

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2011

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2011

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UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

We have audited the accompanying financial statements of Unified School District No. 218, as of and for the year ended June 30, 2011, as listed in the table of contents. These statutory basis financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit.

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

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 218, as of June 30, 2011, or the changes in its 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. 218, as of June 30, 2011, and its cash receipts and expenditures and budgetary comparisons for the year then ended, on the basis of accounting described in Note 1.

The Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

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In accordance with Government Auditing Standards, we have also issued a report dated August 31, 2011 on our consideration of Unified School District No. 218's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the statutory basis financial statements of Unified School District No. 218 taken as a whole. The information identified in the table of contents as supplementary information, is presented for purpose of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the statutory basis financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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.

Hay.Rice & Associates, Chartered

August 31, 2011

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

We have audited the financial statements of Unified School District No. 218 as of and for the year ended June 30, 2011, and have issued our report thereon dated August 31, 2011, which was qualified because Unified School District No. 218 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. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's 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 School District'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 School District's financial statements that is more than inconsequential will not be prevented or detected by the School District's internal control.

The Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

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Internal Control Over Financial Reporting (Continued)

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 School District's internal control.

Our consideration of 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

As part of obtaining reasonable assurance about whether Unified School District No. 218's statutory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Hay.Rice & Associates, Chartered

August 31, 2011

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the fiscal year ended June 30, 2011

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u>	<u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Governmental Type Funds:						
General Fund	\$ 10,681	\$ 5,480,312	\$ 5,490,993	\$ -	\$156,795	\$ 156,795
Supplemental General	48,876	2,027,245	1,872,618	203,503	40,833	244,336
Special Revenue Funds:						
At Risk (4 Year Old)	-	48,247	48,247	-	-	-
At Risk (K-12)	-	656,298	656,298	-	-	-
Bilingual Education	-	149,212	149,212	-	250	250
Virtual Education	-	1,280,933	1,280,933	-	-	-
Capital Outlay	989,949	1,192,136	666,023	1,516,062	77,786	1,593,848
Driver Training	15,410	10,324	5,464	20,270	-	20,270
Extraordinary School Program	12,715	35,613	19,558	28,770	-	28,770
Food Service	68,394	258,986	261,571	65,809	213	66,022
Parent Education	69,504	48,842	48,900	69,446	-	69,446
Special Education	309,450	432,709	432,066	310,093	-	310,093
Vocational Education	-	137,782	137,782	-	-	-
KPERs Retirement Contribution	-	268,601	268,601	-	-	-
Bond and Interest	203,831	241	-	204,072	-	204,072
Youth Friends	2,994	1,500	192	4,302	-	4,302
Recreation Commission	26,436	200,583	224,000	3,019	-	3,019
CCLC Grant	-	12,000	12,000	-	511	511
Gifts and Grants	1,621	19,800	4,152	17,269	706	17,975
Contingency Reserve	505,615	40,841	-	546,456	-	546,456
Rural Ed	-	1,595	26,546	(24,951)	24,880	(71)
Title I Low Income	-	112,356	112,356	-	560	560
Title I Migrant	-	138,300	138,300	-	9,987	9,987
Title I Even Start	-	55,000	55,000	-	-	-
Title II Improving Teacher Quality	-	26,057	26,057	-	505	505
Title III English Language Acquisition	-	10,594	10,594	-	-	-
Point Rock Academy Charter School	4,239	-	4,239	-	-	-
ARRA Title I	(303)	42,561	42,258	-	8,795	8,795
ARRA Title IID	(81)	689	608	-	-	-
District Activities	53,195	182,909	174,702	61,402	-	61,402
Total Reporting Entity (Excluding Agency Funds)	<u>\$2,322,526</u>	<u>\$12,872,266</u>	<u>\$12,169,270</u>	<u>\$3,025,522</u>	<u>\$321,821</u>	<u>\$3,347,343</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 1
(Continued)

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the fiscal year ended June 30, 2011

Composition of Cash:	
Cash in Checking:	
Board account	\$3,285,938
Activity Funds:	
Elementary School	4,513
Middle School	6,488
High School	<u>90,432</u>
Total Primary Government	\$3,387,371
Agency Funds	<u>(40,028)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$3,347,343</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 2

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
(BUDGETED FUNDS ONLY)
For the fiscal year ended June 30, 2011

<u>Funds</u>	<u>Certified</u> <u>Budget</u>	<u>Adjustment to</u> <u>Comply with</u> <u>Legal Max</u>	<u>Adjustment for</u> <u>Qualifying</u> <u>Budget Credit</u>	<u>Total</u> <u>Budget for</u> <u>Comparison</u>	<u>Expenditures</u> <u>Chargeable to</u> <u>Current Year</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>
Governmental Type Funds:						
General Fund	\$6,060,126	\$ (595,570)	\$ 26,437	\$5,490,993	\$5,490,993	\$ -
Supplemental General	2,011,147	(157,726)	19,197	1,872,618	1,872,618	-
Special Revenue Funds:						
At Risk (4 Year Old)	57,503	-	-	57,503	48,247	9,256
At Risk (K-12)	675,621	-	-	675,621	656,298	19,323
Bilingual Education	145,234	-	-	145,234	149,212	(3,978)
Virtual Education	1,896,670	-	-	1,896,670	1,280,933	615,737
Capital Outlay	1,566,442	-	-	1,566,442	666,023	900,419
Driver Training	33,209	-	-	33,209	5,464	27,745
Extraordinary School Program	50,215	-	-	50,215	19,558	30,657
Food Service	375,608	-	-	375,608	261,571	114,037
Parent Education	162,094	-	-	162,094	48,900	113,194
Special Education	818,666	-	-	818,666	432,066	386,600
Vocational Education	147,900	-	-	147,900	137,782	10,118
KPERs Retirement Contribution	358,777	-	-	358,777	268,601	90,176
Bond and Interest	203,831	-	-	203,831	-	203,831
Recreation Commission	224,000	-	-	224,000	224,000	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3

STATEMENTS OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the year ended June 30, 2011

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-1

GENERAL FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable	Year
			(Unfavor.)	Actual
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$1,232,480	\$1,329,665	\$ (97,185)	\$1,610,274
Delinquent tax	5,857	4,277	1,580	8,249
Mineral production tax	78,226	50,000	28,226	50,896
In lieu of tax	2,391	-	2,391	2,361
State aid	3,565,185	4,233,528	(668,343)	2,610,231
Special Education aid	320,972	342,490	(21,518)	329,125
Federal aid – ARRA Stabilization Funds	90,427	90,427	-	232,261
Education jobs fund	158,337	-	158,337	-
Reimbursed expenditures	26,437	-	26,437	42,190
Total cash receipts	\$5,480,312	\$6,050,387	\$ (570,075)	\$4,885,587
 <u>Expenditures and Transfers</u>				
<u>Subject to Legal Max Budget</u>				
Instruction	\$2,100,230	\$2,665,405	\$ 565,175	\$2,250,542
Student support services	45,194	37,635	(7,559)	36,021
Instructional support staff	12,009	16,951	4,942	15,886
General Administration	240,140	250,935	10,795	254,850
School Administration	387,236	381,173	(6,063)	402,325
Central Services	17,540	-	(17,540)	-
Operations and maintenance	501,376	431,650	(69,726)	436,364
Other support services	3,796	12,300	8,504	6,672
Student activities	162,755	209,265	46,510	159,233
Operating transfers	2,020,717	2,054,812	34,095	1,313,013
Adjustment to comply with legal max	-	(595,570)	(595,570)	-
Adjustment for qualifying budget credits	-	26,437	26,437	-
Total expenditures subject to budget	\$5,490,993	\$5,490,993	-	\$4,874,906
Receipts over (under) expenditures	\$ (10,681)			\$ 10,681
Unencumbered Cash, Beginning	10,681			-
Unencumbered Cash, Ending	-			\$ 10,681

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-2

SUPPLEMENTAL GENERAL FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011

(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable	Year
			(Unfavor.)	Actual
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$1,958,900	\$ 31,771	\$1,927,129	\$1,559,812
Delinquent tax	6,014	4,149	1,865	7,375
Motor vehicle tax	40,873	38,624	2,249	35,098
In lieu of tax	2,261	-	2,261	1,918
Reimbursed expenditures	19,197	-	19,197	259
Total cash receipts	\$2,027,245	\$ 74,544	\$1,952,701	\$1,604,462
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 44,399	\$ 122,180	\$ 77,781	\$ 140,332
Student support services	1,432	1,530	98	1,542
Instructional support staff	9,305	9,180	(125)	7,947
General Administration	23,427	55,124	31,697	354,285
Operations and maintenance	254,921	305,800	50,879	234,597
Operating transfers	1,539,134	1,517,333	(21,801)	872,004
Adjustment to comply with legal max	-	(157,726)	(157,726)	-
Adjustment for qualifying budget credits	-	19,197	19,197	-
Total expenditures and transfers subject to budget	\$1,872,618	\$1,872,618	-	\$1,610,707
Receipts over (under) expenditures	\$ 154,627			\$ (6,245)
Unencumbered Cash, Beginning	48,876			55,121
Unencumbered Cash, Ending	\$ 203,503			\$ 48,876

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-3

AT RISK (4 YEAR OLD) FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Operating transfers	\$ 48,247	\$ <u>57,503</u>	\$ <u>(9,256)</u>	\$ 43,187
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>48,247</u>	<u>\$ 57,503</u>	<u>\$ 9,256</u>	<u>43,187</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>			<u><u>-</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-4

AT RISK (K-12) FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Operating transfers	\$656,298	\$ <u>675,621</u>	\$ <u>(19,323)</u>	\$584,147
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>656,298</u>	<u>\$675,621</u>	<u>\$ 19,323</u>	<u>584,147</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. 218
Elkhart, Kansas

Statement 3-5

BILINGUAL EDUCATION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Operating transfers	\$149,212	\$ <u>145,234</u>	\$ <u>3,978</u>	\$135,204
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>149,212</u>	<u>\$145,234</u>	<u>\$ (3,978)</u>	<u>135,204</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>			<u><u>-</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-6

VIRTUAL EDUCATION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	Actual	Budget	Variance Favorable (Unfavor.)	Prior Year Actual
<u>Cash Receipts</u>				
Tuition	\$ -	\$ -	\$ -	\$ 2,329
Miscellaneous	-	-	-	3,950
Operating transfers	<u>1,280,933</u>	<u>1,896,670</u>	<u>(615,737)</u>	<u>439,314</u>
Total cash receipts	<u>\$1,280,933</u>	<u>\$1,896,670</u>	<u>\$ (615,737)</u>	<u>\$445,593</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ -	\$ -	\$ -	\$425,803
Student support services	-	-	-	12,545
Instruction support services	-	-	-	6,780
Administration	<u>1,280,933</u>	<u>1,896,670</u>	<u>615,737</u>	<u>465</u>
Total expenditures and transfers subject to budget	<u>\$1,280,933</u>	<u>\$1,896,670</u>	<u>\$ 615,737</u>	<u>\$445,593</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. 218
Elkhart, Kansas

Statement 3-7

CAPITAL OUTLAY FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011

(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	Actual	Budget	Variance Favorable (Unfavor.)	Prior Year Actual
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 384,387	\$ 411,788	\$ (27,401)	\$482,521
Delinquent tax	1,980	1,283	697	2,699
Motor vehicle tax	14,118	13,160	958	13,653
Recreational vehicle tax	-	262	(262)	2,561
In lieu of tax	699	-	699	705
Interest income	3,489	-	3,489	7,817
Miscellaneous	17,897	203,831	(185,934)	17,782
Operating transfers	769,566	-	769,566	245,743
Total cash receipts	\$1,192,136	\$ 630,324	\$ 561,812	\$773,481
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 3,940	\$ 84,000	\$ 80,060	\$ 6,334
Support services	-	150,000	150,000	-
Operations and maintenance	55,958	220,000	164,042	86,342
Other support services	100,000	100,000	-	99,203
Land and building improvement	321,222	827,539	506,317	329,906
Debt service	184,903	184,903	-	186,452
Total expenditures and transfers subject to budget	\$ 666,023	\$1,566,442	\$ 900,419	\$708,237
Receipts over (under) expenditures	\$ 526,113			\$ 65,244
Unencumbered Cash, Beginning	989,949			924,705
Unencumbered Cash, Ending	\$1,516,062			\$989,949

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-8

DRIVER TRAINING FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
State aid	\$ 6,324	\$ 2,800	\$ 3,524	\$ 1,734
Operating transfers	<u>4,000</u>	<u>15,000</u>	<u>(11,000)</u>	<u>15,000</u>
Total cash receipts	<u>\$ 10,324</u>	<u>\$ 17,800</u>	<u>\$ (7,476)</u>	<u>\$ 16,734</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 4,848	\$ 28,209	\$ 23,361	\$ 12,728
Vehicle operations and maintenance	<u>616</u>	<u>5,000</u>	<u>4,384</u>	<u>557</u>
Total expenditures and transfers subject to budget	<u>\$ 5,464</u>	<u>\$ 33,209</u>	<u>\$ 27,745</u>	<u>\$ 13,285</u>
Receipts over (under) expenditures	\$ 4,860			\$ 3,449
Unencumbered Cash, Beginning	<u>15,410</u>			<u>11,961</u>
Unencumbered Cash, Ending	<u>\$ 20,270</u>			<u>\$ 15,410</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-9

EXTRAORDINARY SCHOOL PROGRAM FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
Tuition	\$ 9,134	\$ 7,500	\$ 1,634	\$ 7,431
Miscellaneous	<u>26,479</u>	<u>30,000</u>	<u>(3,521)</u>	<u>25,989</u>
Total cash receipts	\$ 35,613	\$ <u>37,500</u>	\$ <u>(1,887)</u>	\$ 33,420
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>19,558</u>	\$ <u>50,215</u>	\$ <u>30,657</u>	<u>20,705</u>
Receipts over (under) expenditures	\$ 16,055			\$ 12,715
Unencumbered Cash, Beginning	<u>12,715</u>			<u>-</u>
Unencumbered Cash, Ending	\$ <u>28,770</u>			\$ <u>12,715</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-10

FOOD SERVICE FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
			<u>(Unfavor.)</u>	<u>Actual</u>
<u>Cash Receipts</u>				
Charges for services	\$ 74,189	\$ 73,841	\$ 348	\$ 81,090
Federal aid	157,085	156,051	1,034	169,705
State aid	2,712	2,322	390	2,977
Operating transfers	<u>25,000</u>	<u>75,000</u>	<u>(50,000)</u>	<u>5,000</u>
Total cash receipts	<u>\$258,986</u>	<u>\$307,214</u>	<u>\$ (48,228)</u>	<u>\$258,772</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 250	\$ -	\$ (250)	\$ -
Operations and maintenance	3,388	3,000	(388)	3,117
Food service operation	<u>257,933</u>	<u>372,608</u>	<u>114,675</u>	<u>262,190</u>
Total expenditures and transfers subject to budget	<u>\$261,571</u>	<u>\$375,608</u>	<u>\$114,037</u>	<u>\$265,307</u>
Receipts over (under) expenditures	\$ (2,585)			\$ (6,535)
Unencumbered Cash, Beginning	<u>68,394</u>			<u>74,929</u>
Unencumbered Cash, Ending	<u>\$ 65,809</u>			<u>\$ 68,394</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-11

PARENT EDUCATION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
State aid	\$ 28,842	\$ 42,590	\$ (13,748)	\$ 42,590
Operating transfers	<u>20,000</u>	<u>50,000</u>	<u>(30,000)</u>	<u>50,000</u>
Total cash receipts	<u>\$ 48,842</u>	<u>\$ 92,590</u>	<u>\$ (43,748)</u>	<u>\$ 92,590</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Support services student	\$ 48,542	\$155,494	\$106,952	\$ 73,702
Instructional support staff	358	6,600	6,242	1,604
General Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,874</u>
Total expenditures and transfers subject to budget	<u>\$ 48,900</u>	<u>\$162,094</u>	<u>\$113,194</u>	<u>\$ 80,180</u>
Receipts over (under) expenditures	\$ (58)			\$ 12,410
Unencumbered Cash, Beginning	<u>69,504</u>			<u>57,094</u>
Unencumbered Cash, Ending	<u>\$ 69,446</u>			<u>\$ 69,504</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-12

SPECIAL EDUCATION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
Miscellaneous	\$ 4,737	\$ -	\$ 4,737	\$ 302
Operating transfers	<u>427,972</u>	<u>509,217</u>	<u>(81,245)</u>	<u>529,125</u>
Total cash receipts	<u>\$432,709</u>	<u>\$509,217</u>	<u>\$ (76,508)</u>	<u>\$529,427</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$427,826	\$509,217	\$ 81,391	\$496,680
Support services	-	299,044	299,044	25
General Administration	39	200	161	23
Student transportation services	4,201	10,205	6,004	-
Other purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,822</u>
Total expenditures and transfers subject to budget	<u>\$432,066</u>	<u>\$818,666</u>	<u>\$386,600</u>	<u>\$500,550</u>
Receipts over (under) expenditures	\$ 643			\$ 28,877
Unencumbered Cash, Beginning	<u>309,450</u>			<u>280,573</u>
Unencumbered Cash, Ending	<u>\$310,093</u>			<u>\$309,450</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-13

VOCATIONAL EDUCATION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Operating transfers	\$137,782	\$ <u>147,900</u>	\$ <u>(10,118)</u>	\$138,297
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>137,782</u>	<u>\$147,900</u>	<u>\$ 10,118</u>	<u>138,297</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>			<u><u>-</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-14

KPERS RETIREMENT CONTRIBUTION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
State revenue	\$268,601	\$ <u>358,777</u>	\$ <u>(90,176)</u>	\$326,161
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Employees' Benefits	<u>268,601</u>	<u>\$358,777</u>	<u>\$ 90,176</u>	<u>326,161</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>			<u><u>-</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-15

BOND AND INTEREST FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Delinquent taxes	\$ 230	-	\$ 230	\$ 772
Motor vehicle tax	11	-	11	3,172
Total cash receipts	\$ 241	-	\$ 241	\$ 3,944
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Debt service	-	\$203,831	\$203,831	-
Receipts over (under) expenditures	\$ 241			\$ 3,944
Unencumbered Cash, Beginning	203,831			199,887
Unencumbered Cash, Ending	\$204,072			\$203,831

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-16

RECREATION COMMISSION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$192,162	\$190,757	\$ 1,405	\$241,261
Delinquent taxes	1,012	642	370	1,476
Motor vehicle tax	7,059	6,712	347	6,827
In lieu of tax	350	-	350	352
Other income	-	350	(350)	-
	\$200,583	\$198,461	\$ 2,122	\$249,916
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Appropriation	224,000	\$224,000	-	295,000
Receipts over (under) expenditures	\$ (23,417)			\$ (45,084)
Unencumbered Cash, Beginning	26,436			71,520
Unencumbered Cash, Ending	\$ 3,019			\$ 26,436

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3

STATEMENTS OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the year ended June 30, 2011

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-17

CONTINGENCY RESERVE FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Operating transfers	\$ 40,841	-
<u>Expenditures and Transfers</u>	-	-
Receipts over (under) expenditures	\$ 40,841	\$ -
Unencumbered Cash, Beginning	<u>505,615</u>	<u>505,615</u>
Unencumbered Cash, Ending	<u>\$546,456</u>	<u>\$505,615</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-18

RURAL ED FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$ 1,595	\$ 36,644
 <u>Expenditures and Transfers</u>		
Instruction	26,546	36,644
Receipts over (under) expenditures	\$ (24,951)	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ (24,951)	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-19

TITLE I LOW INCOME FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$112,356	\$106,471
<u>Expenditures and Transfers</u>		
Instruction	\$111,035	\$106,471
General administration	1,321	-
Total expenditures and transfers	\$112,356	\$106,471
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-20

TITLE I MIGRANT FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$138,300	\$108,400
 <u>Expenditures and Transfers</u>		
Instruction	138,300	108,400
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-21

TITLE I EVEN START FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$ 55,000	\$ 55,000
 <u>Expenditures and Transfers</u>		
Instruction	55,000	55,000
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-22

TITLE IV DRUG FREE SCHOOLS AND COMMUNITIES FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	-	\$ 2,156
 <u>Expenditures and Transfers</u>		
Instruction	-	2,156
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-23

TITLE II IMPROVING TEACHER QUALITY FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$ 26,057	\$ 26,653
 <u>Expenditures and Transfers</u>		
Supplies and materials	26,057	26,653
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-24

TITLE III ENGLISH LANGUAGE ACQUISITION FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$ 10,594	\$ 13,012
 <u>Expenditures and Transfers</u>		
Instruction	10,594	13,012
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-25

POINT ROCK ACADEMY CHARTER SCHOOL FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Miscellaneous	\$ -	\$ 4,559
 <u>Expenditures and Transfers</u>		
Instruction	4,239	320
Receipts over (under) expenditures	\$ (4,239)	\$ 4,239
Unencumbered Cash, Beginning	4,239	-
Unencumbered Cash, Ending	-	\$ 4,239

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-26

ARRA TITLE I LOW INCOME FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$ 42,561	\$ 35,055
 <u>Expenditures and Transfers</u>		
Instruction	<u>42,258</u>	<u>35,358</u>
Receipts over (under) expenditures	\$ 303	\$ (303)
Unencumbered Cash, Beginning	<u>(303)</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>	<u><u>\$ (303)</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-27

ARRA TITLE IID FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$ 689	\$ 1,742
 <u>Expenditures and Transfers</u>		
Instruction	608	1,823
Receipts over (under) expenditures	\$ 81	\$ (81)
Unencumbered Cash, Beginning	(81)	-
Unencumbered Cash, Ending	-	\$ (81)

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-28

YOUTH FRIENDS FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Youth Friends revenue	\$ 1,500	\$ 2,250
<u>Expenditures and Transfers</u>		
Instructional support services	<u>192</u>	<u>141</u>
Receipts over (under) expenditures	\$ 1,308	\$ 2,109
Unencumbered Cash, Beginning	<u>2,994</u>	<u>885</u>
Unencumbered Cash, Ending	<u>\$ 4,302</u>	<u>\$ 2,994</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-29

CCLC GRANT FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal aid	\$ 12,000	\$ 12,000
 <u>Expenditures and Transfers</u>		
Instruction	12,000	12,000
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 3-30

GIFTS AND GRANTS FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Donations	\$ <u>19,800</u>	\$ <u>6,000</u>
 <u>Expenditures and Transfers</u>		
Instruction	\$ -	\$ 5,998
Support services	<u>4,152</u>	<u>-</u>
Total expenditures and transfers	\$ <u>4,152</u>	\$ <u>5,998</u>
Receipts over (under) expenditures	\$ 15,648	\$ 2
Unencumbered Cash, Beginning	<u>1,621</u>	<u>1,619</u>
Unencumbered Cash, Ending	\$ <u>17,269</u>	\$ <u>1,621</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 4

AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND
CASH DISBURSEMENTS – ACTUAL

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 4

AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS – ACTUAL
For the fiscal year ended June 30, 2011

<u>Fund</u>	<u>Beginning</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
High School:				
Student Council	\$ 2,002	\$ 6,917	\$ 7,397	\$ 1,522
Cheerleaders	6,514	25,324	28,787	3,051
National Honor Society	2,226	2	179	2,049
Softball	637	1	-	638
Girls Basketball	-	1,989	1,726	263
Boys Basketball	-	1,342	1,163	179
Class of 2010	222	-	-	222
Class of 2011	2,111	843	1,813	1,141
Class of 2012	4,028	7,812	10,362	1,478
Class of 2013	296	8,641	5,780	3,157
Class of 2014	-	1,169	12	1,157
Senior gifts	1,515	2	-	1,517
E Club	4,667	9,814	12,090	2,391
Band	1,494	908	963	1,439
Curtain Callers	7,996	4,616	2,666	9,946
Scholars Bowl	906	1,076	756	1,226
Sales tax	-	4,904	4,904	-
Sub-total High School	<u>\$ 34,614</u>	<u>\$ 75,360</u>	<u>\$ 78,598</u>	<u>\$ 31,376</u>
Middle School:				
Student Council	\$ 3,821	\$ 26,030	\$ 27,578	\$ 2,273
Cheerleaders	1,307	7,472	7,368	1,411
Concession stand	123	7,192	5,252	2,063
Sales tax	-	2,108	2,108	-
Sub-total Middle School	<u>\$ 5,251</u>	<u>\$ 42,802</u>	<u>\$ 42,306</u>	<u>\$ 5,747</u>
Elementary School:				
Book Club	\$ 433	\$ 2,694	\$ 2,762	\$ 365
G S Teachers	1,275	1,562	2,156	681
Memorial Fund	73	-	-	73
Community Service	450	523	566	407
Student Fundraising	959	318	-	1,277
Guided Reading	102	-	-	102
Child Theatre	-	1,500	1,500	-
Sub-total Elementary School	<u>\$ 3,292</u>	<u>\$ 6,597</u>	<u>\$ 6,984</u>	<u>\$ 2,905</u>
Total Agency Funds	<u>\$ 43,157</u>	<u>\$ 124,759</u>	<u>\$ 127,888</u>	<u>\$ 40,028</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 5

DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – ACTUAL

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 5

DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011

<u>Fund</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Gate Receipts:						
Athletics – High School	\$ 17,458	\$ 32,759	\$ 31,562	\$ 18,655	-	\$ 18,655
Athletics – Middle School	-	7,517	7,431	86	-	86
Subtotal Gate Receipts	<u>\$ 17,458</u>	<u>\$ 40,276</u>	<u>\$ 38,993</u>	<u>\$ 18,741</u>	<u>-</u>	<u>\$ 18,741</u>
School Projects:						
High School:						
General Club	\$ 6,612	\$ 3,634	\$ 3,886	\$ 6,360	-	\$ 6,360
Lunch	-	8,867	8,867	-	-	-
FFA	6,708	39,723	37,739	8,692	-	8,692
Shop	44	106	145	5	-	5
Home Economics Club	1,205	161	492	874	-	874
Art	3,082	2,365	964	4,483	-	4,483
Music	1,057	257	723	591	-	591
Key Club	3,492	3,327	3,608	3,211	-	3,211
Yearbook	9,981	8,891	7,109	11,763	-	11,763

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 5
(Continued)

DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011

<u>Fund</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
School Projects (Continued):						
High School (Continued):						
Library	1,077	380	642	815	-	815
PRA Activity	-	5,524	2,728	2,796	-	2,796
Business	-	1,001	263	738	-	738
School Climate	70	-	-	70	-	70
Middle School:						
General Fund	666	1,399	1,410	655	-	655
Lunch	-	26,628	26,628	-	-	-
Elementary School:						
General Fund	1,743	4,431	4,566	1,608	-	1,608
Lunch	-	35,939	35,939	-	-	-
Subtotal School Projects	<u>\$ 35,737</u>	<u>\$142,633</u>	<u>\$135,709</u>	<u>\$ 42,661</u>	<u>-</u>	<u>\$ 42,661</u>
Total District Activity Funds	<u>\$ 53,195</u>	<u>\$182,909</u>	<u>\$174,702</u>	<u>\$ 61,402</u>	<u>-</u>	<u>\$ 61,402</u>

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 218 is a municipal corporation governed by an elected seven-member board. These financial statements present only the activity of Unified School District No. 218.

Fund Accounting

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 School District for the year ended June 30, 2011:

Governmental Funds:

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

Special Revenue Funds – to account for the proceeds of special cash revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes. The Capital Outlay Fund accounts for financial resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).

Capital Project Funds – to account for financial resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).

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

Fiduciary Funds:

Agency Funds – to account for assets held by a governmental unit as a trustee or agent for others. Included here are the Student Activity Funds.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and expenditure would be charged in the fund from which the transfer is made. 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 municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

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

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

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate.

Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as "cash and time deposits".

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Bonds Payable

Bonds which are outstanding at the end of the fiscal year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balances

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 2: Transfers

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Capital Outlay	KSA 72-6428	\$769,566
	Special Education	KSA 72-6428	427,972
	Food Service	KSA 72-6428	25,000
	Virtual Education	KSA 72-6428	733,338
	Contingency Reserve	KSA 72-6428	40,841
	Driver Training	KSA 72-6428	4,000
	Parent Education	KSA 72-6428	20,000
Supplemental General	Bilingual	KSA 72-6433	149,212
	Vocational Education	KSA 72-6433	137,782
	Virtual Education	KSA 72-6433	547,595
	At-Risk (4 Yr Old)	KSA 72-6433	48,247
	At-Risk (K-12)	KSA 72-6433	656,298

Note 3: 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 fiscal year ending June 30 on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 3: Budgets (Continued)

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 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 cash receipts and expenditures compared to legally budgeted revenues 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 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 projects funds, trust funds and certain special revenue funds.

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.

Note 4: Tax Cycle

The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 4: Tax Cycle (Continued)

These taxes become a lien against all property on 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 18% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the School District 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. Delinquent tax collections are distributed throughout the year.

Note 5: Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. Most 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.

Note 6: Defined Benefit Pension Plan

Plan Description. Unified School District No. 218 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 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 6: Defined Benefit Pension Plan (Continued)

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for all employees hired before July 1, 2009 and 6% for all employees hired after July 1, 2009. 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 9.17% of covered payroll. 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, 2011, 2010 and 2009 were \$253,834,044, \$190,318,394 and \$242,777,363, respectively.

Note 7: Vacation and Compensated Absences

Staff may accumulate up to sixty days of sick leave, ten days of vacation and three days of personal leave. There is no compensation for unused vacation or personal days above the accrued amount. Employees are paid \$25 per day (certified employee) or \$15 (classified employee) for unused sick days above the accrual amount. There is no compensation for any unused days upon end of employment.

Note 8: Authorized Over-Encumbered Cash Balance – Federal Funds

K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

Note 9: Contingent Liabilities

Unified School District No. 218 participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives for audits of these programs for or including the year ending June 30, 2011. These compliance audits have not been conducted as of August 31, 2011. Accordingly, the School District's compliance with applicable grant agreements will be established at some future date. The amount of expenditures, which may be disallowed by the grantor agencies, cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 10: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by Unified School District No. 218. The statute requires banks eligible to hold the School District's funds have a main or branch bank in the county in which Unified School District No. 218 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. Unified School District No. 218 has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits Unified School District No. 218's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. Unified School District No. 218 has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount Unified School District No. 218 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, Unified School District No. 218's deposits may not be returned to it. State statutes require Unified School District No. 218'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, the Federal Home Loan Bank of Topeka, or the UMB Bank of America, except during designated "peak periods" when required coverage is 50%. Unified School District No. 218 has not designated a "peak period". All deposits were legally secured at June 30, 2011.

At June 30, 2011, Unified School District No. 218's carrying amount of deposits was \$3,387,787 and the bank balance was \$3,699,832. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$3,699,832 was covered by federal depository insurance, -0- was collateralized with securities held by the pledging financial institutions' agents in Unified School District No. 218's name.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 10: Deposits and Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Unified School District No. 218 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.

Note 11: Other Post Employment Benefits

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

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

Note 12: Related Parties

Unified School District No. 218 purchased technology equipment and supplies from a related party during the year ended June 30, 2011. Expenditures recorded in the financial statements for the current year ended are \$47,047.

Note 13: Point Rock Academy Building Lease

Unified School District No. 218 currently leases the building that is used for the Point Rock Academy Charter School. The current lease agreement states \$1,000 per month rent is due on the first of each month and is in effect until June 30, 2011. The current year rent expense was \$17,000.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 14: Long-Term Debt

Changes in long-term liabilities for the year ended June 30, 2011 were as follows:

<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>
General Obligation Bonds: Series B-1, 2007	3.60-4.00%	5/23/07	\$680,000	9/01/11	<u>\$360,000</u>	<u>-</u>	<u>\$175,000</u>	<u>\$ (175,000)</u>	<u>\$185,000</u>	<u>\$ 9,903</u>

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

	<u>2011</u>
Principal:	
General obligation bonds	\$185,000
Interest:	
General obligation bonds	<u>3,376</u>
Total Principal and Interest	<u>\$188,376</u>

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

SUPPLEMENTAL SCHEDULES

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

Compliance

We have audited the compliance of Unified School District No. 218 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, 2011. Unified School District No. 218's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on Unified School District No. 218's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Unified School District No. 218's compliance with those requirements.

In our opinion, Unified School District No. 218 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, 2011.

Internal Control Over Compliance

The management of Unified School District No. 218 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 the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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. 218's 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 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 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 of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Hay.Rice & Associates, Chartered

August 31, 2011

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2011

<u>Federal Grantor/Pass Through Grantor</u> <u>Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
U. S. Department of Education – Pass		
Through Kansas Department of Education:		
Title I Low Income	84.010	\$112,356
Title I Low Income – ARRA	84.389	42,561
Title I Migrant Education	84.011	193,300
Title II Improving Teacher Quality	84.367	25,677
Title II Tech Literacy	84.318	380
Title II Tech Literacy – ARRA	84.386	689
Title III English Language Acquisition	84.365	10,594
ARRA Stabilization	84.394	90,427
Title IV 21 st Century	84.287	12,000
Education Jobs Fund	84.410	158,337
U. S. Department of Agriculture – Pass		
Through Kansas Department of Education:		
School Breakfast	10.553	29,934
School Lunch	10.555	112,948
Team Nutrition Grant	10.574	250
Cash for Commodities	10.555	<u>14,203</u>
Total Federal Awards Expended		<u>\$803,656</u>

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTE TO SCHEDULE 1
June 30, 2011

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 218 under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Unified School District No. 218, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Unified School District No. 218.

Expenditures are prepared on a cash disbursement basis adjusted for beginning and ending payables and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statements of Unified School District No. 218.
2. There were no significant deficiencies in internal control disclosed by the audit of the financial statements that were considered material weaknesses.
3. No instances of noncompliance material to the financial statements of Unified School District No. 218 were disclosed during the audit.
4. There were no significant deficiencies relating to the audit of the major federal awards that were considered material weaknesses.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 218 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Unified School District No. 218 as reported in Part C. of this schedule.
7. The programs tested as major programs include:
 - Title I Low Income
 - Title I Migrant Education
 - Food Service Cluster
8. The threshold for determining type A and B programs was:
 - Type A – the larger of \$300,000 or 3% of total federal awards expended
 - Type B – any programs that do not meet type A criteria specified above
9. Unified School District No. 218 was not determined to be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2
(Continued)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2011

(Continued)

B. FINDINGS – FINANCIAL STATEMENTS

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the fiscal year ended June 30, 2011

There were no audit findings relating to federal award programs in the prior years audit.