

**PITTSBURG COMMUNITY SCHOOLS
UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS**

Statutory Basis Financial Statements and
Independent Auditors' Report with
Supplemental Information and
Federal Compliance Section

For the Fiscal Year Ended June 30, 2011

**PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS**

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Statement 1	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	3 - 4
Statement 2	
Summary of Expenditures - Actual and Budget	5
Statement 3	
Statement of Cash Receipts and Expenditures - Actual and Budget	
General Fund	6 - 7
Supplemental General Fund	8
Adult Education Fund	9
4 Year Old At Risk Fund	10
K-12 At Risk Fund	11
Bilingual Education Fund	12
Capital Outlay Fund	13
Driver Education Fund	14
Food Service Fund	15
Professional Development Fund	16
Parent Education Fund	17
Special Education Fund	18
Vocational Education Fund	19
KPERS Special Retirement Fund	20
Revolving Fund	21
Contingency Reserve Fund	22
Textbook Rental Fund	23
Title II Improving Teacher Quality Fund	24
Title ID Delinquent Fund	25
Title VI Rural Fund	26
Title I Migrant Fund	27
Title I Fund	28
Title III English Language Acquisition Fund	29
Foreign Language Acquisition Fund	30
Title ID Delinquent ARRA Fund	31
Title I ARRA Fund	32
Title IID ARRA Fund	33
Homeless ARRA Fund	34
Food Service ARRA	35
Title II Technology Literacy Fund	36
After School Program Fund	37
Education Service Center Mini Grant Fund	38

**PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS**

**TABLE OF CONTENTS
(Continued)**

	<u>PAGE NUMBER</u>
Education Service Center Peaceable Communities Fund.....	39
Drug Free Schools Fund.....	40
Pritchett Grant Fund	41
Program Improvement Fund.....	42
Wal-Mart Grant Fund.....	43
Advanced Placement Grant Fund.....	44
Foundation Grants Fund.....	45
Mini Grants Fund	46
Restricted Fund.....	47
Summer Food Service Grant Fund.....	48
Bess Timmons Award Fund.....	49
Capital Project Fund	50
Bond and Interest Fund	51
Statement 4	
Statement of Cash Receipts and Cash Disbursements - Agency Funds	52
Statement 5	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash - District Activity Funds	53
Notes to the Financial Statements	54-65
SUPPLEMENTAL INFORMATION	
Schedule 1	
Schedule of Cash Receipts, Cash Disbursements and Cash Balances - High School Activity Fund.....	66-67
Middle School Activity Fund	68
FEDERAL COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	69
Independent Auditors' Report on Compliance and Internal Control Over Compliance With Requirements Applicable to Major Federal Awards Programs	70-71
Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting Based on the Audit of the Financial Statements in Accordance with <i>Government Auditing Standards</i>	72-73
Schedule of Findings and Questioned Costs	74-75
Corrective Action Plan	76

Diehl Banwart Bolton

Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #250
Pittsburg, Kansas 66762

We have audited the accompanying financial statements of the Unified School District #250, Pittsburg, Kansas, as of June 30, 2011, and for the fiscal year then ended, as listed in the Table of Contents. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative information for the fiscal year ended June 30, 2010, has been derived from the District's 2010 financial statements and in our report dated November 19, 2010, we expressed an unqualified opinion on the primary government financial statements prepared in accordance with the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States, and the **Kansas Municipal Audit Guide**. Those standards require 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 in Note 1, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices and accounting practices generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District #250, Pittsburg, Kansas, as of June 30, 2011, or the results of its operations, for the fiscal year then ended. Further, the District has not presented management's discussion and analysis that has been determined under accounting principles generally accepted in the United States as necessary to supplement, although not required to be a part of, the basic financial statements.

Board of Education
Unified School District #250
Pittsburg, Kansas

However, in our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District #250, Pittsburg, Kansas, as of June 30, 2011, and its cash receipts, expenditures, and expenditures compared to budget, for the year then ended, on the basis of accounting described in Note 1.

In accordance with **Government Auditing Standards**, we have also issued reports dated November 16, 2011 on our consideration of the District's internal control structure and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the District. 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 of the financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole.

Diehl Banwart Bolton CPA's PA

DIEHL, BANWART, BOLTON, CPAs P.A.

November 16, 2011
Pittsburg, Kansas

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2011

Funds	Beginning	Cash	Expenditures	Ending	Plus Encumbrances and Accounts Payable	Cash Balances	
	Unencumbered Cash Balances			Unencumbered Cash Balances		2011	June 30, 2010
GOVERNMENTAL TYPE FUNDS							
General Fund	(\$1,327,736)	\$17,841,833	\$17,437,966	(\$923,870)	\$616,836	(\$307,034)	(\$880,266)
Special Revenue Funds							
Supplemental General	(259,265)	5,791,067	5,400,000	131,802	495,210	627,012	(40,500)
Adult Education	-	165,495	165,495	-	738	738	4,609
4 Yr Old At Risk	-	78,740	78,740	-	-	-	-
K - 12 At Risk	53,848	3,810,000	3,638,613	225,235	13,500	238,735	78,758
Bilingual Education	28,281	375,000	298,159	105,121	5,315	110,436	28,462
Capital Outlay	1,198,790	546,521	435,129	1,310,183	2,665	1,312,848	1,198,790
Driver Education	9,372	12,575	13,452	8,495	-	8,495	9,372
Food Service	273,456	1,376,361	1,359,612	290,205	421	290,626	273,456
Professional Development	25,000	-	-	25,000	-	25,000	25,000
Parent Education	-	10,900	10,900	-	-	-	-
Special Education	500,000	3,207,495	3,150,325	557,170	5,000	562,170	500,000
Vocational Education	1,820	758,216	659,846	100,191	6,994	107,184	3,180
KPERS Special Retirement	-	951,323	951,323	-	-	-	-
Revolving	206,365	80,370	48,789	237,946	673	238,619	206,669
Contingency Reserve	900,000	100,000	-	1,000,000	-	1,000,000	900,000
Textbook Rental	206,374	12,055	75	218,354	-	218,354	206,374
Title II Improving Teacher Quality	63,111	208,031	190,343	80,799	50,218	131,017	92,176
Title ID Delinquent	-	62,235	62,235	-	10,846	10,846	-
Title VI Rural	-	50,923	39,015	11,908	2,000	13,908	780
Title I Migrant	-	100,000	100,000	-	13,005	13,005	2,751
Title I	225,767	1,055,019	1,122,790	157,996	116,918	274,914	271,259
Title III English Language Acquisition	-	16,983	16,983	-	2,054	2,054	293
Foreign Language Acquisition Program	-	-	-	-	-	-	-
Title ID Delinquent ARRA	-	34,251	34,251	-	3,610	3,610	-
Title I ARRA	-	343,230	343,230	-	14,634	14,634	-
Title IID ARRA	-	12,769	12,769	-	41	41	1,757
Homeless ARRA	-	7,257	7,257	-	376	376	-
Food Service ARRA	-	-	-	-	-	-	-
Title II Technology Literacy	-	3,571	3,571	-	-	-	328
After School Program	42,377	97,682	81,351	58,708	-	58,708	42,377
Education Service Center Mini Grant	4,207	4,350	923	7,634	-	7,634	4,207
ESC Peaceable Communities Grant	1,637	-	-	1,637	-	1,637	1,637
Drug Free Schools	-	-	-	-	-	-	4,856
Pritchett Grant	35,908	200	31,152	4,955	3,438	8,393	35,908
Program Improvement	-	3,869	3,869	-	-	-	-
Walmart Grant	417	-	297	120	-	120	417
Advanced Placement Grant	-	18,750	8,716	10,034	5,972	16,006	-
Foundation Grants	-	5,646	5,172	474	-	474	-
Mini Grants	9,837	3,507	8,789	4,555	-	4,555	16,008
Restricted	13,567	5,000	6,919	11,647	5,321	16,968	15,869
Summer Food Service Grant	-	2,000	1,730	270	1,730	2,000	-
Bess Timmons Award	25,000	-	15,000	10,000	-	10,000	25,000
Capital Project	-	-	-	-	-	-	56,969
District Activity Funds	35,428	129,094	126,667	37,855	-	37,855	35,428
Debt Service Fund							
Bond and Interest	1,605,932	1,928,104	1,922,916	1,611,120	-	1,611,120	1,605,932
Total Reporting Entity	\$3,879,492	\$39,210,421	\$37,794,370	\$5,295,543	\$1,377,513	\$6,673,056	\$4,727,856

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2011

	Cash Balances	
	June 30, 2011	2010
Composition of Cash		
Regular Checking.....	\$438,450	\$450,577
Wire Transfer Account	-	-
Food Service.....	114,818	459
Trust Fund Deductions.....	-	-
Health Fund Deductions.....	-	-
District Petty Cash.....	-	-
Payroll Checking Commerce.....	5,990	(1,487,943)
Investment.....	6,985,876	6,112,790
Payroll Liabilities.....	(919,932)	(408,456)
Capital Project Certificates of Deposit.....	-	-
Timmons Certificate of Deposit M&I.....	-	15,000
Timmons Certificate of Deposit US Bank.....	10,000	10,000
Elementary After-School Programs.....	-	-
MS Booster.....	-	-
MS District and Activity Funds	19,013	17,430
HS District and Activity Funds.....	120,062	108,383
Total Cash	<u>6,774,277</u>	<u>4,818,240</u>
Agency Funds per Statement 4	101,221	90,384
Total Reporting Entity.....	<u>\$6,673,056</u>	<u>\$4,727,856</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS

Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
For the Fiscal Year Ended June 30, 2011

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Favorable (Unfavorable)
					Charged to Current Year Budget	Charged to Current Year Budget	
GOVERNMENTAL TYPE FUNDS							
General Fund	\$17,892,718	(\$454,752)	-	\$17,437,966	\$17,437,966	-	-
Special Revenue Funds							
Supplemental General	5,400,000	-	-	5,400,000	5,400,000	-	-
Adult Education	181,426	-	-	181,426	165,495	15,931	15,931
Bilingual Education	328,281	-	-	328,281	298,159	30,122	30,122
Capital Outlay	1,000,000	-	-	1,000,000	435,129	564,871	564,871
Driver Education	15,600	-	-	15,600	13,452	2,148	2,148
Food Service	1,917,501	-	-	1,917,501	1,359,612	557,889	557,889
Professional Development	25,000	-	-	25,000	-	25,000	25,000
Parent Education	15,900	-	-	15,900	10,900	5,000	5,000
Summer School	-	-	-	-	-	-	-
Special Education	3,384,923	-	-	3,384,923	3,150,325	234,598	234,598
Vocational Education	661,820	-	-	661,820	659,846	1,974	1,974
KPERS Special Retirement	1,382,417	-	-	1,382,417	951,323	431,094	431,094
4 Yr Old At Risk	90,000	-	-	90,000	78,740	11,260	11,260
K - 12 At Risk	3,732,253	-	-	3,732,253	3,638,613	93,640	93,640
Debt Service Funds							
Bond and Interest	1,999,651	-	-	1,999,651	1,922,916	76,735	76,735
	<u>\$38,027,490</u>						

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
GENERAL FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$2,446,320	\$2,413,925	\$2,170,639	\$243,286
Delinquent tax	68,849	67,201	70,909	(3,708)
Motor vehicle tax	-	-	-	-
Other	-	-	-	-
State Sources				
General aid	12,384,937	12,282,984	13,027,343	(744,359)
Special ed aid	2,794,632	2,217,241	2,311,038	(93,797)
Federal Sources				
Education Jobs Fund	-	547,693	-	547,693
ARRA Stabilization	808,517	312,789	312,789	-
Total Cash Receipts	18,503,255	17,841,833	\$17,892,718	(\$50,885)
Expenditures				
Instruction	3,487,175	3,212,922	\$3,683,372	\$470,450
Support Services				
Student Support	680,080	634,815	620,701	(14,114)
Instructional Support	1,043,352	696,218	1,064,636	368,418
General Administration	617,013	744,765	631,712	(113,053)
School Administration	963,961	1,135,839	1,016,779	(119,060)
Operations and Maintenance	2,285,291	2,221,101	2,380,077	158,976
Other Supplemental Services	335,350	329,063	388,537	59,474
Student Transportation Services	594,183	680,947	628,348	(52,599)

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
GENERAL FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Current Year			Variance - Favorable (Unfavorable)
	Actual	Actual	Budget	
Expenditures (Continued)				
Operating Transfers to Other Funds				
4 Yr Old At Risk	80,240	78,740	85,000	\$6,260
K-12 At Risk	3,105,000	3,310,000	3,250,000	(60,000)
Adult Education	31,270	31,270	31,270	-
Capital Outlay	300,000	-	-	-
Bilingual Education	256,993	375,000	300,000	(75,000)
Driver Education	5,000	5,000	5,000	-
Contingency Reserve	205,000	100,000	-	(100,000)
Parent Education	10,900	10,900	10,900	-
Food Service	75,000	-	-	-
Professional Development	9,131	-	-	-
Special Education	3,079,982	3,156,386	3,221,386	65,000
Vocational Education	541,239	715,000	575,000	(140,000)
Subtotal Expenditures	<u>17,706,160</u>	<u>17,437,966</u>	<u>17,892,718</u>	
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget	-	-	(454,752)	(454,752)
Adjustment for Reimbursed Expenses	-	-	-	-
Total Expenditures Subject to Budget	<u>17,706,160</u>	<u>17,437,966</u>	<u>\$17,437,966</u>	<u>-</u>
Receipts Over (Under) Expenditures	797,095	403,866		
Unencumbered Cash, Beginning	<u>(2,124,830)</u>	<u>(1,327,736)</u>		
Unencumbered Cash, Ending	<u>(\$1,327,735)</u>	<u>(\$923,870)</u>		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
SUPPLEMENTAL GENERAL FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem	\$2,594,324	\$2,778,179	\$2,501,539	\$276,640
Delinquent tax	79,391	79,277	77,153	2,124
Motor vehicle tax	321,407	312,618	314,066	(1,448)
Other	-	-	-	-
State Sources				
Supplemental aid	1,602,192	2,620,993	2,328,998	291,995
Federal Sources				
ARRA Stabilization	562,739	-	-	-
Total Cash Receipts	5,160,053	5,791,067	\$5,221,756	\$569,311
Expenditures				
Instruction	4,025,024	4,159,660	\$4,573,722	\$414,062
Support Services				
Student Support	-	-	-	-
Instructional Support	603,053	611,611	200,361	(411,250)
School Administration	121,923	128,729	125,917	(2,812)
Operating Transfers to Other Funds				
At Risk K-12	500,000	500,000	500,000	-
Subtotal Expenditures	5,250,000	5,400,000	5,400,000	
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget	-	-	-	-
Adjustment for Reimbursed Expenses	-	-	-	-
Total Expenditures Subject to Budget	5,250,000	5,400,000	\$5,400,000	-
Receipts Over (Under) Expenditures	(89,947)	391,067		
Unencumbered Cash, Beginning	(169,318)	(259,265)		
Unencumbered Cash, Ending	(\$259,265)	\$131,802		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
ADULT EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Federal Sources				
Federal Aid	\$94,757	\$87,534	\$95,000	(\$7,466)
State Sources				
State Aid	52,431	46,691	55,000	(8,309)
Local Sources				
Intrest on Idle Funds	-	-	-	-
Miscellaneous	200	-	50,000	(50,000)
Operating Transfers from Other Funds				
General Fund	31,270	31,270	31,270	-
Supplemental General Fund	-	-	-	-
Total Cash Receipts	178,658	165,495	\$231,270	(\$65,775)
Expenditures				
Instruction	131,382	117,675	\$132,670	\$14,995
Student Support Services	-	-	-	-
Instructional Support Services	5,533	4,569	5,000	431
Special Admin Services	41,743	43,251	43,756	505
Total Expenditures	178,658	165,495	\$181,426	\$15,931
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	-	-		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
4 YEAR OLD AT RISK FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources	-	-	\$5,000	(\$5,000)
Operating Transfer from General	80,240	78,740	85,000	(6,260)
Total Cash Receipts	80,240	78,740	\$90,000	(\$11,260)
Expenditures				
Instruction	80,240	78,740	\$90,000	\$11,260
Other Supplemental Services	-	-	-	-
Total Expenditures	80,240	78,740	\$90,000	\$11,260
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	-	-		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
K-12 AT RISK FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Operating Transfer from				
Supplemental General	\$500,000	\$500,000	\$500,000	-
General	3,105,000	3,310,000	3,250,000	60,000
Summer School	-	-	-	-
Total Cash Receipts	<u>3,605,000</u>	<u>3,810,000</u>	<u>\$3,750,000</u>	<u>\$60,000</u>
Expenditures				
Instruction	3,267,273	3,356,238	\$3,420,613	\$64,375
Student Support Services	297,733	282,375	311,640	29,265
Total Expenditures	<u>3,565,006</u>	<u>3,638,613</u>	<u>\$3,732,253</u>	<u>\$93,640</u>
Receipts Over (Under) Expenditures	39,994	171,387		
Unencumbered Cash, Beginning	<u>13,854</u>	<u>53,848</u>		
Unencumbered Cash, Ending	<u>\$53,848</u>	<u>\$225,235</u>		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
BILINGUAL EDUCATION

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$11,500	-	-	-
Operating Transfer from General Fund	256,993	375,000	300,000	75,000
Total Cash Receipts	268,493	375,000	\$300,000	\$75,000
Expenditures				
Instruction	240,671	298,159	\$328,281	\$30,122
Total Expenditures	240,671	298,159	\$328,281	\$30,122
Receipts Over (Under) Expenditures	27,821	76,841		
Unencumbered Cash, Beginning	459	28,281		
Unencumbered Cash, Ending	\$28,281	\$105,121		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
CAPITAL OUTLAY FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$556,436	\$295,833	\$282,783	\$13,050
Delinquent tax	20,653	18,780	15,946	2,834
Motor vehicle tax	78,220	78,852	78,382	470
Interest on idle funds	-	-	-	-
Other	-	-	-	-
State Sources				
Capital Outlay State Aid	-	-	-	-
Miscellaneous	225,582	153,056	-	153,056
Operating Transfer from General Fund	300,000	-	-	-
Total Cash Receipts	1,180,891	546,521	\$377,111	\$169,410
Expenditures				
Instruction	274,014	178,871	\$650,000	\$471,129
Support Services	-	-	-	-
Operations & Maintenance	-	-	-	-
Transportation	-	-	-	-
Site Improvement	272,230	256,257	350,000	93,743
Other Construction Services	-	-	-	-
Repair and Remodeling	-	-	-	-
Operating Transfers to Transportation Fund	-	-	-	-
Total Expenditures	546,244	435,129	\$1,000,000	\$564,871
Receipts Over (Under) Expenditures	634,647	111,392		
Unencumbered Cash, Beginning	564,143	1,198,790		
Unencumbered Cash, Ending	\$1,198,790	\$1,310,183		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
DRIVER EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
User Charges	\$4,795	\$4,985	\$5,000	(\$15)
State Sources				
State aid	1,450	2,590	2,800	(210)
Operating Transfer from General	5,000	5,000	5,000	-
Total Cash Receipts	11,245	12,575	\$12,800	(\$225)
Expenditures				
Instruction	7,471	13,452	\$15,600	\$2,148
Vehicle Oper. Maintenance	-	-	-	-
Total Expenditures	7,471	13,452	\$15,600	\$2,148
Receipts Over (Under) Expenditures	3,774	(877)		
Unencumbered Cash, Beginning	5,597	9,372		
Unencumbered Cash, Ending	\$9,372	\$8,495		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
FOOD SERVICE FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Receipts	\$280,347	\$253,950	\$441,675	(\$187,725)
Interest on Idle Funds	-	128	-	128
Other	25,451	26,862		26,862
State Sources				
Food service aid	13,997	13,155	15,400	(2,245)
Federal Sources				
Child nutrition aid	1,057,486	1,021,738	1,462,090	(440,352)
Fresh fruits and vegetables aid	66,604	60,527	-	60,527
Operating Transfer from Other Funds				
General Fund	75,000	-	-	-
Supplemental General	-	-	-	-
Total Cash Receipts	1,518,885	1,376,361	\$1,919,165	(\$542,804)
Expenditures				
Support Services				
Operations and Maintenance	1,460,911	1,359,612	\$1,917,501	\$557,889
Total Expenditures	1,460,911	1,359,612	\$1,917,501	\$557,889
Receipts Over (Under) Expenditures	57,974	16,749		
Unencumbered Cash, Beginning	215,482	273,456		
Unencumbered Cash, Ending	<u>\$273,456</u>	<u>\$290,205</u>		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
PROFESSIONAL DEVELOPMENT FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State Sources				
State Aid	-	-	-	-
Local Sources				
Other	-	-	-	-
Operating Transfer from General	9,131	-	-	-
Total Cash Receipts	9,131	-	-	-
Expenditures				
Support Services				
Instructional Support Staff	-	-	-	-
Other Supplemental Services	-	-	25,000	25,000
Total Expenditures	-	-	\$25,000	\$25,000
Receipts Over (Under) Expenditures	9,131	-		
Unencumbered Cash, Beginning	15,869	25,000		
Unencumbered Cash, Ending	<u>\$25,000</u>	<u>\$25,000</u>		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
PARENT EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	-	-	\$5,000	\$5,000
Operating Transfer from General	10,900	10,900	10,900	-
Total Cash Receipts	10,900	10,900	\$10,900	-
Expenditures				
Student Support Services	10,900	10,900	\$15,900	\$5,000
Total Expenditures	10,900	10,900	\$15,900	\$5,000
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	-	-		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
SPECIAL EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$4,962	\$38,605	-	\$38,605
Other	5,260	12,504	20,000	(7,496)
Operating Transfers from Other Funds				
General	3,079,982	3,156,386	3,221,386	(65,000)
Supplemental General	-	-	-	-
Total Cash Receipts	<u>3,090,204</u>	<u>3,207,495</u>	<u>\$3,241,386</u>	<u>(\$33,891)</u>
Expenditures				
Instruction	2,610,529	2,809,223	\$2,796,386	(\$12,837)
Support Services				
Transportation	388,983	341,103	588,537	247,434
Total Expenditures	<u>2,999,512</u>	<u>3,150,325</u>	<u>\$3,384,923</u>	<u>\$234,598</u>
Receipts Over (Under) Expenditures	90,692	57,170		
Unencumbered Cash, Beginning	<u>409,308</u>	<u>500,000</u>		
Unencumbered Cash, Ending	<u>\$500,000</u>	<u>\$557,170</u>		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250

PITTSBURG, KANSAS

VOCATIONAL EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	-	-	\$25,000	(\$25,000)
Federal Sources				
Federal aid	44,804	43,216	60,000	(16,784)
Operating Transfer from General Fund	541,239	715,000	575,000	140,000
Supplemental General	-	-	-	-
Total Cash Receipts	<u>586,043</u>	<u>758,216</u>	<u>\$660,000</u>	<u>\$98,216</u>
Expenditures				
Instruction	579,522	659,846	\$646,820	(\$13,026)
Student Support Services	7,890	-	15,000	15,000
Instructional Support Staff	-	-	-	-
Other Supplemental Services	-	-	-	-
Total Expenditures	<u>587,412</u>	<u>659,846</u>	<u>\$661,820</u>	<u>\$1,974</u>
Receipts Over (Under) Expenditures	(1,369)	98,370		
Unencumbered Cash, Beginning	<u>3,190</u>	<u>1,820</u>		
Unencumbered Cash, Ending	<u>\$1,820</u>	<u>\$100,191</u>		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250

PITTSBURG, KANSAS

KPERS SPECIAL RETIREMENT FUND

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State Sources				
State Aid	\$1,105,933	\$951,323	\$1,382,417	(\$431,094)
Total Cash Receipts	1,105,933	951,323	\$1,382,417	(\$431,094)
Expenditures				
Instruction	719,074	634,315	\$898,841	\$264,526
Student Support	55,059	46,886	68,824	21,938
Instructional Support	55,024	44,531	68,780	24,249
General Administration	22,133	14,925	27,666	12,741
School Administration	81,311	66,878	101,639	34,761
Other Supplemental Services	16,617	15,542	20,771	5,229
Operations & Maintenance	79,559	63,004	99,449	36,445
Transportation	39,297	33,663	49,121	15,458
Food Service	37,860	31,579	47,326	15,747
Total Expenditures	1,105,933	951,323	\$1,382,417	\$431,094
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	-	-		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
REVOLVING FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Receipts	\$67,636	\$80,370
Interest	-	-
Total Cash Receipts	<u>67,636</u>	<u>80,370</u>
Expenditures		
Program Expenditures	<u>29,957</u>	<u>48,789</u>
Total Expenditures	<u>29,957</u>	<u>48,789</u>
Receipts Over (Under) Expenditures	37,679	31,581
Unencumbered Cash, Beginning	<u>168,686</u>	<u>206,365</u>
Unencumbered Cash, Ending	<u><u>\$206,365</u></u>	<u><u>\$237,946</u></u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250

PITTSBURG, KANSAS

CONTINGENCY RESERVE FUND

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating transfer from:		
General Fund	\$205,000	\$100,000
Total Cash Receipts	205,000	100,000
Expenditures		
Operations and Maintenance	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	205,000	100,000
Unencumbered Cash, Beginning	695,000	900,000
Unencumbered Cash, Ending	\$900,000	\$1,000,000

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TEXTBOOK RENTAL FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Textbook rental	\$12,783	\$12,055
Total Cash Receipts	12,783	12,055
Expenditures		
Instruction	-	75
Total Expenditures	-	75
Receipts Over (Under) Expenditures	12,783	11,980
Unencumbered Cash, Beginning	193,591	206,374
Unencumbered Cash, Ending	\$206,374	\$218,354

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE II IMPROVING TEACHER QUALITY FUND

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$209,874	\$208,031
Total Cash Receipts	209,874	208,031
Expenditures		
Instruction	197,495	190,343
Other Services	-	-
Operating transfer to : Title II	-	-
Total Expenditures	197,495	190,343
Receipts Over (Under) Expenditures	12,379	17,688
Unencumbered Cash, Beginning	50,732	63,111
Unencumbered Cash, Ending	<u>\$63,111</u>	<u>\$80,799</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE ID DELINQUENT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	-	\$62,235
Total Cash Receipts	-	62,235
Expenditures		
Instruction	-	62,235
Total Expenditures	-	62,235
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE VI RURAL FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$45,460	\$50,923
Total Cash Receipts	45,460	50,923
Expenditures		
Instruction	45,460	39,015
Total Expenditures	45,460	39,015
Receipts Over (Under) Expenditures	-	11,908
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	\$11,908

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE I MIGRANT FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$143,800	\$100,000
Total Cash Receipts	143,800	100,000
Expenditures		
Instruction	143,800	100,000
Total Expenditures	143,800	100,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE I FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Reimbursements	-	-
Federal Sources		
Federal aid	<u>1,107,492</u>	<u>1,055,019</u>
Total Cash Receipts	<u>1,107,492</u>	<u>1,055,019</u>
Expenditures		
Instruction	<u>1,032,471</u>	<u>1,122,790</u>
Total Expenditures	<u>1,032,471</u>	<u>1,122,790</u>
Receipts Over (Under) Expenditures	75,021	(67,771)
Unencumbered Cash, Beginning	<u>150,746</u>	<u>225,767</u>
Unencumbered Cash, Ending	<u><u>\$225,767</u></u>	<u><u>\$157,996</u></u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE III ENGLISH LANGUAGE ACQUISITION FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$15,282	\$16,983
Total Cash Receipts	15,282	16,983
Expenditures		
Instruction	15,282	16,983
Support Services	-	-
Total Expenditures	15,282	16,983
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
FOREIGN LANGUAGE ACQUISITION PROGRAM FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Program revenue	-	-
Total Cash Receipts	-	-
Expenditures		
Instruction	27,885	-
Support services	-	-
Total Expenditures	27,885	-
Receipts Over (Under) Expenditures	(27,885)	-
Unencumbered Cash, Beginning	27,885	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE ID DELINQUENT ARRA FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	-	\$34,251
Other	-	-
Total Cash Receipts	-	34,251
Expenditures		
Support Services	-	34,251
Total Expenditures	-	34,251
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE I ARRA

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$381,300	\$343,230
Other	-	-
Total Cash Receipts	<u>381,300</u>	<u>343,230</u>
Expenditures		
Instruction	<u>381,300</u>	<u>343,230</u>
Total Expenditures	<u>381,300</u>	<u>343,230</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.

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
TITLE IID ARRA

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$11,419	\$12,769
Other	-	-
Total Cash Receipts	11,419	12,769
Expenditures		
Instruction	11,419	12,769
Total Expenditures	11,419	12,769
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
HOMELESS ARRA

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$3,287	\$7,257
Other	-	-
Total Cash Receipts	<u>3,287</u>	<u>7,257</u>
Expenditures		
Transportation	<u>3,287</u>	<u>7,257</u>
Total Expenditures	<u>3,287</u>	<u>7,257</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.

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
FOOD SERVICE ARRA

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$26,068	-
Other	-	-
Total Cash Receipts	26,068	-
Expenditures		
Transportation	26,068	-
Total Expenditures	26,068	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250

PITTSBURG, KANSAS

TITLE II TECHNOLOGY LITERACY FUND

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$9,835	\$3,571
Total Cash Receipts	9,835	3,571
Expenditures		
Program Expenditures	9,835	3,571
General Administration	-	-
Operating transfer to : Title V	-	-
Total Expenditures	9,835	3,571
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
AFTER SCHOOL PROGRAM FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Receipts	\$93,938	\$97,682
State Sources		
Middle School Grant	-	-
Total Cash Receipts	<u>93,938</u>	<u>97,682</u>
Expenditures		
Program Expenditures	<u>81,175</u>	<u>81,351</u>
Total Expenditures	<u>81,175</u>	<u>81,351</u>
Receipts Over (Under) Expenditures	12,763	16,331
Unencumbered Cash, Beginning	<u>29,614</u>	<u>42,377</u>
Unencumbered Cash, Ending	<u><u>\$42,377</u></u>	<u><u>\$58,708</u></u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
EDUCATIONAL SERVICE CENTER MINI GRANT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Receipts	-	\$4,350
Total Cash Receipts	-	4,350
Expenditures		
Program Expenditures	350	923
Total Expenditures	350	923
Receipts Over (Under) Expenditures	(350)	3,427
Unencumbered Cash, Beginning	4,557	4,207
Unencumbered Cash, Ending	<u>\$4,207</u>	<u>\$7,634</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
ESC PEACEABLE COMMUNITIES GRANT FUND
 Statement of Cash Receipts and Expenditures - Actual
 For the Fiscal Year Ended June 30, 2011
 (With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Receipts	-	-
Total Cash Receipts	-	-
Expenditures		
Program Expenditures	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	1,637	1,637
Unencumbered Cash, Ending	<u>\$1,637</u>	<u>\$1,637</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
DRUG FREE SCHOOLS FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Federal Sources		
Federal aid	\$17,951	-
Other	-	-
Total Cash Receipts	17,951	-
Expenditures		
Program Expenditures	18,753	-
Total Expenditures	18,753	-
Receipts Over (Under) Expenditures	(802)	-
Unencumbered Cash, Beginning	802	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
PRITCHETT GRANT FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Receipts	\$30,142	\$200
Other	-	-
Total Cash Receipts	30,142	200
Expenditures		
Program Expenditures	2,225	31,152
Total Expenditures	2,225	31,152
Receipts Over (Under) Expenditures	27,917	(30,952)
Unencumbered Cash, Beginning	7,990	35,908
Unencumbered Cash, Ending	<u>\$35,908</u>	<u>\$4,955</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
PROGRAM IMPROVEMENT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	-	\$3,000
Local Sources		
Other	-	869
Total Cash Receipts	-	3,869
Expenditures		
Program Expenditures	-	3,869
Total Expenditures	-	3,869
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
WALMART GRANT FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Receipts	-	-
Total Cash Receipts	-	-
Expenditures		
Program Expenditures	583	297
Total Expenditures	583	297
Receipts Over (Under) Expenditures	(583)	(297)
Unencumbered Cash, Beginning	1,000	417
Unencumbered Cash, Ending	<u>\$417</u>	<u>\$120</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
ADVANCED PLACEMENT GRANT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	-	\$18,750
Total Cash Receipts	-	18,750
Expenditures		
Program Expenditures	-	8,716
Total Expenditures	-	8,716
Receipts Over (Under) Expenditures	-	10,034
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	\$10,034

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
FOUNDATION GRANTS FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	-	\$5,646
Total Cash Receipts	-	5,646
Expenditures		
Program Expenditures	-	5,172
Total Expenditures	-	5,172
Receipts Over (Under) Expenditures	-	474
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	\$474

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
MINI GRANTS FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$15,541	\$3,507
Total Cash Receipts	15,541	3,507
Expenditures		
Program Expenditures	13,872	8,789
Total Expenditures	13,872	8,789
Receipts Over (Under) Expenditures	1,669	(5,282)
Unencumbered Cash, Beginning	8,168	9,837
Unencumbered Cash, Ending	<u>\$9,837</u>	<u>\$4,555</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
RESTRICTED FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Special Purpose Donations	\$5,000	\$5,000
Total Cash Receipts	5,000	5,000
Expenditures		
Program Expenditures	10,436	6,919
Total Expenditures	10,436	6,919
Receipts Over (Under) Expenditures	(5,436)	(1,919)
Unencumbered Cash, Beginning	19,003	13,567
Unencumbered Cash, Ending	<u>\$13,567</u>	<u>\$11,647</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
SUMER FOOD SERVICE GRANT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	-	\$2,000
Total Cash Receipts	-	2,000
Expenditures		
Program Expenditures	-	1,730
Total Expenditures	-	1,730
Receipts Over (Under) Expenditures	-	270
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	\$270

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
BESS TIMMONS AWARD FUND
Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Receipts	-	-
Total Cash Receipts	-	-
Expenditures		
Program Expenditures	-	-
Equity Transfer to USD 250 Foundation	-	15,000
Total Expenditures	-	15,000
Receipts Over (Under) Expenditures	-	(15,000)
Unencumbered Cash, Beginning	25,000	25,000
Unencumbered Cash, Ending	<u>\$25,000</u>	<u>\$10,000</u>

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
CAPITAL PROJECT FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Interest	\$64,046	-
Bond Issue Proceeds	-	-
Total Cash Receipts	64,046	-
Expenditures		
Bond Issue Costs	-	-
Capital Project Costs	2,046,180	-
Total Expenditures	2,046,180	-
Receipts Over (Under) Expenditures	(1,982,134)	-
Unencumbered Cash, Beginning	1,982,134	-
Unencumbered Cash, Ending	-	-

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
BOND AND INTEREST FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$1,148,883	\$1,152,276	\$1,091,126	\$61,150
Delinquent tax	35,006	34,660	34,293	367
Motor vehicle tax	138,550	135,957	136,753	(796)
Interest on idle funds	136	5,317	-	5,317
State Sources				
State aid	457,881	599,895	599,895	-
Total Cash Receipts	1,780,457	1,928,104	\$1,862,067	\$66,037
Expenditures				
Debt Service				
Principal	705,000	1,040,000	\$1,040,000	-
Interest	990,855	882,916	959,651	76,735
Other	-	-	-	-
Total Expenditures	1,695,855	1,922,916	\$1,999,651	\$76,735
Receipts Over (Under) Expenditures	84,602	5,188		
Unencumbered Cash, Beginning	1,521,330	1,605,932		
Unencumbered Cash, Ending	<u>\$1,605,932</u>	<u>\$1,611,120</u>		

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
AGENCY FUNDS

Statement of Cash Receipts and Cash Disbursements
For the Fiscal Year Ended June 30, 2011

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
Pittsburg High School	\$76,983	\$149,497	\$139,893	\$86,587
Pittsburg Middle School	13,401	32,471	31,239	14,634
	<u>\$90,384</u>	<u>\$181,968</u>	<u>\$171,132</u>	<u>\$101,221</u>
Totals				

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

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
DISTRICT ACTIVITY FUNDS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Fiscal Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances	
						2011	2010
Pittsburg High School	\$31,399	\$114,710	\$112,633	\$33,475	-	\$33,475	\$31,399
Pittsburg Middle School	\$4,029	\$14,384	\$14,034	\$4,380	-	\$4,380	\$4,029
Total District Activity Funds	35,428	129,094	126,667	37,855	-	37,855	35,428
Totals	\$35,428	\$129,094	\$126,667	\$37,855	-	\$37,855	\$35,428

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

**PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS**

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Unified School District #250, Pittsburg, Kansas (District), have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. These financial statements present USD #250 (the primary government). The District has developed criteria to determine whether outside agencies, with activities which benefit the members of the District, should be included within its financial reporting entity. This criteria include but are not limited to, whether the District exercises financial accountability, selection of governing authority, designation of management, ability to significantly influence operations, scope of public service and special financing relationships. Based on the above criteria, the District has determined that no outside agency meets the criteria; therefore, no outside agency has been included as a component unit in these financial statements.

Basis of Presentation - Fund Accounting

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

The following types of funds comprise the financial activities of the District:

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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

Basis of Presentation - Fund Accounting - (continued)

GOVERNMENTAL FUNDS - (Continued)

Debt Service Fund -- to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments, which are general obligations of the District.

Capital Project Funds -- the Capital Project Funds account for capital improvements which are financed from the District's general obligation bond issues, special assessments, certain federal grants and other specific receipts.

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 Expendable Trust Funds, Non-Expendable Trust Funds and Agency Funds.

Basis of Presentation - Special Financial Statements

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

The District has 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.

Departures 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 non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue, 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. In addition, the General Fixed Assets Account Group that accounts for the land, buildings and equipment owned by the Unified School District #250 is not recorded.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), 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 on or before August 1.
2. Publication in the local newspaper of the proposed budget and a notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25.

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 General Fund budget was reduced from the published amounts based on the actual enrollment figures.

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

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Special Revenue Grant and Fiduciary Funds.

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

Compensated Absences

Employees may accrue 10 days of sick leave each year. An employee may accumulate up to 120 days of sick leave. At retirement the District pays \$15 per day of accumulated unused sick leave to employees that qualify under the early retirement program. No other payments are made for unused sick leave.

Full time, twelve-month employees accrue vacation days each year on June 30, which is to be taken within twelve months after year end.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Compensated Absences (Continued)

The District determines a liability for compensated absences when the following conditions are met:

1. The District's obligation relating to the employee's rights to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the District has not accrued a liability for sick pay or vacation pay.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

Statements 1 and 2 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 2, the District's expenditures exceeded the budget authority in the Adult Education Fund in violation of K.S.A. 79-2935. As shown in Statements 1 and 2, there were no other apparent violations of the cash basis and budget laws of Kansas. The apparent cash basis violations in the General and Supplemental General Funds were not actual violations as discussed further in Note 10.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

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. The District has no other policies that would further limit interest rate risk.

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

3. **CASH IN BANK AND DEPOSITORY SECURITY** (Continued)

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

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%. All deposits were legally secured at June 30, 2011.

At June 30, 2011 the District's carrying amount of deposits was \$6,774,277 and the bank balance was \$9,133,220. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$365,676 was covered by federal depository insurance, \$8,767,544 was collateralized with securities held by the pledging financial institutions' agents in the District's name, with a market value of \$9,380,370.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of 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.

4. **PENSION PLAN**

Plan Description

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

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. For employees hired after July 1, 2009, the contribution rate is 6%. Member-employee's 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 reviewed.

Kansas's employer contribution to KPERS for all school municipality employees for the years ending June 30, 2011, 2010, and 2009, was \$253,834,044, \$248,468,186, and \$242,277,363, respectively, equal to the statutory required contribution for each year. The amounts attributable to the District for the years ending June 30, 2011, 2010, and 2009, was \$951,323, \$1,105,933, and \$1,041,830.

5. POST EMPLOYMENT BENEFITS

Retirement

A professional certified employee is eligible for early retirement if such person: (a) is currently a professional certified employee of the District; (b) will be at least 55 years of age on or before June 30 of the retiring year; (c) has 10 years or more of service with the District. Retirement is entirely voluntary and at the discretion of an eligible employee. Retirement benefits are 15% of the annual salary in the primary teaching contract for the final year of service for 5 years plus \$15 per day of accumulated unused sick leave. The District funds these benefits on a pay as you go basis. The early retirement benefits are paid by making contributions to a section 403(b) Plan. For the year ended June 30, 2011, the District contributed \$278,956 to the plan. The District estimates it will have to pay an additional \$1,280,591 for employees which have already retired.

Participation in Group Health Insurance Plan

As provided by K.S. A. 12-5040, retired employees are eligible to participate in the District's group health insurance plan until they have reached the age of 65. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level 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 District 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 District under this program.

6. RISK MANAGEMENT

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

7. TRANSFERS

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Special Education	K.S.A. 72-6428	\$ 3,156,386
General	Bilingual Education	K.S.A. 72-6428	375,000
General	Vocational Education	K.S.A. 72-6428	715,000
General	Adult Education	K.S.A. 72-6428	31,270
General	4 Year Old At Risk	K.S.A. 72-6414b	78,740
General	K-12 At Risk	K.S.A. 72-6414a	3,310,000
General	Contingency Reserve	K.S.A. 72-6426	100,000
General	Driver Education	K.S.A. 72-6428	5,000
General	Parent Education	K.S.A. 72-6428	10,900
Supplemental General	K-12 At Risk	K.S.A. 72-6414a	500,000

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditors' Report as shown on page 2 of the financial statements. There are no subsequent events recognized in these financial statements or disclosed in the notes to the financial statements

9. LONG-TERM OBLIGATIONS

Attached are schedules which detail the long-term debt obligations of the District. The Series 2010 bonds are refunding bonds. They were used to call a portion of the Series 2003 bonds during the fiscal year ending June 30, 2011. The attached schedules represent only the portion of the long-term debt the District is expected to pay. Amounts have been escrowed to pay the Series 2003 bonds on their call debt. \$8,390,000 in Series 2003 bonds will be called on September 1, 2012.

9. LONG TERM OBLIGATIONS (Continued)

Schedule of Changes in Long-Term Obligations

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions / New Debt	Reductions / Principal Paid	Balances End of Year	Interest Paid
General Obligation Bonds									
Series 2003	2.9-4.6%	3/1/2003	\$11,950,000	9/1/2022	\$ 9,965,000	\$ -	\$ 8,915,000	\$ 1,050,000	\$ 209,631
Series 2005 Refunding	3.5-4.0%	10/1/2005	8,390,000	9/1/2021	8,220,000	-	515,000	7,705,000	306,474
Series 2008	3.6-5.0%	8/1/2008	6,435,000	9/1/2024	6,435,000	-	-	6,435,000	275,411
Series 2010	2.0-4.0%	11/1/2010	8,775,000	9/1/2022	-	8,775,000	-	8,775,000	91,400
Capital Leases									
Energy Conservation Equipment	4.04%	2/9/2007	2,192,930	1/9/2026	2,033,642	-	67,136	1,966,506	74,203
Energy Conservation Equipment	4.24%	7/9/2007	62,000	12/9/2016	47,718	-	6,601	41,117	1,919
					\$ 26,701,360	\$ 8,775,000	\$ 9,503,737	\$ 25,972,623	\$ 959,038

9. **LONG TERM OBLIGATIONS** (Continued)

Schedule of Maturities in Long-Term Debt

	2012	2013	2014	2015	2016	2017-2021	2022-2026	Totals
PRINCIPAL								
General Obligation Bonds								
Series 2003	\$ 510,000	\$ 540,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,050,000
Series 2005 Refunding	540,000	575,000	580,000	620,000	650,000	3,850,000	890,000	7,705,000
Series 2008	-	110,000	110,000	175,000	210,000	1,835,000	3,995,000	6,435,000
Series 2010	95,000	45,000	625,000	650,000	680,000	3,960,000	2,720,000	8,775,000
Capital Leases								
Energy Conservation Equipment	79,131	85,601	92,430	99,636	107,236	665,401	837,071	1,966,506
Energy Conservation Equipment	<u>6,887</u>	<u>7,184</u>	<u>7,495</u>	<u>7,819</u>	<u>8,157</u>	<u>3,575</u>	<u>-</u>	<u>41,117</u>
Total Principal	<u>1,231,018</u>	<u>1,362,785</u>	<u>1,414,925</u>	<u>1,552,455</u>	<u>1,655,393</u>	<u>10,313,976</u>	<u>8,442,071</u>	<u>25,972,623</u>
INTEREST								
General Obligation Bonds								
Series 2003	\$ 25,853	\$ 8,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,763
Series 2005 Refunding	286,693	265,068	241,968	219,363	196,658	573,504	17,800	1,801,054
Series 2008	275,411	273,211	268,811	263,111	255,411	1,101,261	346,953	2,784,169
Series 2008	273,250	271,850	265,150	252,400	235,700	806,650	95,700	2,200,700
Capital Leases								
Energy Conservation Equipment	78,008	74,692	71,109	67,243	63,078	241,294	82,669	678,093
Energy Conservation Equipment	<u>1,633</u>	<u>1,336</u>	<u>1,025</u>	<u>701</u>	<u>363</u>	<u>50</u>	<u>-</u>	<u>5,108</u>
Total Interest	<u>940,848</u>	<u>895,067</u>	<u>848,063</u>	<u>802,818</u>	<u>751,210</u>	<u>2,722,759</u>	<u>543,122</u>	<u>7,503,887</u>
Totals	<u>\$2,171,866</u>	<u>\$2,257,852</u>	<u>\$2,262,988</u>	<u>\$2,355,273</u>	<u>\$2,406,603</u>	<u>\$13,036,735</u>	<u>\$ 8,985,193</u>	<u>\$33,476,510</u>

10. 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) require school districts, to include as receipts amounts of state aid for the current year, even if not paid by the State until the School's next fiscal year. Those amounts are not included in the fund financial statements of the General and Supplemental General Funds. The following are financials for these funds including the state aid receipts which were received after June 30.

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
GENERAL FUND

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

	Prior Year Statutory	Current Year		Variance - Favorable (Unfavorable)
		Statutory	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$2,446,320	\$2,413,925	\$2,170,639	\$243,286
Delinquent tax	68,848	67,201	70,909	(3,708)
Motor vehicle tax	-	-	-	-
Other	-	-	-	-
State Sources				
General aid	12,258,266	11,879,118	13,027,343	(1,148,225)
Special ed aid	2,124,209	2,217,241	2,311,038	(93,797)
Federal Sources				
Education Jobs Fund	-	547,693	-	547,693
ARRA Stabilization	808,517	312,789	312,789	-
Total Cash Receipts	17,706,160	17,437,967	\$17,892,718	(\$1,002,444)
Expenditures				
Instruction	3,487,175	3,212,922	\$3,683,372	\$470,450
Support Services				
Student Support	680,080	634,815	620,701	(14,114)
Instructional Support	1,043,352	696,218	1,064,636	368,418
General Administration	617,013	744,765	631,712	(113,053)
School Administration	963,961	1,135,839	1,016,779	(119,060)
Operations and Maintenance	2,285,291	2,221,101	2,380,077	158,976
Other Supplemental Services	335,350	329,063	388,537	59,474
Transportation	594,183	680,947	628,348	(52,599)
Operating Transfers to Other Funds				
4 Yr Old At Risk	80,240	78,740	85,000	\$6,260
K-12 At Risk	3,105,000	3,310,000	3,250,000	(\$60,000)
Adult Education	31,270	31,270	31,270	-
Capital Outlay	300,000	-	-	-
Bilingual Education	256,993	375,000	300,000	(\$75,000)
Driver Education	5,000	5,000	5,000	-
Contingency Reserve	205,000	100,000	-	(\$100,000)
Parent Education	10,900	10,900	10,900	-
Food Service	75,000	-	-	-
Professional Development	9,131	-	-	-
Special Education	3,079,982	3,156,386	3,221,386	65,000
Vocational Education	541,239	715,000	575,000	(140,000)
Subtotal Expenditures	17,706,160	17,437,966	17,892,718	
Adjustments to Budget				
Adjustment to Comply with Legal Max Budget	-	-	(454,752)	(454,752)
Adjustment for Reimbursed Expenses	-	-	-	-
Total Expenditures				
Subject to Budget	17,706,160	17,437,966	\$17,437,966	-
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	-	-		

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
SUPPLEMENTAL GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

	Prior Year Actual	Current Year		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem	\$2,594,324	\$2,778,179	\$2,501,539	\$276,640
Delinquent tax	79,391	79,277	77,153	2,124
Motor vehicle tax	321,407	312,618	314,066	(1,448)
Other	-	-	-	-
State Sources				
Supplemental aid	1,656,284	2,321,404	2,328,998	(7,594)
Federal Sources				
ARRA Stabilization	562,739	-	-	-
Total Cash Receipts	5,214,145	5,491,478	\$5,221,756	\$269,722
Expenditures				
Instruction	4,025,024	4,159,660	\$4,573,722	\$414,062
Support Services				
Instructional Support	-	-	-	-
Operations and Maintenance	603,053	611,611	200,361	(411,250)
Other Supplemental Services	121,923	128,729	125,917	(2,812)
Operating Transfers to Other Funds				
K-12 At Risk	500,000	500,000	500,000	-
Subtotal Expenditures	5,250,000	5,400,000	5,400,000	
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget	-	-	-	-
Adjustment for Reimbursed Expenses	-	-	-	-
Total Expenditures Subject to Budget	5,250,000	5,400,000	\$5,400,000	-
Receipts Over (Under) Expenditures	(35,855)	91,478		
Unencumbered Cash, Beginning	214,099	178,244		
Unencumbered Cash, Ending	<u>\$178,244</u>	<u>\$269,722</u>		

SUPPLEMENTAL INFORMATION

PITTSBURG UNIFIED SCHOOL DISTRICT #250

PITTSBURG, KANSAS

PITTSBURG HIGH SCHOOL ACTIVITY FUND

Schedule of Cash Receipts, Cash Disbursements and Cash Balances

For the Fiscal Year Ended June 30, 2011

	Beginning Cash Balances	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balances
<u>Student Activity Funds</u>				
Student Organizations				
Library	\$9.61	-	-	\$9.61
Student interest	97.69	420.09	-	517.78
Miscellaneous	84.56	477.25	297.25	264.56
Other student activity	7,202.06	4,685.34	5,362.64	6,524.76
Scholar Bowl	1,167.57	855.00	997.79	1,024.78
Planners	118.00	179.24	-	297.24
Chosonaire/Choir	257.54	551.00	808.54	-
Varsity Cheerleaders	4,839.86	12,685.38	13,021.18	4,504.06
Technology Specialty Assoc	467.44	1,986.00	1,643.38	810.06
PHS Key Club	545.85	484.00	550.96	478.89
Lyceum	640.75	-	-	640.75
Debate & Forensics	4,207.54	1,317.00	3,594.28	1,930.26
DECA	1,208.13	9,288.86	8,227.84	2,269.15
Drama	254.33	147.00	-	401.33
Faculty Club	741.12	2,346.80	2,244.37	843.55
FCCLA	1,074.38	1,417.00	1,836.65	654.73
French Club	1,788.34	2,897.86	2,697.59	1,988.61
Play/Production	11,388.22	21,925.28	25,103.70	8,209.80
School Trip	1,918.80	-	1,701.45	217.35
Journalism	4,622.79	37,659.46	18,213.15	24,069.10
Music/Band	420.87	279.00	421.75	278.12
National Honor Society	730.44	1,276.60	754.78	1,252.26
Youth Ambassadors	330.00	-	-	330.00
Parking Permits	228.41	5.00	-	233.41
Pom Pon Squad	3,019.40	6,608.09	4,574.39	5,053.10
Healthy Kids	612.47	-	-	612.47
Science Club	395.60	3,552.00	2,967.65	979.95
Spanish Club	2,106.25	4,511.01	4,469.50	2,147.76
Student Government	1,103.11	3,476.79	2,516.08	2,063.82
Orchestra	39.47	-	-	39.47
Chess Club	755.84	10.00	289.00	476.84
Skills USA - VICA	743.13	962.25	1,320.87	384.51
Green Schools	1,447.39	-	-	1,447.39
Activity/Pop Fund	6,841.20	327.20	1,704.96	5,463.44
Academic Excellence	479.99	-	-	479.99
Dragon Fire Production	705.11	-	-	705.11
Concession Rental	9,707.49	14,778.33	19,413.58	5,072.24
SADD	525.68	-	-	525.68
Class of 2009	582.50	-	582.50	-
Class of 2010	285.09	-	285.09	-
Class of 2011	1,745.45	1,708.00	3,453.45	-
Class of 2012	786.85	9,781.14	8,561.76	2,006.23
Class of 2013	-	668.60	248.00	420.60
Class of 2014	-	579.35	454.60	124.75
Class of 2015	30.00	-	30.00	-
SIFE School Store	262.00	-	-	262.00
HOSA	25.14	614.00	264.00	375.14
Auto Tech	429.92	996.68	1,280.20	146.40
Foundations Class	10.00	40.00	-	50.00
Totals - Cash Basis	76,983.38	149,496.60	139,892.93	86,587.05

PITTSBURG UNIFIED SCHOOL DISTRICT #250

PITTSBURG, KANSAS

PITTSBURG HIGH SCHOOL ACTIVITY FUND

Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2011

	Ending Cash Balances	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balances
<u>District Activity Funds</u>				
High School Petty Cash	-	-	-	-
Athletic Gate Receipts	23,454.94	60,682.30	61,897.51	22,239.73
Athletic Donations	2,771.95	1,629.10	1,234.47	3,166.58
Sales Tax	257.93	8,123.34	6,358.32	2,022.95
Athletic Season	4,864.32	1,181.90	-	6,046.22
Football	-	4,630.00	4,630.00	-
Girls Softball	50.00	4,266.00	4,316.00	-
Cross Country	-	1,830.00	1,830.00	-
Volleyball	-	11,958.61	11,958.61	-
Girls Tennis	-	-	-	-
Boys Tennis	-	797.00	797.00	-
Girls Basketball	-	4,121.50	4,121.50	-
Boys Basketball	-	3,900.00	3,900.00	-
Track	-	2,796.40	2,796.40	-
Baseball	-	5,213.00	5,213.00	-
Boys Golf	-	233.00	233.00	-
Girls Golf	-	120.00	120.00	-
Wrestling	-	1,927.44	1,927.44	-
Soccer	-	1,300.00	1,300.00	-
Total - Cash Basis	<u>31,399.14</u>	<u>114,709.59</u>	<u>112,633.25</u>	<u>33,475.48</u>
GRAND TOTALS (MEMORANDUM ONLY)	<u>\$108,382.52</u>	<u>\$264,206.19</u>	<u>\$252,526.18</u>	<u>\$120,062.53</u>

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS
MIDDLE SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2011

	Beginning Cash Balances	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balances
<u>Student Activity Funds</u>				
Student Organizations				
Club	\$1,004.43	\$1,000.00	\$500.01	\$1,504.42
Exploratory	2,345.09	145.20	206.27	2,284.02
Student Council	658.18	-	-	658.18
Yearbook	612.08	3,488.42	3,939.28	161.22
TEAM	291.70	426.04	710.26	7.48
Pitsco/Technology	44.79	-	-	44.79
Cheerleading	387.63	-	-	387.63
8th Grade	796.77	4,845.67	5,038.94	603.50
7th Grade	1,041.42	435.00	328.72	1,147.70
6th Grade	784.76	1,607.89	2,114.55	278.10
MTSS	205.34	694.66	530.46	369.54
Book Fair	835.78	2,608.46	2,563.46	880.78
Select Choir	65.36	-	-	65.36
Miscellaneous	21.02	345.14	334.26	31.90
LCS	1,382.96	304.00	342.79	1,344.17
Theatre	-	533.47	396.27	137.20
Dragon Store	-	2,724.34	1,048.04	1,676.30
History Club	-	883.00	386.55	496.45
Rising Star	159.55	-	-	159.55
PCMS Booster Club	2,764.23	12,429.89	12,798.85	2,395.27
Total - Cash Basis	13,401.09	32,471.18	31,238.71	14,633.56
<u>District Activity Funds</u>				
Fees and User Charges				
Middle School Petty Cash	-	-	-	-
Locks	228.82	-	-	228.82
Intramurals	3,374.77	11,460.54	11,534.44	3,300.87
Teachers Fund	22.38	1,080.00	651.00	451.38
Elaine Hurt Memorial	296.24	-	-	296.24
Sales Tax	107.09	1,843.95	1,848.41	102.63
Totals - Cash Basis	4,029.30	14,384.49	14,033.85	4,379.94
 GRAND TOTALS (MEMORANDUM ONLY)				
	\$17,430.39	\$46,855.67	\$45,272.56	\$19,013.50

PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
<u>U.S. Department of Agriculture</u>			
Passed Through the State of Kansas			
Department of Education:			
School Breakfast Program	10.553	\$245,964	\$245,964
National School Lunch Program	10.555	756,069	756,069
Summer Food Service	10.559	19,705	19,705
Team Nutrition Grant	10.574	250	250
Fresh Fruits and Vegetables Grant	10.582	60,527	60,527
		1,082,515	1,082,515
<u>U.S. Department of Education</u>			
Passed Through the Kansas Board of Regents			
Adult Education State Grant Program	84.002	87,534	87,534
Passed Through the State of Kansas			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	1,120,254	1,188,025
Title I Migrant	84.011	100,000	100,000
Program Improvement	84.048	43,216	43,216
Title II -Technology Literacy	84.318	3,571	3,571
Personnel Development Grant	84.323	1,595	1,595
Rural Low Income Schools Program	84.358	50,923	39,015
English Language Acquisition	84.365	16,983	16,983
Title II - Improving Teacher Quality	84.367	208,413	190,725
Title II - Tech Literacy ARRA	84.386	12,769	12,769
Homeless ARRA	84.387	7,257	7,257
Title I ARRA	84.389	377,481	377,481
ARRA Stabilization	84.394	312,789	312,789
Education Jobs Fund	84.410	547,693	547,693
		2,890,478	2,928,653
 TOTALS		 \$3,972,993	 \$4,011,168

Diehl Banwart Bolton

Certified Public Accountants PA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARDS PROGRAMS

Board of Education
Pittsburg Unified School District #250
Pittsburg, Kansas 66762

Compliance

We have audited the compliance of Pittsburg Unified School District #250 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The District'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 program is the responsibility of the District's management. Our responsibility is to express an opinion on the compliance of the District based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Pittsburg Unified School District #250 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2011 .

Internal Control Over Compliance

The management of Pittsburg Unified School District #250 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 District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis, 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.

The report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties.

Diehl Banwart Bolton CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

November 16, 2011
Pittsburg, Kansas

Diehl Banwart Bolton

Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Pittsburg Unified School District #250
Pittsburg, Kansas 66762

We have audited the financial statements of Pittsburg Unified School District #250 as of the year ended June 30, 2011, and have issued our report thereon dated November 16, 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 the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2011-1). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention of those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The District's response to the findings identified in our audit is described in the Corrective Action Plan. We did not audit the District's response and accordingly, we express no opinion on it.

We noted certain matters that we reported to Management of the District in a separate letter dated November 16, 2011.

This report is intended solely for the information and use of the governing body, 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.

Diehl Banwart Bolton CPA's PA

DIEHL, BANWART, BOLTON, CPAs P.A.

November 16, 2011
Pittsburg, Kansas

**PITTSBURG UNIFIED SCHOOL DISTRICT #250
PITTSBURG, KANSAS**

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS:

Type of auditors' report issued:

- Adverse for departures from accounting principles generally accepted in the United States of America due to preparation of financial statements in accordance with the statutory basis of accounting.
- Unqualified opinion on the statutory basis financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? __ YES X NO
- Significant deficiency(ies) identified that are not considered to be material weaknesses? NONE
X YES __ REPORTED

Noncompliance material to financial statements noted? __ YES X NO

FEDERAL AWARDS:

Internal control over major programs:

- Material weakness(es) identified? __ YES X NO
- Significant deficiency(ies) identified that are not considered to be material weaknesses? NONE
__ YES X REPORTED

Type of auditors' report issued on compliance for major programs: UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? __ YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:

<u>CFDA #</u>	<u>NAME OF PROGRAM</u>
10.553, 10.555, & 10.559	Child Nutrition Cluster
84.010 & 84.389	Title I Cluster
84.394	ARRA Stabilization
84.410	Education Jobs Fund

Auditee qualified as low-risk auditee? __ YES X NO

SECTION II - FINANCIAL STATEMENT FINDINGS

Significant Deficiency

2011-1 Drafting Financial Statements

Condition: As auditors, we provide significant assistance with adjusting entries, as well as determining which disclosures are required under generally accepted accounting standards and the statutory basis of accounting.

Criteria: Internal controls should be in place that provide a reasonable assurance that the financial statements are appropriate in form and contain the required disclosures.

Cause: Relying upon the independent auditors is a significant deficiency in internal controls as they can not be considered part of the District's internal control.

Effect: The District relies on independent auditors to determine the financial statements are in the correct form and include the proper disclosures.

Recommendation: None

Response: The District agrees with the finding. The District's response is in the attached Corrective Action Plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

PITTSBURG COMMUNITY SCHOOLS, USD #250

June 30, 2011 Financial Statements

Corrective Action Plan

Audit Finding 2011-1

USD #250 has always relied upon its auditors to provide significant assistance with adjusting entries and with determining which disclosures were required under the statutory basis of accounting. While the USD #250 understands that this is a significant deficiency in our internal controls, we believe it is the most cost effective manner for us to produce our financial statements. Our accounting staff concentrate on providing the reports needed for management and regulatory purposes. We believe it would be inefficient and cost prohibitive for our staff to attempt to stay current on all the disclosure requirements of the statutory basis of accounting. We do not plan on making any changes at this time. However, we will monitor this situation and periodically determine if it is cost effective for us to perform these functions.