>(30,732)</u>
Support Services - Students				
Other	8,805	9,617	10,000	383
Support Services - Instr. Staff				
Books and Periodicals	13,414	18,701	12,000	(6,701)
General Administration				
Communication Services	19,721	36,960	30,000	(6,960)
School Administration				
General Supplies and Materials	7,079	4,611	6,000	1,389
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	18,728	19,621	20,000	379
Repair of Buildings	87,105	88,504	95,000	6,496
Other Purchased Property Services	64,953			
Insurance	36,908	32,140	45,000	12,860
General Supplies and Materials	39,094	41,477	38,000	(3,477)
Heating	45,953	38,275	50,000	11,725
Electricity	91,719	93,848	100,000	6,152
Total Operations and Maintenance	<u>384,460</u>	<u>313,865</u>	<u>348,000</u>	<u>34,135</u>
Vehicle Operation Services				
Insurance	250	6,560	12,000	5,440
Motor Fuel	40,692	35,258	60,000	24,742
Equipment		46,279	66,000	19,721
Other	28,559	34,886	20,000	(14,886)
Total Vehicle Operation Services	<u>69,501</u>	<u>122,983</u>	<u>158,000</u>	<u>35,017</u>
Fund Transfers				
Professional Development			8,856	8,856
Special Education	195,086	151,993	100,000	(51,993)
Total Fund Transfers	<u>195,086</u>	<u>151,993</u>	<u>108,856</u>	<u>(43,137)</u>
Budget Credit Adjustment			16,606	16,606
Total Expenditures and Transfers	<u>942,976</u>	<u>1,009,656</u>	<u>1,009,656</u>	

See accompanying notes to financial statements

Unified School District No. 366
Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Receipts Over (Under) Expenditures and Transfers	\$ 10,247	2,480		
Unencumbered Cash, Beginning	11,569	24,913		
Prior Year Encumbrances Cancelled	3,097	2,606		
Unencumbered Cash, Ending	<u>24,913</u>	<u>29,999</u>		

See accompanying notes to financial statements

Unified School District No. 366
Adult Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$		2,000	(2,000)
Total Cash Receipts			<u>2,000</u>	<u>(2,000)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries			1,500	1,500
Social Security			300	300
Other Employee Benefits			200	200
Total Expenditures and Transfers			<u>2,000</u>	<u>2,000</u>
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

See accompanying notes to financial statements

Unified School District No. 366
At Risk 4 Year Old Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 41,935	44,130	44,050	80
Total Cash Receipts	<u>41,935</u>	<u>44,130</u>	<u>44,050</u>	<u>80</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	34,399	34,986	35,105	119
Group Insurance	3,924	4,892	4,895	3
Social Security	2,633	2,678	2,700	22
Other Employee Benefits	33	34	50	16
General Supplies and Materials	945	1,459	1,300	(159)
Total Expenditures and Transfers	<u>41,934</u>	<u>44,049</u>	<u>44,050</u>	<u>1</u>
Receipts Over (Under)				
Expenditures and Transfers	1	81		
Unencumbered Cash, Beginning	1	2		
Prior Year Encumbrances Cancelled		17		
Unencumbered Cash, Ending	<u>2</u>	<u>100</u>		

See accompanying notes to financial statements

Unified School District No. 366
At Risk K-12 Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 336,607	406,958	407,520	(562)
Total Cash Receipts	<u>336,607</u>	<u>406,958</u>	<u>407,520</u>	<u>(562)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	210,050	227,619	227,619	
Non-Certified Salaries	67,947	46,743	50,000	3,257
Group Insurance	14,415	20,531	14,500	(6,031)
Social Security	12,150	14,000	16,000	2,000
Other Employee Benefits	107	82	200	118
Purchased Professional and Technical Services	6,285	1,553	10,000	8,447
Other Purchased Services	35	32	5,000	4,968
General Supplies and Materials	21,059	49,384	49,300	(84)
Textbooks	4,039	17,077	5,000	(12,077)
Miscellaneous Supplies		1,083		(1,083)
Property (Equipment & Furnishings)	927	29,500	15,000	(14,500)
Other			15,000	15,000
Total Expenditures and Transfers	<u>337,014</u>	<u>407,604</u>	<u>407,619</u>	<u>15</u>
Receipts Over (Under)				
Expenditures and Transfers	(407)	(646)		
Unencumbered Cash, Beginning		100		
Prior Year Encumbrances Cancelled	507	636		
Unencumbered Cash, Ending	<u>100</u>	<u>90</u>		

See accompanying notes to financial statements

Unified School District No. 366
Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Delinquent Taxes	\$ 322	59		59
Interest on Investments	4,236	3,843	2,500	1,343
Other Revenue From Local Sources	8,637	4,249	17,500	(13,251)
Total Revenue from Local Sources	<u>13,195</u>	<u>8,151</u>	<u>20,000</u>	<u>(11,849)</u>
Operating Transfers				
Transfer from General Fund	1,041	15,083	200	14,883
Total Cash Receipts	<u>14,236</u>	<u>23,234</u>	<u>20,200</u>	<u>3,034</u>
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)	5,037		60,000	60,000
General Administration				
Property (Equipment & Furnishings)	536			
Operations and Maintenance				
Property (Equipment & Furnishings)	6,317	3,788	40,000	36,212
Facilities Acquisition/Construction				
Site Improvement Services			50,000	50,000
Architecture and Engineering Services			10,000	10,000
Building Repair and Remodeling	15,398		40,000	40,000
Other Facilities Acquisition/Construction	816	153		(153)
Total Facilities Acquisition/Construction	<u>16,214</u>	<u>153</u>	<u>100,000</u>	<u>99,847</u>
Total Expenditures and Transfers	<u>28,104</u>	<u>3,941</u>	<u>200,000</u>	<u>196,059</u>
Receipts Over (Under)				
Expenditures and Transfers	(13,868)	19,293		
Unencumbered Cash, Beginning	195,169	181,301		
Unencumbered Cash, Ending	<u>181,301</u>	<u>200,594</u>		

See accompanying notes to financial statements

Unified School District No. 366
Driver Training Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from State Sources				
General State Aid	\$ 1,064	1,400	1,300	100
Operating Transfers				
Transfer from General Fund	2,882	2,384	3,410	(1,026)
Total Cash Receipts	<u>3,946</u>	<u>3,784</u>	<u>4,710</u>	<u>(926)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	3,465	3,295	3,800	505
Social Security	266	253	300	47
Other Employee Benefits	3	3	10	7
Other Miscellaneous Purchased Services	212	445	500	55
Miscellaneous Supplies			100	100
Total Expenditures and Transfers	<u>3,946</u>	<u>3,996</u>	<u>4,710</u>	<u>714</u>
Receipts Over (Under)				
Expenditures and Transfers		(212)		
Unencumbered Cash, Beginning				
Prior Year Encumbrances Cancelled		<u>212</u>		
Unencumbered Cash, Ending		<u><u> </u></u>		

See accompanying notes to financial statements

Unified School District No. 366
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Student Sales	\$ 66,746	62,640	72,572	(9,932)
Adults and Non-Reimbursable Programs	8,658	6,942	4,662	2,280
Other Revenue From Local Sources	1,729	207	2,000	(1,793)
Total Revenue from Local Sources	<u>77,133</u>	<u>69,789</u>	<u>79,234</u>	<u>(9,445)</u>
Revenue from State Sources				
General State Aid	<u>2,674</u>	<u>2,575</u>	<u>2,704</u>	<u>(129)</u>
Revenue from Federal Sources				
Federal Financial Assistance	<u>134,967</u>	<u>149,424</u>	<u>129,553</u>	<u>19,871</u>
Operating Transfers				
Transfer from General Fund	<u>130,600</u>	<u>40,000</u>	<u>75,283</u>	<u>(35,283)</u>
Total Cash Receipts	<u>345,374</u>	<u>261,788</u>	<u>286,774</u>	<u>(24,986)</u>
Expenditures and Transfers				
Food Service Operations				
Non-Certified Salaries	105,189	101,117	95,000	(6,117)
Group Insurance	15,447	20,767	22,500	1,733
Social Security	7,646	7,159	7,300	141
Other Employee Benefits	1,896	790	2,200	1,410
Food and Milk	151,141	119,886	175,000	55,114
Miscellaneous Supplies	7,930	8,319	18,900	10,581
Property (Equipment & Furnishings)	3,990	7,222	15,000	7,778
Other	1,504	4,656	11,400	6,744
Total Food Service Operations	<u>294,743</u>	<u>269,916</u>	<u>347,300</u>	<u>77,384</u>
Budget Credit Adjustment			19,871	19,871
Total Expenditures and Transfers	<u>294,743</u>	<u>269,916</u>	<u>367,171</u>	<u>97,255</u>
Receipts Over (Under)				
Expenditures and Transfers	50,631	(8,128)		
Unencumbered Cash, Beginning	9,895	60,526		
Prior Year Encumbrances Cancelled		497		
Unencumbered Cash, Ending	<u>60,526</u>	<u>52,895</u>		

See accompanying notes to financial statements

Unified School District No. 366
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	\$		8,856	(8,856)
Total Cash Receipts			<u>8,856</u>	<u>(8,856)</u>
Expenditures and Transfers				
Support Services - Instr. Staff				
Purchased Professional and Technical Services			10,000	10,000
Total Expenditures and Transfers			<u>10,000</u>	<u>10,000</u>
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning	1,144	1,144		
Unencumbered Cash, Ending	<u>1,144</u>	<u>1,144</u>		

See accompanying notes to financial statements

Unified School District No. 366
Parent Education Program Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year			
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)	
Cash Receipts					
Operating Transfers					
Transfer from General Fund	\$ 2,580	1,800	4,000	(2,200)	
Total Cash Receipts	<u>2,580</u>	<u>1,800</u>	<u>4,000</u>	<u>(2,200)</u>	
Expenditures and Transfers					
Support Services - Students					
Purchased Professional and Technical Services	2,580	1,800	4,000	2,200	
Total Expenditures and Transfers	<u>2,580</u>	<u>1,800</u>	<u>4,000</u>	<u>2,200</u>	
Receipts Over (Under)					
Expenditures and Transfers					
Unencumbered Cash, Beginning	<u> </u>	<u> </u>			
Unencumbered Cash, Ending	<u> </u>	<u> </u>			

See accompanying notes to financial statements

Unified School District No. 366
Summer School Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$		5,125	(5,125)
Total Cash Receipts			<u>5,125</u>	<u>(5,125)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries			4,550	4,550
Social Security			365	365
Other Employee Benefits			10	10
General Supplies and Materials			200	200
Total Expenditures and Transfers			<u>5,125</u>	<u>5,125</u>
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

See accompanying notes to financial statements

Unified School District No. 366
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 2,260			
Operating Transfers				
Transfer from General Fund	575,268	532,646	545,376	(12,730)
Transfer from Supplemental General Fund	195,086	151,993	100,000	51,993
Total Operating Transfers	<u>770,354</u>	<u>684,639</u>	<u>645,376</u>	<u>39,263</u>
Total Cash Receipts	<u>772,614</u>	<u>684,639</u>	<u>645,376</u>	<u>39,263</u>
Expenditures and Transfers				
Instruction				
LEA Payments to COOP's/Interlocals	173,679	172,275	172,275	
LEA State Aid Flowthrough Payments to	497,597	428,474	453,708	25,234
Total Instruction	<u>671,276</u>	<u>600,749</u>	<u>625,983</u>	<u>25,234</u>
Monitoring Services				
Non-Certified Salaries	36,120	53,874	50,000	(3,874)
Group Insurance	840	939	1,000	61
Social Security	2,763	4,091	3,800	(291)
Other Employee Benefits	290	423	100	(323)
Other Miscellaneous Purchased Services	12,731	15,957	15,000	(957)
Total Monitoring Services	<u>52,744</u>	<u>75,284</u>	<u>69,900</u>	<u>(5,384)</u>
Total Expenditures and Transfers	<u>724,020</u>	<u>676,033</u>	<u>695,883</u>	<u>19,850</u>
Receipts Over (Under)				
Expenditures and Transfers	48,594	8,606		
Unencumbered Cash, Beginning	1,888	50,508		
Prior Year Encumbrances Cancelled	26			
Unencumbered Cash, Ending	<u>50,508</u>	<u>59,114</u>		

See accompanying notes to financial statements

Unified School District No. 366
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Reimbursements	\$ 10,458	8,587		8,587
Operating Transfers				
Transfer from General Fund	189,824	184,288	195,942	(11,654)
Total Cash Receipts	<u>200,282</u>	<u>192,875</u>	<u>195,942</u>	<u>(3,067)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	156,236	156,743	157,000	257
Group Insurance	11,772	14,678	15,000	322
Social Security	11,442	11,348	12,000	652
Other Employee Benefits	140	139	200	61
Purchased Professional and Technical Services	2,567	781	1,500	719
General Supplies and Materials	14,311	8,225	6,000	(2,225)
Property (Equipment & Furnishings)	3,555	283	4,500	4,217
Total Instruction	<u>200,023</u>	<u>192,197</u>	<u>196,200</u>	<u>4,003</u>
Budget Credit Adjustment			8,587	8,587
Total Expenditures and Transfers	<u>200,023</u>	<u>192,197</u>	<u>204,787</u>	<u>12,590</u>
Receipts Over (Under)				
Expenditures and Transfers	259	678		
Unencumbered Cash, Beginning		259		
Prior Year Encumbrances Cancelled		107		
Unencumbered Cash, Ending	<u>259</u>	<u>1,044</u>		

Unified School District No. 366
 KPERS Special Retirement Contribution Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2010
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from State Sources				
General State Aid	\$ 191,138	98,133	233,189	(135,056)
Total Cash Receipts	<u>191,138</u>	<u>98,133</u>	<u>233,189</u>	<u>(135,056)</u>
Expenditures and Transfers				
Instruction				
Other Employee Benefits	<u>118,128</u>	<u>124,730</u>	<u>144,118</u>	<u>19,388</u>
Support Services - Students				
Other Employee Benefits	<u>11,193</u>	<u>10,575</u>	<u>13,655</u>	<u>3,080</u>
Support Services - Instr. Staff				
Other Employee Benefits	<u>5,749</u>	<u>3,601</u>	<u>7,014</u>	<u>3,413</u>
General Administration				
Other Employee Benefits	<u>6,693</u>	<u>6,559</u>	<u>8,165</u>	<u>1,606</u>
School Administration				
Other Employee Benefits	<u>16,573</u>	<u>16,359</u>	<u>20,219</u>	<u>3,860</u>
Support Services - Business				
Other Employee Benefits	<u>5,514</u>	<u>5,667</u>	<u>6,727</u>	<u>1,060</u>
Operations and Maintenance				
Other Employee Benefits	<u>12,001</u>	<u>9,970</u>	<u>14,641</u>	<u>4,671</u>
Student Transportation				
Other Employee Benefits	<u>7,650</u>	<u>7,585</u>	<u>9,333</u>	<u>1,748</u>
Operation of Non-Instruction Services				
Other Employee Benefits	<u>7,637</u>	<u>7,120</u>	<u>9,317</u>	<u>2,197</u>
Total Expenditures and Transfers	<u>191,138</u>	<u>192,166</u>	<u>233,189</u>	<u>41,023</u>
Receipts Over (Under)				
Expenditures and Transfers		(94,033)		
Unencumbered Cash, Beginning	<u> </u>	<u> </u>		
Unencumbered Cash, Ending	<u> </u>	<u>(94,033)</u>		

See accompanying notes to financial statements

Unified School District No. 366
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfers		
Transfer from General Fund	\$ 38,865	5,000
Total Cash Receipts	<u>38,865</u>	<u>5,000</u>
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers	38,865	5,000
Unencumbered Cash, Beginning	<u>16,146</u>	<u>55,011</u>
Unencumbered Cash, Ending	<u><u>55,011</u></u>	<u><u>60,011</u></u>

See accompanying notes to financial statements

Unified School District No. 366
Special Mini-Grants Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 850	
Revenue from Federal Sources		
Federal Financial Assistance	77,976	110,930
Total Cash Receipts	<u>78,826</u>	<u>110,930</u>
Expenditures and Transfers		
Instruction		
General Supplies and Materials	<u>17,613</u>	<u>15,441</u>
Support Services - Instr. Staff		
Certified Salaries	4,306	
Non-Certified Salaries		36,140
Group Insurance	2,264	6,846
Social Security	1,000	2,792
Other Employee Benefits	13	36
Purchased Professional and Technical Services	29,316	12,580
Other Professional and Technical Services	31,116	31,721
Communication Services		1,200
General Supplies and Materials	1,544	10,700
Miscellaneous Supplies	67	1,132
Other	<u>14,219</u>	<u>510</u>
Total Support Services - Instr. Staff	<u>83,845</u>	<u>103,657</u>
Total Expenditures and Transfers	<u>101,458</u>	<u>119,098</u>
Receipts Over (Under)		
Expenditures and Transfers	(22,632)	(8,168)
Unencumbered Cash, Beginning	<u>12,110</u>	(10,522)
Unencumbered Cash, Ending	<u>(10,522)</u>	<u>(18,690)</u>

See accompanying notes to financial statements

Unified School District No. 366
Title I Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 105,924	109,617
Federal Financial Assistance ARRA		51,946
Total Cash Receipts	<u>105,924</u>	<u>161,563</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	101,283	141,324
Group Insurance	291	10,105
Social Security	4,041	9,922
Other Employee Benefits	96	131
Other Miscellaneous Purchased Services	213	
Total Expenditures and Transfers	<u>105,924</u>	<u>161,482</u>
Receipts Over (Under)		
Expenditures and Transfers		81
Unencumbered Cash, Beginning	<u> </u>	<u> </u>
Unencumbered Cash, Ending	<u> </u>	<u>81</u>

See accompanying notes to financial statements

Unified School District No. 366
Title II Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 34,204	33,573
Federal Financial Assistance ARRA		2,425
Total Cash Receipts	<u>34,204</u>	<u>35,998</u>
 Expenditures and Transfers		
Instruction		
Certified Salaries		6,444
Social Security		2,918
Purchased Professional and Technical Services	27,282	19,305
Other Purchased Services	5,530	4,646
Supplies and Materials	1,392	2,685
Total Expenditures and Transfers	<u>34,204</u>	<u>35,998</u>
 Receipts Over (Under)		
Expenditures and Transfers		
 Unencumbered Cash, Beginning	<u> </u>	<u> </u>
Unencumbered Cash, Ending	<u> </u>	<u> </u>

See accompanying notes to financial statements

Unified School District No. 366
Educational Foundation Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 1,661	2,250
Total Cash Receipts	<u>1,661</u>	<u>2,250</u>
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers	1,661	2,250
Unencumbered Cash, Beginning	<u>3,079</u>	<u>4,740</u>
Unencumbered Cash, Ending	<u><u>4,740</u></u>	<u><u>6,990</u></u>

See accompanying notes to financial statements

Unified School District No. 366
Glades Memorial Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Interest on Investments	\$ 1,030	1,030
Total Cash Receipts	<u>1,030</u>	<u>1,030</u>
Expenditures and Transfers		
Instruction		
Scholarships	1,000	1,000
Total Expenditures and Transfers	<u>1,000</u>	<u>1,000</u>
Receipts Over (Under)		
Expenditures and Transfers	30	30
Unencumbered Cash, Beginning	<u>13,688</u>	<u>13,718</u>
Unencumbered Cash, Ending	<u><u>13,718</u></u>	<u><u>13,748</u></u>

See accompanying notes to financial statements

Unified School District No. 366
OWLS Project Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
None	\$ _____	_____
Expenditures and Transfers		
None	_____	_____
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	<u>1,365</u>	<u>1,365</u>
Unencumbered Cash, Ending	<u><u>1,365</u></u>	<u><u>1,365</u></u>

See accompanying notes to financial statements

Unified School District No. 366
Steele Memorial Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Local Sources		
Interest on Investments	\$ 755	754
Total Cash Receipts	<u>755</u>	<u>754</u>
Expenditures and Transfers		
Instruction		
Scholarships	750	750
Total Expenditures and Transfers	<u>750</u>	<u>750</u>
Receipts Over (Under)		
Expenditures and Transfers	5	4
Unencumbered Cash, Beginning	<u>10,037</u>	<u>10,042</u>
Unencumbered Cash, Ending	<u><u>10,042</u></u>	<u><u>10,046</u></u>

See accompanying notes to financial statements

Unified School District No. 366
 Yates Center, Kansas
 Agency Funds
 Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2010

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
Elementary:				
Book Club	\$ 69	1,571	1,571	69
Cheerleaders	406	20	425	1
KAYS	106	865	943	28
Library	59	120	65	114
Music	1,076	276	491	861
Student Council	480	1,276	728	1,028
Vending Machines	213	1,867	2,017	63
Youth Friends		500	20	480
High School:				
Art Club	1,433	2,943	3,017	1,359
Band Club	1,551	125	451	1,225
Cheerleaders	370	11,256	10,483	1,143
Class of '08	8			8
Class of '09	(186)	379		193
Class of '10	13,964	7,758	21,261	461
Class of '11	3,914	21,378	14,896	10,396
Class of '12	2,672	4,816	4,082	3,406
Class of '13		3,767	1,798	1,969
Concession Equipment	473			473
Drama Club	210			210
Dramatics	1,289	336	826	799
FBLA	2,797	3,049	1,891	3,955
FCCLA	705	3,405	3,090	1,020
FFA	1,549	9,449	10,113	885
Foreign Language	364	844	912	296
Journalism	181	5,255	5,278	158
KAYS		2,714	2,457	257
Library	40	12		52
National Honor Society	280			280
Nurse Fund	84			84
Skills USA	783	719	486	1,016
Student Council	2,579	2,837	3,800	1,616
Thespians	166			166
Vocal Club	1		8	(7)
Y-Club	572	160	300	432
Youth Coalition/S.A.D.D.	198	565	600	163
	<u>38,406</u>	<u>88,262</u>	<u>92,009</u>	<u>34,659</u>

See accompanying notes to financial statements.

Unified School District No. 366
 Yates Center, Kansas
 District Activity Funds
 Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2010

<u>Fund</u>	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>						
Elementary:						
Football	\$ 180	1,205	1,253	132		132
Girls Basketball	186	4,837	3,565	1,458		1,458
Jumprope for Heart	0	100		100		100
Volleyball	142	731	845	28		28
High School:						
Athletics	(2,234)	29,214	25,312	1,668		1,668
Subtotal Gate Receipts	<u>(1,726)</u>	<u>36,087</u>	<u>30,975</u>	<u>3,386</u>	<u>0</u>	<u>3,386</u>
<u>Special Projects:</u>						
Elementary:						
Roberts Memorial	6			6		6
Student Activities	14	450	317	147		147
Yearbook	381	2,627	1,894	1,114		1,114
High School:						
Crandall Memorial	7,558	336	300	7,594		7,594
Gown Replacement	760	644	791	613		613
Holladay Memorial	3,742	256	250	3,748		3,748
Incentive Fund	169		50	119		119
Knapp Scholarship	4,825	10,329	325	14,829		14,829
Principal's Fund	97	624	294	427		427
Sales Tax		4,268		4,268		4,268
Saulsberry Memorial	5,642	98		5,740		5,740
Scholarships	329	550	350	529		529
Subtotal Special Projects	<u>23,523</u>	<u>20,182</u>	<u>4,571</u>	<u>39,134</u>	<u>0</u>	<u>39,134</u>
Total District Activity Funds	<u>21,797</u>	<u>56,269</u>	<u>35,546</u>	<u>42,520</u>	<u>0</u>	<u>42,520</u>

See accompanying notes to financial statements.

Unified School District No. 366
 Yates Center, Kansas
 Statement of Changes in Long Term Debt
For the Year Ended June 30, 2010

Statement 6

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
<u>Outstanding Obligations:</u>										
<u>General Obligation Bonds:</u>										
None									-	
<u>Capital Leases:</u>										
None									-	
<u>Potential Obligations:</u>										
<u>Compensated Absences:</u>										
Vacation Maximum Potential Liability					65,246			10,215	75,461	-
Total Long-Term Debt					65,246	-	-	10,215	75,461	-

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

Unified School District No. 366
Yates Center, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

The basic criterion used for including or excluding other governmental organizations as part of the financial statements of the School District is financial accountability. Financial accountability is derived from the District's powers and includes, but is not limited to, appointment of a voting majority of the governing body, imposition of will, financial benefit/burden on primary government and fiscal dependency. The District has waived the application of generally accepted accounting principles and as such, have not included any component units in these financial statements.

B. Basis of Presentation

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 school district for the year of 2010:

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 special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Fiduciary Funds:

Trust and Agency Funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds and (d) Agency Funds.

C. Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates 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 (see Note 6 for a special exception). 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 or services, and are usually evidenced by a purchase order or written contract.

The District has waived the application of generally accepted accounting principles until June 30, 2010, in accordance with K.S.A. 75-1120(a) which thereby requires this type of special reporting.

Unified School District No. 366
Yates Center, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Departure from Generally Accepted Accounting Principles

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 non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District 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.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise 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. During the year ending June 30, 2010, the District amended the following funds in the amounts indicated:

	Original Budget	Amended Budget
At Risk (K-12) Fund	\$ 340,000	407,619
Special Education Fund	625,144	695,883

In addition to these amendments, the State Department of Education cut the budget of the general fund from the adopted amount of \$3,504,736 to a legal maximum amount of \$3,482,416. This legal maximum amount is based on audited FTE enrollment.

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. 366
Yates Center, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

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 municipality 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 project funds, fiduciary funds, and the following special revenue funds of the District:

Contingency Reserve Fund
Special Mini-Grants Fund
Title I Fund
Title II Fund
Educational Foundation Fund
Gate Receipts Fund
Special Projects Fund

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

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Deposits and Investments

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 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.

K.S.A. 12-1675 allows the District to deposit idle funds in time deposits-open accounts, and certificates of deposit with allowable financial institutions; and to invest idle funds in U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District held no investments at June 30, 2010 and held no investments throughout the year.

Unified School District No. 366
Yates Center, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

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 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 not designated any peak periods.

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, 2010, the carrying amount of the District's deposits was \$358,185 and the bank balance was \$829,734. The entire bank balance was covered by FDIC insurance.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at rates established by Kansas Statute. This interest is retained by the county.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Unified School District No. 366
Yates Center, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Reimbursed Expenses and Budget Credit

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.

Vacation and Sick Pay

The School District's policies regarding sick leave permit employees a maximum accumulation of 50 days. If the employee is not a member of the sick leave pool (see below), an additional 10 days may be earned. Upon resignation, retirement, or death, provided the employee has been with the District at least ten years, the employee is paid \$25 per day for up to 50 days of accumulated, but unused, sick leave.

Employees are granted a maximum of four weeks vacation per year after ten years service. Policies prohibit payment for vacation time in lieu of time off and require the cancellation of accumulated sick pay on date of employment termination.

In addition to the above policy, the School District has formed a sick leave pool. Under this pool, employees may voluntarily contribute up to three days sick pay to this pool. This contribution is reduced from the employee's maximum sick leave accumulation. A maximum of 100 days may be available in the pool at any time. Only employees who contribute to the pool are eligible to use the sick days available in the pool and then only after their own sick leave accumulation has been depleted. Employees eligible to draw from the pool can draw a maximum of 50 days during one contract year.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Unified School District No. 366
Yates Center, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 2 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

Expenditures and encumbrances exceeded the available cash in the following funds, in the amounts indicated, as of June 30, 2010:

KPERS Special Retirement Contrib. Fund	\$ 94,033 (1)
Special Mini-Grants Fund	18,690

(1) The State of Kansas pays the employer share of KPERS for each Unified School District in the State. The Kansas Legislature, by statute, created a KPERS fund in each school district. The State of Kansas automatically deposits state aid to the District's bank account, then withdraws the KPERS amount attributable to each School District through this KPERS fund once each quarter. School District personnel have no control over these deposits and withdrawals. At June 30, 2010, the State of Kansas had not deposited the KPERS amount attributable to Unified School District No. 366 for the two quarters ending June 30, 2010, in the amount of \$94,033. Since the liability was due and payable, but the funds had not been received as of June 30, 2010, a cash basis violation resulted and is displayed as such in Statement 1. The State of Kansas subsequently deposited these funds on July 7 and July 8, 2010.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Compliance with Other Kansas Statutes

The budget amendments adopted by the District (see Note 1D above) were published late in June, 2010, but the hearing to amend the budgets was not held until July 12, 2010, after the fiscal year had ended. This is a violation of KSA 79-29,29a which requires budgets to be amended during the year in which such budget is in effect.

Note 3 Detail Notes on All Funds and Account Groups

A. Assets:

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles.

The District has waived the application of generally accepted accounting principles until June 30, 2010, in accordance with K.S.A. 75-1120(a).

Unified School District No. 366
 Yates Center, Kansas
 Notes to Financial Statements
 For the Fiscal Year Ended June 30, 2010

B. Liabilities:

Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary, depending on date of employment. 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 contributed 8.57% of covered payroll during the period covered by this report. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2010, 2009, and 2008 were \$248,468,186, \$242,277,363, and \$220,815,154, respectively, equal to the required contributions for each year.

Other Employee Benefits

At June 30, 2010, the maximum potential liability under the School's vacation and sick leave policy is \$54,350 for sick leave and \$21,111 for vacation pay and discretionary leave.

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2010 was \$ 23,771,536. There was no outstanding bonded indebtedness as of June 30, 2010. The resulting legal debt margin was \$3,328,015.

C. Operating Transfers:

<u>From</u>	<u>To</u>	<u>Amount</u>
General Fund	At Risk 4-Yr Old Fund	\$ 44,130
General Fund	At Risk K-12 Fund	406,958
General Fund	Capital Outlay Fund	15,083
General Fund	Driver Training Fund	2,384
General Fund	Food Service Fund	40,000
General Fund	Parent Education Fund	1,800
General Fund	Special Education Fund	532,646
General Fund	Vocational Education Fund	184,288
General Fund	Contingency Reserve Fund	5,000
Suppl. General Fund	Special Education Fund	151,993

Unified School District No. 366
Yates Center, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 4 Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 5 Joint Venture

The District is a participant in a joint venture agreement with seven other school districts for the operation of the ANW Special Education Cooperative. This Coop was formed under an inter-local agreement provided for by Kansas Statutes. Each school district appoints one of its board members to serve as a member of the Coop governing board. Each school district's annual contribution to the Coop is based on full time enrollment plus other minor adjustment factors. Each school district has an unrecorded value equity interest in the Coop which is based on their percentage of contribution. Complete separate statutory basis financial statements for the Coop are available at the ANW Special Education Cooperative administrative office in Humboldt, Kansas. The District's operating contribution to the Coop for the 2009-2010 fiscal year was \$600,749, which represents approximately 7.61% of the total contributions made by all eight participating school districts.

Note 6 Compliance with K.S.A 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the School District to record any payment of General State Aid that is due to be paid during the month of June, but is not paid to the School District until after June 30, as a receipt for the school year ending on June 30. Under K.S.A. 10-1116a, this method of revenue recognition creates an exception to the basis of accounting described in Note 1 of these financial statements, which requires revenue to be recognized when the cash is actually received. As a result, Statement 1 includes \$449,542 in State Aid which is due from the State of Kansas at June 30, 2010. These funds were received in July, 2010. This amount consisted of \$375,591 for the General Fund and \$73,951 for the Supplemental General Fund. These amounts have been included as revenue for the 2009-2010 fiscal year in the respective funds in accordance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) and are shown as "Due from State of Kansas" on Statement 1.

Note 7 Economic Dependency

The State of Kansas provides state financial aid to the school district's general and supplemental general funds for normal operating expenditures. This state aid represents 88.5% and 38.0% of the general fund and supplemental general fund revenues respectively.

SCHLOTTERBECK AND BURNS, LLC

CERTIFIED PUBLIC ACCOUNTANTS
702 WEST MAIN *** P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

S & B

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

Board of Education
Unified School District No. 366
Yates Center, Kansas

We have audited the statutory basis financial statements of Unified School District No. 366, Yates Center, Kansas, as of and for the year ended June 30, 2010, and have issued our report thereon dated February 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 366, Yates Center, Kansas, 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 Unified School District No. 366, Yates Center, Kansas, internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 366, Yates Center, Kansas internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Unified School District No. 366, Yates Center, Kansas statutory basis 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*.

This report is intended solely for the information and use of the governing body and management of the Unified School District No. 366, Yates Center, Kansas, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlottbeck and Burns, LLC

February 10, 2011

SCHLOTTERBECK AND BURNS, LLC

CERTIFIED PUBLIC ACCOUNTANTS
702 WEST MAIN *** P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

S & B

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. 366
Yates Center, Kansas

Compliance

We have audited the compliance of Unified School District No. 366, Yates Center, Kansas, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Unified School District No. 366, Yates Center, Kansas, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 366, Yates Center, Kansas, management. Our responsibility is to express an opinion on Unified School District No. 366, Yates Center, Kansas, 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 Unified School District No. 366, Yates Center, Kansas 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 Unified School District No. 366, Yates Center, Kansas compliance with those requirements.

In our opinion, Unified School District No. 366, Yates Center, Kansas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Unified School District No. 366, Yates Center, Kansas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 366, Yates Center, Kansas 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, 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 Unified School District No. 366, Yates Center, Kansas, internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 report is intended solely for the information and use of the governing body and management of the Unified School District No. 366, Yates Center, Kansas, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlottbeck and Burns, LLC

February 10, 2011

Unified School District No. 366
Yates Center, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the special purpose financial statements of Unified School District No. 366, Yates Center, Kansas.
2. No reportable conditions relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards".
3. No instances of noncompliance material to the financial statements of Unified School District No. 366, Yates Center, Kansas were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the "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".
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 366, Yates Center, Kansas expresses an unqualified opinion.
6. There were no findings relating to the major federal award programs for Unified School District No. 366, Yates Center, Kansas, that are required to be reported in Part C of this Schedule.
7. The programs tested as major programs were: CFDA #84.010 Title I Grants to Local Educational Agencies, and #84.389 Title I Grants to Local Educational Agencies, Recovery Act, both of which are in the same cluster of federal programs; and #84.394 State Fiscal Stabilization Fund-Education State Grants, Recovery Act.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Unified School District No. 366, Yates Center, Kansas was not determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None.

C. Findings and Questioned Costs - Major Federal Awards Program Audit

None.

Unified School District No. 366
Yates Center, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture Passed through State Department of Education School Breakfast Program	10.553 \$	43,559
National School Lunch Program	10.555	<u>105,866</u>
Total U.S. Department of Agriculture		<u>149,425</u>
 U.S. Department of Education Rural Education	 84.358	 10,559
Passed through State Department of Education Title I Grants to Local Educational Agencies	84.010	109,617 (1)
Title I Grants to Local Educational Agencies, Recovery Act (ARRA)	84.389	51,865 (1)
Improving Teacher Quality State Grants	84.367	32,108
Statewide Data Systems	84.372	800
State Fiscal Stabilization Fund - Education State Grants, Recovery Act (ARRA)	84.394	257,391 (1)
Education Technology State Grants	84.318	986
Education Technology State Grants, Recovery Act (ARRA)	84.386	<u>2,425</u>
Total U.S. Department of Education		<u>465,751</u>
 U.S. Department of Health and Human Services Passed through State Department of Social and Rehabilitational Services Substance Abuse and Mental Health Services	 93.243	 <u>103,935</u>
Total Expenditures of Federal Awards		<u>719,111</u>

(1) These programs were considered major programs.

Note - Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 366 and is presented on the cash basis of accounting, and accordingly, represents the total cash expended for each program. It does not include transactions that might be included using the modified accrual basis of accounting which is the basis used in the District's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*.

Reconciliation of federal expenditures to the financial statements:

	<u>Actual Cash Received</u>	<u>Expenditures per Statement 3</u>	<u>Adjustment for Encumbrances July 1, 2009</u>	<u>June 30, 2010</u>	<u>Expenditures as Presented Above</u>
School Breakfast Program	10.553	43,559			43,559
National School Lunch Program	10.555	105,866			105,866
Rural Education	84.358	15,441		(4,882)	10,559
Title I Grants to Local Educational Agencies	84.010	109,617			109,617
Title I Grants to Local Educational Agencies, Recovery Act (ARRA)	84.389	51,946			51,865
Improving Teacher Quality State Grants	84.367	32,587	128	(607)	32,108
Statewide Data Systems	84.372	800			800
State Fiscal Stabilization Fund - Education State Grants, Recovery Act (ARRA)	84.394	257,391			257,391
Education Technology State Grants	84.318	986			986
Education Technology State Grants, Recovery Act (ARRA)	84.386	2,425			2,425
Substance Abuse and Mental Health Services	93.243	95,488	402	(124)	103,935
	<u>716,106</u>	<u>724,194</u>	<u>530</u>	<u>(5,613)</u>	<u>719,111</u>