

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

Financial Statements

For the Year Ended June 30, 2011

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UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
Financial Statements
For the Year Ended June 30, 2011

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UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
Financial Statements
For the Year Ended June 30, 2011

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Board of Education
Unified School District No. 253
Emporia, Kansas

We have audited the accompanying financial statements of the Unified School District No. 253 (the District), Emporia, Kansas, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011 or the respective changes in financial position thereof for the year then ended.

Also, in our opinion, except for the July, 2011 receipt of the final state aid payment for the fiscal year ended June 30, 2011 being recorded in June, 2011, the financial statements referred to above present fairly, in all material respects, the fund cash and unencumbered cash balances of the District as of June 30, 2011, and its cash receipts and expenditures by fund, and fund budget to actual comparisons, for the year then ended, taken as a whole, on the prescribed basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the District taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U. S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lowenthal, Wett & Odermann, P.A.

September 22, 2011

UNIFIED SCHOOL DISTRICT NO. 253
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2011

Fund	Beginning	Prior Year Cancelled Encumbrances	Cash		Ending	Add	Ending
	Unencumbered Cash Balance		Receipts	Expenditures	Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Cash Balance
General Fund	\$ -	\$ -	\$ 29,304,808	\$ 29,304,808	\$ -	\$ 414,721	\$ 414,721
Special Revenue Funds:							
Supplemental General	88,569	-	8,769,299	8,769,542	88,326	30,978	119,304
Adult Education	501	-	92,520	92,659	362	-	362
Bilingual Education	100,000	-	1,737,081	1,737,081	100,000	-	100,000
At Risk (K-12)	100,000	-	5,182,527	5,182,527	100,000	142,023	242,023
At Risk (4 Yr Old)	100,000	-	417,120	417,120	100,000	11,817	111,817
Capital Outlay	2,649,294	-	1,786,586	1,749,272	2,686,608	1,215,604	3,902,212
Driver Training	24,170	-	-	-	24,170	-	24,170
Extraordinary School Program	150,000	-	266,702	176,702	240,000	-	240,000
Food Service	152,286	-	2,206,405	2,152,210	206,481	25,142	231,623
Professional Development	450,000	-	301,726	301,726	450,000	31,694	481,694
Summer School	228,839	-	3,630	15,761	216,708	1,044	217,752
Special Education	1,628,966	-	3,845,736	3,954,381	1,520,321	-	1,520,321
Vocational Education	109,327	-	724,651	733,978	100,000	18,450	118,450
KPERS Special Retirement Contribution	-	-	2,116,530	2,116,530	-	-	-
Virtual Education	25,091	-	319,711	344,802	-	-	-
Flint Hills Special Education Cooperative	493,416	343	10,015,152	8,448,619	2,060,292	43,452	2,103,744
Contingency Reserve	3,245,748	-	-	1,138,934	2,106,814	-	2,106,814
Textbook Rental	370,514	-	59,262	127,434	302,342	5,884	308,226
Grants	[300,293]	-	2,621,091	2,558,258	[237,460]	59,966	[177,494]
Gate Receipts	894	-	110,504	108,695	2,703	-	2,703
School Projects	65,334	-	150,887	154,223	61,998	-	61,998
Debt Service Fund:							
Bond and Interest	2,829,630	-	19,383,909	19,674,720	2,538,819	-	2,538,819
Fiduciary Fund Types:							
Trusts-Gifts and Grants	51,022	-	7,598	10,718	47,902	-	47,902
Trusts-Scholarship	177,516	-	9,407	7,295	179,628	-	179,628
Trusts-Other	17,419	-	5,188	6,017	16,590	-	16,590
Capital Projects Fund:							
Construction	<u>2,249,005</u>	<u>185,349</u>	<u>5,709</u>	<u>2,439,889</u>	<u>174</u>	<u>1,964,775</u>	<u>1,964,949</u>
Totals	<u>\$ 15,007,248</u>	<u>\$ 185,692</u>	<u>\$ 89,443,739</u>	<u>\$ 91,723,901</u>	<u>\$ 12,912,778</u>	<u>\$ 3,965,550</u>	<u>\$ 16,878,328</u>

Composition of Cash:

Checking Accounts	\$ 1,515,525
Kansas Municipal Investment Pool	13,129,428
QSCB Improvement Account	1,964,949
Cash on hand	7,500
Activity Fund Accounts	119,717
Scholarship Fund Accounts	179,628
Early Retirement Deferred Benefit Account	2,224,814
Clearing Account	<u>20,890</u>
Total Cash	19,162,451
Agency Funds per Statement 4	<u>[2,284,123]</u>
Total Reporting Entity (excluding Agency Funds per Statement 4)	<u>\$ 16,878,328</u>

STATEMENT 2

UNIFIED SCHOOL DISTRICT NO. 253
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2011

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Fund	\$ 29,528,721	\$ [563,425]	\$ 339,512	\$ 29,304,808	\$ 29,304,808	\$ -
Special Revenue Funds:						
Supplemental General	8,769,542	-	-	8,769,542	8,769,542	-
Adult Education	92,659	-	-	92,659	92,659	-
Bilingual Education	1,737,081	-	-	1,737,081	1,737,081	-
At-Risk (K-12)	5,656,069	-	-	5,656,069	5,182,527	473,542
At-Risk (4 Yr Old)	430,840	-	-	430,840	417,120	13,720
Capital Outlay	3,592,927	-	-	3,592,927	1,749,272	1,843,655
Driver Training	32,170	-	-	32,170	-	32,170
Extraordinary School Program	250,001	-	-	250,001	176,702	73,299
Food Service	2,211,864	-	-	2,211,864	2,152,210	59,654
Professional Development	450,406	-	-	450,406	301,726	148,680
Summer School	238,839	-	-	238,839	15,761	223,078
Special Education	4,755,166	-	-	4,755,166	3,954,381	800,785
Vocational Education	800,353	-	-	800,353	733,978	66,375
KPERs Special Retirement Contribution	2,758,731	-	-	2,758,731	2,116,530	642,201
Virtual Education	381,357	-	-	381,357	344,802	36,555
Flint Hills Special Education Cooperative	9,260,580	-	-	9,260,580	8,448,619	811,961
Grants	3,255,570	-	-	3,255,570	2,558,258	697,312
Debt Service Fund:						
Bond and Interest	3,856,219	-	15,935,677	19,791,896	19,674,720	117,176

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current	\$ 2,796,125	\$ 2,813,513	\$ [17,388]
Delinquent	103,810	46,248	57,562
State Aid:			
Equalization aid	21,747,359	23,007,585	[1,260,226]
Special education aid	2,845,736	3,126,200	[280,464]
Federal Aid:			
ARRA Stabilization Funds	1,472,266	535,175	937,091
Reimbursed expenses	<u>339,512</u>	-	<u>339,512</u>
Total Cash Receipts and Transfers	<u>29,304,808</u>	<u>\$ 29,528,721</u>	<u>\$ [223,913]</u>
Expenditures and Transfers Subject to Budget			
Instruction	9,506,863	\$ 9,660,000	\$ 153,137
Student support services	20,615	25,940	5,325
Instructional support staff	608,838	745,861	137,023
General administration	773,474	909,340	135,866
School administration	1,990,353	2,190,651	200,298
Operations and maintenance	2,943,970	3,032,575	88,605
Student transportation	1,428,962	1,116,592	[312,370]
Transfers out	12,031,733	11,777,762	[253,971]
Architectural and engineering	-	70,000	70,000
Adjustment to comply with legal max budget	-	[563,425]	[563,425]
Adjustment for qualifying budget credits:			
Reimbursed expenses	-	<u>339,512</u>	<u>339,512</u>
Total Expenditures and Transfers Subject to Budget	<u>29,304,808</u>	<u>\$ 29,304,808</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Supplemental General Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current taxes	\$ 3,452,470	\$ 3,383,680	\$ 68,790
Delinquent taxes	105,792	53,074	52,718
Motor vehicle tax	387,362	404,589	[17,227]
Recreational vehicle tax	5,106	5,297	[191]
State Aid:			
Equalization aid	<u>4,818,569</u>	<u>4,834,333</u>	<u>[15,764]</u>
Total Cash Receipts and Transfers	<u>8,769,299</u>	<u>\$ 8,680,973</u>	<u>\$ 88,326</u>
Expenditures and Transfers Subject to Budget			
Instruction	2,823,580	\$ 3,732,310	\$ 908,730
Student support services	1,528,972	1,443,500	[85,472]
Instructional support services	1,083,121	1,007,500	[75,621]
General administration	126,228	155,000	28,772
Operations and maintenance	859,681	1,116,426	256,745
Other supplemental service	415,761	433,400	17,639
Architectural and engineering	161,186	80,000	[81,186]
Transfers out	<u>1,771,013</u>	<u>801,406</u>	<u>[969,607]</u>
Total Expenditures and Transfers Subject to Budget	<u>8,769,542</u>	<u>\$ 8,769,542</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[243]		
Unencumbered Cash, Beginning	<u>88,569</u>		
Unencumbered Cash, Ending	<u>\$ 88,326</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Adult Education Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current taxes	\$ 78,831	\$ 79,565	\$ [734]
Delinquent taxes	2,885	1,293	1,592
Motor vehicle tax	10,664	11,155	[491]
Recreational vehicle tax	140	146	[6]
Total Cash Receipts and Transfers	<u>92,520</u>	<u>\$ 92,159</u>	<u>\$ 361</u>
Expenditures and Transfers Subject to Budget			
Instruction	<u>92,659</u>	<u>\$ 92,659</u>	<u>\$ -</u>
Total Expenditures and Transfers Subject to Budget	<u>92,659</u>	<u>\$ 92,659</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[139]		
Unencumbered Cash, Beginning	<u>501</u>		
Unencumbered Cash, Ending	<u>\$ 362</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Transfers in	\$ 1,737,081	\$ 1,637,081	\$ 100,000
Total Cash Receipts and Transfers	<u>1,737,081</u>	<u>\$ 1,637,081</u>	<u>\$ 100,000</u>
Expenditures and Transfers Subject to Budget			
Instruction	1,687,601	\$ 1,685,768	\$ [1,833]
Support services	<u>49,480</u>	<u>51,313</u>	<u>1,833</u>
Total Expenditures and Transfers Subject to Budget	<u>1,737,081</u>	<u>\$ 1,737,081</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>100,000</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Transfers in	\$ 5,182,527	\$ 5,556,069	\$ [373,542]
Total Cash Receipts and Transfers	<u>5,182,527</u>	<u>\$ 5,556,069</u>	<u>\$ [373,542]</u>
Expenditures and Transfers Subject to Budget			
Instruction	5,126,514	\$ 5,611,094	\$ 484,580
Student support services	47,129	44,975	[2,154]
Instructional support	8,884	-	[8,884]
Total Expenditures and Transfers Subject to Budget	<u>5,182,527</u>	<u>\$ 5,656,069</u>	<u>\$ 473,542</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>100,000</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
At Risk (4 Yr Old) Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Transfers in	\$ 417,120	\$ 330,840	\$ 86,280
Total Cash Receipts and Transfers	<u>417,120</u>	<u>\$ 330,840</u>	<u>\$ 86,280</u>
Expenditures and Transfers Subject to Budget			
Instruction	306,265	\$ 301,090	\$ [5,175]
School administration	2,857	3,000	143
Student transportation	<u>107,998</u>	<u>126,750</u>	<u>18,752</u>
Total Expenditures and Transfers Subject to Budget	<u>417,120</u>	<u>\$ 430,840</u>	<u>\$ 13,720</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>100,000</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current taxes	\$ 26	\$ -	\$ 26
Delinquent taxes	12,874	-	12,874
Motor vehicle tax	57,791	61,513	[3,722]
In lieu of taxes	89,750	-	89,750
Miscellaneous	525,854	190,840	335,014
Investment income	26,370	24,000	2,370
Transfers in	<u>1,073,921</u>	<u>667,280</u>	<u>406,641</u>
Total Cash Receipts and Transfers	<u>1,786,586</u>	<u>\$ 943,633</u>	<u>\$ 842,953</u>
Expenditures and Transfers Subject to Budget			
Instruction	380,604	\$ 1,212,927	\$ 832,323
Student support services	-	50,000	50,000
Instructional support staff	8,503	100,000	91,497
General administration	-	100,000	100,000
School administration	-	5,000	5,000
Central services	-	5,000	5,000
Operations and maintenance	4,045	100,000	95,955
Transportation	-	200,000	200,000
Debt service	480,403	-	[480,403]
Facility acquisition and construction	<u>875,717</u>	<u>1,820,000</u>	<u>944,283</u>
Total Expenditures and Transfers Subject to Budget	<u>1,749,272</u>	<u>\$ 3,592,927</u>	<u>\$ 1,843,655</u>
Receipts Over [Under] Expenditures	37,314		
Unencumbered Cash, Beginning	<u>2,649,294</u>		
Unencumbered Cash, Ending	<u>\$ 2,686,608</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Driver Training Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Charges for services	\$ -	\$ 8,000	\$ [8,000]
Total Cash Receipts and Transfers	<u>-</u>	<u>\$ 8,000</u>	<u>\$ [8,000]</u>
Expenditures and Transfers Subject to Budget			
Instruction	-	\$ 29,670	\$ 29,670
Vehicle operating and maintenance services	-	2,500	2,500
Total Expenditures and Transfers Subject to Budget	<u>-</u>	<u>\$ 32,170</u>	<u>\$ 32,170</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>24,170</u>		
Unencumbered Cash, Ending	<u>\$ 24,170</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Extraordinary School Program Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Miscellaneous	\$ 14,614	\$ 50,000	\$ [35,386]
Transfer in	<u>252,088</u>	<u>50,000</u>	<u>202,088</u>
Total Cash Receipts and Transfers	<u>266,702</u>	<u>\$ 100,000</u>	<u>\$ 166,702</u>
Expenditures and Transfers Subject to Budget			
Instruction	32,864	\$ 54,152	\$ 21,288
Student support services	<u>143,838</u>	<u>195,849</u>	<u>52,011</u>
Total Expenditures and Transfers Subject to Budget	<u>176,702</u>	<u>\$ 250,001</u>	<u>\$ 73,299</u>
Receipts Over [Under] Expenditures	90,000		
Unencumbered Cash, Beginning	<u>150,000</u>		
Unencumbered Cash, Ending	<u>\$ 240,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Federal aid	\$ 1,620,477	\$ 1,442,009	\$ 178,468
State aid	21,894	18,515	3,379
Charges for services	<u>564,034</u>	<u>599,054</u>	<u>[35,020]</u>
Total Cash Receipts and Transfers	<u>2,206,405</u>	<u>\$ 2,059,578</u>	<u>\$ 146,827</u>
Expenditures and Transfers Subject to Budget			
Food service operation	2,060,607	\$ 2,074,934	\$ 14,327
Operations and maintenance	<u>91,603</u>	<u>136,930</u>	<u>45,327</u>
Total Expenditures and Transfers Subject to Budget	<u>2,152,210</u>	<u>\$ 2,211,864</u>	<u>\$ 59,654</u>
Receipts Over [Under] Expenditures	54,195		
Unencumbered Cash, Beginning	<u>152,286</u>		
Unencumbered Cash, Ending	<u>\$ 206,481</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Professional Development Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Transfers in	\$ 301,726	\$ 229,406	\$ 72,320
Total Cash Receipts and Transfers	<u>301,726</u>	<u>\$ 229,406</u>	<u>\$ 72,320</u>
Expenditures and Transfers Subject to Budget			
Instructional support	301,726	\$ 450,406	\$ 148,680
Total Expenditures and Transfers Subject to Budget	<u>301,726</u>	<u>\$ 450,406</u>	<u>\$ 148,680</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>450,000</u>		
Unencumbered Cash, Ending	<u>\$ 450,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Summer School Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Charges for services	\$ 3,630	\$ 10,000	\$ [6,370]
Total Cash Receipts and Transfers	<u>3,630</u>	<u>\$ 10,000</u>	<u>\$ [6,370]</u>
 Expenditures and Transfers Subject to Budget			
Instruction	<u>15,761</u>	<u>\$ 238,839</u>	<u>\$ 223,078</u>
Total Expenditures and Transfers Subject to Budget	<u>15,761</u>	<u>\$ 238,839</u>	<u>\$ 223,078</u>
 Receipts Over [Under] Expenditures	 [12,131]		
 Unencumbered Cash, Beginning	 <u>228,839</u>		
 Unencumbered Cash, Ending	 <u>\$ 216,708</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Transfers in	\$ 3,845,736	\$ 3,126,200	\$ 719,536
Total Cash Receipts and Transfers	<u>3,845,736</u>	<u>\$ 3,126,200</u>	<u>\$ 719,536</u>
Expenditures and Transfers Subject to Budget			
Instruction	3,671,260	\$ 4,289,966	\$ 618,706
Student transportation services	<u>283,121</u>	<u>465,200</u>	<u>182,079</u>
Total Expenditures and Transfers Subject to Budget	<u>3,954,381</u>	<u>\$ 4,755,166</u>	<u>\$ 800,785</u>
Receipts Over [Under] Expenditures	[108,645]		
Unencumbered Cash, Beginning	<u>1,628,966</u>		
Unencumbered Cash, Ending	<u>\$ 1,520,321</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Vocational Education Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Federal aid	\$ 51,815	\$ 65,000	\$ [13,185]
Transfers in	<u>672,836</u>	<u>626,026</u>	<u>46,810</u>
Total Cash Receipts and Transfers	<u>724,651</u>	<u>\$ 691,026</u>	<u>\$ 33,625</u>
Expenditures and Transfers Subject to Budget			
Instruction	724,482	\$ 783,553	\$ 59,071
Instructional support services	9,496	15,800	6,304
Operations and maintenance	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total Expenditures and Transfers Subject to Budget	<u>733,978</u>	<u>\$ 800,353</u>	<u>\$ 66,375</u>
Receipts Over [Under] Expenditures	[9,327]		
Unencumbered Cash, Beginning	<u>109,327</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
State aid	\$ 2,116,530	\$ 2,758,731	\$ [642,201]
Total Cash Receipts and Transfers	<u>2,116,530</u>	<u>\$ 2,758,731</u>	<u>\$ [642,201]</u>
Expenditures and Transfers Subject to Budget			
Instruction	1,406,454	\$ 1,928,310	\$ 521,856
Student support services	152,367	193,019	40,652
Instructional support staff	91,203	119,582	28,379
General administration	62,859	68,506	5,647
School administration	131,655	141,391	9,736
Other supplemental services	25,100	27,447	2,347
Operations and maintenance	121,235	127,871	6,636
Student transportation services	72,324	88,065	15,741
Food service	53,333	64,540	11,207
Total Expenditures and Transfers Subject to Budget	<u>2,116,530</u>	<u>\$ 2,758,731</u>	<u>\$ 642,201</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Virtual Education Fund
 For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Transfers in	\$ 319,711	\$ 356,266	\$ [36,555]
Total Cash Receipts and Transfers	<u>319,711</u>	<u>\$ 356,266</u>	<u>\$ [36,555]</u>
Expenditures and Transfers Subject to Budget			
Instruction	<u>344,802</u>	\$ 381,357	\$ 36,555
Total Expenditures and Transfers Subject to Budget	<u>344,802</u>	<u>\$ 381,357</u>	<u>\$ 36,555</u>
Receipts Over [Under] Expenditures	[25,091]		
Unencumbered Cash, Beginning	<u>25,091</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Flint Hills Special Education Cooperative Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Federal aid	\$ 2,663,904	\$ 2,646,125	\$ 17,779
State aid	5,083,004	-	5,083,004
Local revenue	1,844,550	6,366,581	[4,522,031]
Medicaid reimbursement	373,918	200,000	173,918
Miscellaneous	<u>49,776</u>	<u>-</u>	<u>49,776</u>
Total Cash Receipts and Transfers	<u>10,015,152</u>	<u>\$ 9,212,706</u>	<u>\$ 802,446</u>
Expenditures and Transfers Subject to Budget			
Instruction	6,905,530	\$ 7,425,875	\$ 520,345
Student support services	1,235,730	1,400,885	165,155
Instructional support staff	2,121	2,000	[121]
Support services	22,823	-	[22,823]
General administration	272,260	420,320	148,060
Operations and maintenance	8,922	9,000	78
Transportation	<u>1,233</u>	<u>2,500</u>	<u>1,267</u>
Total Expenditures and Transfers Subject to Budget	<u>8,448,619</u>	<u>\$ 9,260,580</u>	<u>\$ 811,961</u>
Receipts Over [Under] Expenditures	1,566,533		
Unencumbered Cash, Beginning	493,416		
Prior Year Cancelled Encumbrances	<u>343</u>		
Unencumbered Cash, Ending	<u>\$ 2,060,292</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual
Contingency Reserve Fund*
For the Year Ended June 30, 2011

Cash Receipts	
Transfers in	\$ <u> -</u>
Total Cash Receipts and Transfers	<u> -</u>
Expenditures and Transfers Subject to Budget	
Instruction	<u> 1,138,934</u>
Total Expenditures and Transfers Subject to Budget	<u> 1,138,934</u>
Receipts Over [Under] Expenditures	[1,138,934]
Unencumbered Cash, Beginning	<u> 3,245,748</u>
Unencumbered Cash, Ending	<u> \$ 2,106,814</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual
Textbook Rental Fund*
For the Year Ended June 30, 2011

Cash Receipts	
Charges for services	\$ 59,262
Total Cash Receipts	<u>59,262</u>
Expenditures	
Instruction	<u>127,434</u>
Total Expenditures	<u>127,434</u>
Receipts Over [Under] Expenditures	[68,172]
Unencumbered Cash, Beginning	<u>370,514</u>
Unencumbered Cash, Ending	<u>\$ 302,342</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Grants Fund
For the Year Ended June 30, 2011

	<u>Title I</u>	<u>Migrant</u>	<u>Title II-D</u>	<u>21st Century Community Learning</u>	<u>Kansas Mentors</u>
Cash Receipts					
Federal aid	\$ 1,714,805	\$ 139,500	\$ 83,583	\$ 114,000	\$ -
State aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Total Cash Receipts	<u>1,714,805</u>	<u>139,500</u>	<u>83,583</u>	<u>114,000</u>	<u>2,500</u>
Expenditures					
Instruction	1,400,629	74,941	29,554	53,216	-
Student support services	7,809	107,450	-	78,874	1,567
Instructional support staff	81,722	75	32,841	-	-
General administration	87,093	16,919	4,757	5,976	-
Transportation	<u>60</u>	<u>615</u>	<u>-</u>	<u>1,711</u>	<u>-</u>
Total Expenditures	<u>1,577,313</u>	<u>200,000</u>	<u>67,152</u>	<u>139,777</u>	<u>1,567</u>
Receipts Over [Under] Expenditures	137,492	[60,500]	16,431	[25,777]	933
Unencumbered Cash, Beginning	<u>[156,373]</u>	<u>[9,500]</u>	<u>[31,129]</u>	<u>-</u>	<u>[933]</u>
Unencumbered Cash, Ending	<u>\$ [18,881]</u>	<u>\$ [70,000]</u>	<u>\$ [14,698]</u>	<u>\$ [25,777]</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Grants Fund
For the Year Ended June 30, 2011

	Project <u>MERIT</u>	Title IV	Safe And Drug Free <u>Schools</u>	Title III	Project <u>Assist</u>
Cash Receipts					
Federal aid	\$ 109,190	\$ 5,046	\$ 14,338	\$ 135,734	\$ 97,895
State aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>109,190</u>	<u>5,046</u>	<u>14,338</u>	<u>135,734</u>	<u>97,895</u>
Expenditures					
Instruction	106,377	394	-	85,676	81,981
Student support services	-	-	7,385	-	-
Instructional support staff	-	548	-	26,566	15,914
General administration	-	-	-	2,428	-
Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,819</u>	<u>-</u>
Total Expenditures	<u>106,377</u>	<u>942</u>	<u>7,385</u>	<u>118,489</u>	<u>97,895</u>
Receipts Over [Under] Expenditures	2,813	4,104	6,953	17,245	-
Unencumbered Cash, Beginning	<u>[39,791]</u>	<u>[4,728]</u>	<u>[6,953]</u>	<u>[35,507]</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ [36,978]</u>	<u>\$ [624]</u>	<u>\$ -</u>	<u>\$ [18,262]</u>	<u>\$ -</u>

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Grants Fund
For the Year Ended June 30, 2011

	<u>Title II-A</u>	<u>JJA Quest</u>	<u>JJA YouthFriends</u>	<u>Kansas Learn and Serve</u>	<u>Kansas Coordinated School Health</u>
Cash Receipts					
Federal aid	\$ 141,040	\$ 13,125	\$ 37,500	\$ 5,485	\$ -
State aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,350</u>
Total Cash Receipts	<u>141,040</u>	<u>13,125</u>	<u>37,500</u>	<u>5,485</u>	<u>7,350</u>
Expenditures					
Instruction	-	-	-	8,065	5,416
Student support services	-	2,668	49,186	-	-
Instructional support staff	150,489	-	-	-	2,223
General administration	8,515	-	-	-	-
Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>159,004</u>	<u>2,668</u>	<u>49,186</u>	<u>8,065</u>	<u>7,639</u>
Receipts Over [Under] Expenditures	[17,964]	10,457	[11,686]	[2,580]	[289]
Unencumbered Cash, Beginning	<u>[5,224]</u>	<u>[10,457]</u>	<u>-</u>	<u>-</u>	<u>302</u>
Unencumbered Cash, Ending	<u>\$ [23,188]</u>	<u>\$ -</u>	<u>\$ [11,686]</u>	<u>\$ [2,580]</u>	<u>\$ 13</u>

Project RPOS	Actual	Budget	Variance Positive [Negative]
\$ -	\$ 2,611,241	\$ 3,502,670	\$ [891,429]
-	9,850	-	9,850
-	<u>2,621,091</u>	<u>\$ 3,502,670</u>	<u>\$ [881,579]</u>
5,594	1,851,843	\$ 2,159,170	\$ 307,327
-	254,939	225,130	[29,809]
9,205	319,583	704,292	384,709
-	125,688	161,109	35,421
-	6,205	5,869	[336]
<u>14,799</u>	<u>2,558,258</u>	<u>\$ 3,255,570</u>	<u>\$ 697,312</u>
[14,799]	62,833		
-	<u>[300,293]</u>		
<u>\$ [14,799]</u>	<u>\$ [237,460]</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes:			
Current	\$ 1,711,840	\$ 1,725,175	\$ [13,335]
Delinquent	52,079	25,729	26,350
Motor vehicle tax	184,329	192,386	[8,057]
Bond proceeds	14,890,000	-	14,890,000
Bond premium	1,045,677	-	1,045,677
Interest income	24,389	-	24,389
State aid	1,475,595	1,475,595	-
Total Cash Receipts and Transfers	<u>19,383,909</u>	<u>\$ 3,418,885</u>	<u>\$ 15,965,024</u>
Expenditures and Transfers Subject to Budget			
Principal	2,590,000	\$ 2,590,000	\$ -
Issuance costs	212,643	-	[212,643]
Interest	1,149,043	1,266,219	117,176
Escrow deposit for refunding	15,723,034	-	[15,723,034]
Adjustment for qualifying budget credits:			
Debt Issuance	-	15,935,677	15,935,677
Total Expenditures and Transfers Subject to Budget	<u>19,674,720</u>	<u>\$ 19,791,896</u>	<u>\$ 117,176</u>
Receipts Over [Under] Expenditures	[290,811]		
Unencumbered Cash, Beginning	<u>2,829,630</u>		
Unencumbered Cash, Ending	<u>\$ 2,538,819</u>		

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Expenditures - Actual
Construction Fund*
For the Year Ended June 30, 2011

Cash Receipts	
Reimbursements	\$ 3,289
Interest income	<u>2,420</u>
Total Cash Receipts	<u>5,709</u>
Expenditures	
Facility acquisition and construction	<u>2,439,889</u>
Total Expenditures	<u>2,439,889</u>
Receipts Over [Under] Expenditures	[2,434,180]
Unencumbered Cash, Beginning	2,249,005
Prior Year Canceled Encumbrance	<u>185,349</u>
Unencumbered Cash, Ending	<u>\$ 174</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds
For the Year Ended June 30, 2011

	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
Emporia High School				
Alternative School	\$ 60	\$ -	\$ 60	\$ -
Art	1,117	150	224	1,043
Asian Student Organization	436	1,884	765	1,555
BSO	929	-	929	-
Business Sponsors-Athletic	3,224	8,782	5,389	6,617
Thespian Club	390	7,915	8,203	102
Class of 2009	1,255	-	1,255	-
Class of 2010	2,027	-	2,027	-
Class of 2011	1,457	2,719	2,068	2,108
Class of 2012	574	7,556	7,192	938
Class of 2013	432	963	607	788
Class of 2014	-	831	335	496
Creative Writing	164	981	443	702
Debate	1,209	12,571	13,291	489
Drama	695	20,488	20,512	671
Drill Team	4,886	13,440	15,265	3,061
Echo	446	1,289	1,337	398
Entrepreneurship Class	3	255	204	54
E-Vision	754	242	676	320
FBLA	1,060	1,512	1,405	1,167
FCCLA	358	1,702	1,638	422
Flag Team	70	69,256	68,501	825
Future Educators	1,503	628	636	1,495
Guidance/Testing	1,834	3,622	3,542	1,914
FACS	1,014	107	498	623
French Club	-	1,109	1,106	3
Key Club	658	468	373	753
Latin Club	99	-	99	-
Latinos Unidos	90	2,585	2,142	533
Model U.N.	32	615	514	133
Musical Production	4,557	5,942	6,109	4,390
National Honor Society	769	1,840	1,496	1,113
P.E. Club	3,318	37,536	40,854	-
Re-Echo	11,174	18,313	24,832	4,655
SADD	92	-	-	92
Science Club	52	-	-	52
Science Seminar	1,537	-	-	1,537
Scholars Bowl	1,107	355	362	1,100
Spartans	2,219	24,256	25,425	1,050
Special Education EMR	46	-	46	-
Special Education TMR	233	760	748	245
Stage Band	12	-	-	12
State Sales	73	14,645	14,622	96
STUCO	10,073	2,592	3,191	9,474
TSA	1,478	310	553	1,235
Total High School	<u>63,516</u>	<u>268,219</u>	<u>279,474</u>	<u>52,261</u>

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

UNIFIED SCHOOL DISTRICT NO. 253
Statement of Cash Receipts and Cash Disbursements
Student Organization Funds and Other Agency Funds (Continued)
For the Year Ended June 30, 2011

	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
Emporia Middle School				
Student Activity	\$ 1,492	\$ 5,319	\$ 6,086	\$ 725
Student Council	504	559	605	458
Yearbook	<u>62</u>	<u>1,551</u>	<u>1,600</u>	<u>13</u>
Total Middle School	<u>2,058</u>	<u>7,429</u>	<u>8,291</u>	<u>1,196</u>
Lowther North Intermediate School				
SADD	575	-	25	550
Student Council	<u>963</u>	<u>60</u>	<u>21</u>	<u>1,002</u>
Total Intermediate School	<u>1,538</u>	<u>60</u>	<u>46</u>	<u>1,552</u>
District				
Early Retirement Funding Account	1,436,144	1,822,502	1,033,832	2,224,814
Clearing Account	<u>6,880</u>	<u>107,721</u>	<u>110,301</u>	<u>4,300</u>
Total District	<u>1,443,024</u>	<u>1,930,223</u>	<u>1,144,133</u>	<u>2,229,114</u>
Total Agency Funds	<u>\$ 1,510,136</u>	<u>\$ 2,205,931</u>	<u>\$ 1,431,944</u>	<u>\$ 2,284,123</u>

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

STATEMENT 5

UNIFIED SCHOOL DISTRICT NO. 253
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 Gate Receipts and School Project Funds
 For the Year Ended June 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Emporia High School							
Athletic	\$ 894	\$ -	\$ 110,504	\$ 108,695	\$ 2,703	\$ -	\$ 2,703
Total Gate Receipts	<u>\$ 894</u>	<u>\$ -</u>	<u>\$ 110,504</u>	<u>\$ 108,695</u>	<u>\$ 2,703</u>	<u>\$ -</u>	<u>\$ 2,703</u>
Emporia High School							
Basketball	\$ 321	\$ -	\$ 8,683	\$ 8,596	\$ 408	\$ -	\$ 408
Baseball	3,522	-	888	4,371	39	-	39
Concessions	-	-	6,978	4,516	2,462	-	2,462
Boys Tennis	-	-	3,231	1,774	1,457	-	1,457
Girls Tennis	-	-	3,618	1,486	2,132	-	2,132
Football Fundraiser	618	-	23,546	23,394	770	-	770
Gifted Ed	255	-	-	255	-	-	-
Girls Basketball	2,283	-	4,546	4,242	2,587	-	2,587
Library	1,057	-	495	990	562	-	562
Parking Tickets	1,025	-	852	865	1,012	-	1,012
Renaissance	1,139	-	6,914	4,554	3,499	-	3,499
Student Activities	17,841	-	36,221	42,185	11,877	-	11,877
Softball	1,198	-	4,197	4,025	1,370	-	1,370
Team	339	-	-	339	-	-	-
Technology Education	23	-	-	23	-	-	-
Student Emergency	53	-	-	53	-	-	-
Textbook and fees	-	-	14,170	14,014	156	-	156
Wrestling	-	-	1,997	256	1,741	-	1,741
Sports	1,222	-	18,726	19,895	53	-	53
Total Senior High	<u>30,896</u>	<u>-</u>	<u>135,062</u>	<u>135,833</u>	<u>30,125</u>	<u>-</u>	<u>30,125</u>
Lowther North Intermediate School							
Activity Fund	940	-	549	-	1,489	-	1,489
Lowther North Walk	9,335	-	12,664	15,341	6,658	-	6,658
Pencil/Notebook Sale	1,608	-	324	343	1,589	-	1,589
Savings Share Account	18,758	-	188	-	18,946	-	18,946
Yearbook	3,797	-	2,100	2,706	3,191	-	3,191
Total Intermediate School	<u>34,438</u>	<u>-</u>	<u>15,825</u>	<u>18,390</u>	<u>31,873</u>	<u>-</u>	<u>31,873</u>
Total School Projects	<u>\$ 65,334</u>	<u>\$ -</u>	<u>\$ 150,887</u>	<u>\$ 154,223</u>	<u>\$ 61,998</u>	<u>\$ -</u>	<u>\$ 61,998</u>

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

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 253 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

The Emporia Recreation Commission (the Commission) was established as a jointly governed organization between the City of Emporia, Kansas and Unified School District No. 253, Emporia, Kansas. The governing board consists of two members from the Emporia City Commission, two members from the Unified School District No. 253 Board of Education, two members appointed by the Emporia City Commission, two members appointed by the Unified School District No. 253 Board of Education and one at large board member appointed by the other eight appointed members of the Recreation Commission Board.

The Commission utilizes the tax authority and tax base of the Unified School District No. 253, Emporia, Kansas to levy ad valorem taxes to help fund its general fund and employee benefit fund budgets. The City of Emporia, Kansas has issued general obligation bonds, the proceeds of which were used to construct a portion of the facility used by the Commission.

Reimbursed Expenses

Expenditures in the amount of \$339,512 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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

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

To attempt to reconcile this statutory conflict, the prescribed basis of accounting requires that state aid payments due in June but received in July be recorded in July of the following year in the financial statements. Compliance with K.S.A.s 72-6417 and 72-6434 is required to be presented in the notes to the financial statements. The District has chosen to present its state aid payments due in June but received in July in the financial statements for the year ended June 30, 2011 rather than in July of the following fiscal year, which is not in compliance with the Kansas prescribed basis of accounting. These payments were \$2,420,923 in the General Fund and \$286,282 in the Supplemental General Fund.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the fund financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Fund Descriptions

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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2011:

Governmental Funds

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

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

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

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

Fiduciary Funds

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

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2011.

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

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

A legal operating budget is not required for capital projects funds, trust funds and the following special revenue funds: Contingency Reserve, Textbook Rental, Gate Receipts and School Projects.

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

Ad Valorem Tax Revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1 and become delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 2 - Deposits and Investments

Deposits. The District's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the County in which the district is located and that the bank provide an acceptable rate for active funds.

Investments. The District's investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that the District invest its idle funds in only temporary notes of the District, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: certain U.S. government obligations, the Municipal Investment Pool (KMIP) and certain other investments if the municipality has extended investment authority. Maturities of the above investments may not exceed two years by statute.

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

At June 30, 2011, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 13,129,428	S&P AAf/S1+
Total fair value	<u>\$ 13,129,428</u>	

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the state treasurer and four additional members appointed by the state governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits or investments may not be returned to it. The District's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402.

NOTE 3 - Long-Term Debt

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

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2011</u>
General Obligation Bonds					
2002 Construction	3/1/2002	9/1/2019	3.50 - 5.00%	\$ 15,200,000	\$ 2,000,000
2003 Refunding	7/1/2003	10/1/2012	2.12 - 2.80%	6,165,000	1,520,000
2007 Refunding	5/1/2007	9/1/2021	3.875 - 5.50%	9,355,000	9,285,000
2010 Refunding	9/15/2010	9/1/2021	2.00 - 3.25%	14,890,000	14,890,000
Certificates of Participation					
Series 2003 QZAB	5/1/2003	5/13/2017	1.95%	500,000	500,000
Series 2009 QSCB	10/29/2009	9/1/2025	2.23%	6,840,000	6,840,000

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 3 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended June 30, 2011:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
General Obligation Bonds:				
2000 Construction	\$ 480,000	\$ -	\$ 480,000	\$ -
2001 Construction	7,195,000	-	7,195,000	-
2002 Construction	10,830,000	-	8,830,000	2,000,000
2003 Refunding	2,380,000	-	860,000	1,520,000
2007 Refunding	9,285,000	-	-	9,285,000
2010 Refunding	-	14,890,000	-	14,890,000
Certificates of Participation				
Series 2003 QZAB	500,000	-	-	500,000
Series 2009 QSCB	<u>6,840,000</u>	<u>-</u>	<u>-</u>	<u>6,840,000</u>
Total	<u>\$ 37,510,000</u>	<u>\$ 14,890,000</u>	<u>\$ 17,365,000</u>	<u>\$ 35,035,000</u>

Annual debt service requirements to maturity for general obligation bonds:

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2012	\$ 2,420,000	\$ 940,623	\$ 3,360,623
2013	2,475,000	870,343	3,345,343
2014	2,160,000	795,313	2,955,313
2015	2,110,000	735,613	2,845,613
2016	2,555,000	658,588	3,213,588
2017-2021	14,665,000	1,352,819	16,017,819
2022	<u>1,310,000</u>	<u>26,199</u>	<u>1,336,199</u>
Total	<u>\$ 27,695,000</u>	<u>\$ 5,379,498</u>	<u>\$ 33,074,498</u>

The Series 2003 QZAB Certificates of Participation (COPS) are payable in full on May 13, 2017 in the amount of \$500,000, with interest payable annually to that date of \$9,750. The District makes an annual payment of \$35,714 through May 13, 2017 to a deposit account, which will provide the funds to retire the COPS on that date.

The Series 2009 QSCB Certificates of Participation (COPS) are payable in full on September 1, 2025 in the amount of \$6,840,000, with interest payable annually to that date of \$152,532. The District is required to make annual sinking fund deposits annually through September 1, 2025 of amounts necessary to satisfy the minimum required accumulated balance under the Lease and Declaration of Trust. The District's annual deposits will consist of (1) the District's expected annual cash deposit in the base amount of \$325,371 (the "Base Cash Deposit") plus (2) the estimated investment earnings on the accumulated balance (the "Investment Earnings"). In the event the District's Base Cash Deposit plus Investment Earnings is insufficient to meet the required accumulated balance on a given September 1st, the District is required to make up the difference with an additional cash deposit to the sinking fund. In the event the accumulated balance exceeds the required accumulated balance on a given September 1st the excess will be withdrawn from the sinking fund. The district was required to make only the base deposit in 2011.

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 3 - Long-Term Debt (Continued)

The District's statutory limit for such bonded indebtedness is approximately \$24 million at June 30, 2011. The District has received authorization from the State of Kansas to exceed this limit.

In prior years, the District had defeased certain other outstanding debt obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2011, a total of \$23,970,000 of outstanding bonds are considered defeased.

NOTE 4 - Compensated Absences

The District's policy is to recognize the costs of compensated absences when actually paid.

The District's policies regarding professional leaves and absences permit employees to accumulate a maximum of 9 to 108 days of chargeable leave depending on the number of days worked per year. Policies require the cancellation of accumulated leave pay on the date of employment termination if the employee has less than ten years of service.

Classified personnel retiring or resigning from the District with ten years or more of service in the District will be compensated for unused accumulated leave at the rate of \$15 per day up to a maximum of 90 days.

Certified personnel retiring from the District with ten years or more of service in the District will be compensated for unused accumulated leave at the rate of .4 times the current substitute rate per day up to a maximum of 90 days.

Twelve-month administrative personnel may accumulate a maximum of 40 days vacation leave and classified personnel may accumulate a maximum of 30 days vacation leave depending upon the years of service. Policies permit payment of vacation pay upon termination of employment if sufficient notice of termination is given. The cost of accumulated unpaid vacation was \$545,378.

NOTE 5 - Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at up to 6% of covered salary. Member-employees contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.17% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Estimated Kansas contributions to KPERs for the District employees for the years ended June 30, 2011, 2010, and 2009 were \$2,116,530, \$2,469,989 and \$2,399,065 respectively, equal to the required contributions for the year.

NOTE 6 - Flexible Benefit Plan

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All non-certified employees of the District who work a minimum of 20 hours per week and all certified employees with a .5 full-time equivalency are eligible to participate in the Plan. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the Plan.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 6 - Flexible Benefit Plan (Continued)

In addition on average, the District contributes \$377 per month for certified and \$2.18 per hour (based on a 2,088 hour year) for non-certified to the fringe benefit package for employees electing to participate. Currently, benefits offered through the Plan include health insurance coverage.

NOTE 7 - Risk Management

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

NOTE 8 - Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2011.

NOTE 9 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6428	\$ 5,132,527
General	At Risk (4 Yr Old)	K.S.A. 72-6428	367,120
General	Bilingual Education	K.S.A. 72-6428	1,665,081
General	Virtual Education	K.S.A. 72-6428	319,711
General	Capital Outlay	K.S.A. 72-6428	1,073,921
General	Special Education	K.S.A. 72-6428	2,845,736
General	Vocational Education	K.S.A. 72-6428	584,320
General	Extraordinary School Program	K.S.A. 72-6428	43,317
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	50,000
Supplemental General	At Risk (4 Yr Old)	K.S.A. 72-6433	50,000
Supplemental General	Professional Development	K.S.A. 72-6433	301,726
Supplemental General	Bilingual Education	K.S.A. 72-6433	72,000
Supplemental General	Special Education	K.S.A. 72-6433	1,000,000
Supplemental General	Extraordinary School Program	K.S.A. 72-6433	208,771
Supplemental General	Vocational Education	K.S.A. 72-6433	88,516
Total			<u>\$ 13,802,746</u>

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 10 - Termination Benefits

The District has obligations to make payments as follows to employees who retired early:

<u>Year</u>	<u>Amount</u>
2011-12	\$ 738,956
2012-13	609,602
2013-14	408,605
2014-15	280,305
2015-16	32,817

The total payment made to early retirees in the fiscal year ended June 30, 2011, was \$839,789.

NOTE 11 - Capital Projects

The District issued the \$6,840,000 Series 2009 QSCB Certificates of Participation (COPS) to finance energy conservation projects in District facilities. The District has also received reimbursements and investment income into the project fund, bringing the total project authority to \$6,846,984.

Total costs incurred as of June 30, 2011 were \$6,846,810.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Agriculture/KSDE</u>					
School Breakfast Program	10.553	\$ -	\$ 317,534	\$ 317,534	\$ -
National School Lunch Program	10.555	-	1,062,544	1,062,544	-
Cash for Commodities	10.555	-	114,657	114,657	-
After School Snacks	10.555	-	57,124	57,124	-
Summer Food Service Program	10.559	-	71,419	71,419	-
Federal School Food Service	10.560	-	150	150	-
Federal School Food Service	10.579	-	56,322	56,322	-
Team Nutrition Training Grant	10.574	231	250	481	-
		<u>231</u>	<u>1,680,000</u>	<u>1,680,231</u>	<u>-</u>
Total U.S. Department of Agriculture/KSDE					
<u>U.S. Department of Education</u>					
<u>Direct Aid</u>					
Project Merit 09-10	84.195N	[39,791]	39,791	-	-
Project Merit 10-11	84.195N	-	69,399	106,377	[36,978]
Project ASSIST 09-10	84.293B	-	97,895	97,895	-
		<u>[39,791]</u>	<u>207,085</u>	<u>204,272</u>	<u>[36,978]</u>
<u>Pass Through KSDE</u>					
Title I-Low Income 10-11	84.010	-	944,406	959,131	[14,725]
Title I-Carryover 10-11	84.010	-	14,895	15,210	[315]
Title I-School Improvement 09-10	84.010	[8,553]	8,553	-	-
Title I-Low Income 09-10	84.010	[128,335]	128,335	-	-
Title I-Carryover 09-10	84.010	[14,235]	114,000	99,765	-
Title I-School Improvement 10-11	84.010	[3,274]	30,772	28,410	[912]
Title I-School Improvement 11-12	84.010	-	24,343	26,061	[1,718]
Title I-Low Income ARRA 09-11	84.389	[1,975]	449,500	448,736	[1,211]
Migrant 10-11	84.011	-	130,224	200,224	[70,000]
Migrant 09-10	84.011	[9,500]	9,500	-	-
RPOS 10-11	84.048	-	-	14,799	[14,799]
Vocational Education - Program Improvement 08-09	84.048	84	77	77	84
Vocational Education - Program Improv/Carl Perkins 09-10	84.048	7,259	-	7,259	-
Vocational Education - Program Improvement 10-11	84.048	-	51,815	51,815	-
Title IV-Safe & Drug Free Schools 09-10	84.186	[4,358]	4,358	-	-
Title IV Carryover 10-11	84.186	-	-	624	[624]
Title IV Carryover 09-10	84.186	[370]	688	318	-
21st Century Learning Communities	84.287	-	114,000	139,777	[25,777]
Title II-D-Education Technology 08-09	84.318	[6,886]	6,886	-	-
Title II-D-Education Technology 10-11	84.318	-	2,561	2,797	[236]
Title II-D-Education Technology ARRA 09-11	84.386	[22,343]	23,193	850	-
TRC Title II-D-Education Technology ARRA 09-11	84.386	[1,900]	50,943	63,505	[14,462]
State Personnel Development	84.323	-	400	400	-
Advanced Placement Fee Payment Program	84.330	277	-	-	277
Title III-English Language Acquisition 10-11	84.365	-	58,405	60,681	[2,276]
Title III-English Language Acquisition 09-10	84.365	[83]	83	-	-
Title III Carryover 10-11	84.365	-	4,246	20,232	[15,986]
Title III Carryover 09-10	84.365	[35,424]	73,000	37,576	-

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>Pass Through KSDE-Continued</u>					
Title II-A-Teacher Quality 10-11	84.367	\$ -	\$ 97,990	\$ 121,178	\$ [23,188]
Title II-A-Teacher Quality 09-10	84.367	[1,406]	1,406	-	-
Title II-A Carryover 10-11	84.367	-	35,494	35,494	-
Title II-A Carryover 09-10	84.367	[3,817]	6,150	2,333	-
ARRA State Fiscal Stabilization Funds-General Fund	84.394	-	535,175	535,175	-
Education Jobs Fund	84.410	-	937,091	937,091	-
		<u>[234,839]</u>	<u>3,858,489</u>	<u>3,809,518</u>	<u>[185,868]</u>
<u>Pass Through Kansas Attorney General</u>					
Safe & Drug Free Schools 09-10	84.186	[6,953]	14,338	7,385	-
		<u>[6,953]</u>	<u>14,338</u>	<u>7,385</u>	<u>-</u>
Subtotal U.S. Department of Education		<u>[281,583]</u>	<u>4,079,912</u>	<u>4,021,175</u>	<u>[222,846]</u>
<u>U.S. Department of Education to Flint Hills</u>					
<u>Special Education Cooperative</u>					
<u>Pass Through KSDE</u>					
Vocation Education-Carl Perkins	84.048	[30]	-	-	[30]
Title VI-B Special Education-EHC Flow-Thru Disc.	84.027	-	1,506,289	1,506,289	-
Title VI-B Special Education-EHC Flow-Thru Disc. Cont Improv	84.027	-	59,213	59,213	-
Title VI-B Special Education Preschool-EC Flow-Thru	84.173	1	29,154	29,154	1
Title VI-B Special Education-EHC Flow-Thru Disc. ARRA	84.391	-	851,726	851,726	-
Title VI-B Special Education Preschool-EC Flow-Thru ARRA	84.392	-	35,875	35,875	-
<u>Pass Through KDHE</u>					
Special Education of Infants and Families with Disabilities	84.181A	[13,203]	145,286	131,522	561
Special Education of Infants and Families with Dis ARRA	84.393	[1,979]	31,766	29,787	-
Subtotal U.S. Department of Education to Cooperative		<u>[15,211]</u>	<u>2,659,309</u>	<u>2,643,566</u>	<u>532</u>
Total U.S. Department of Education		<u>[296,794]</u>	<u>6,739,221</u>	<u>6,664,741</u>	<u>[222,314]</u>
<u>U.S Department of Justice to State of Kansas</u>					
JJA YouthFriends 10-11	16.unk	-	37,500	49,186	[11,686]
JJA Quest 09-10	16.unk	[10,457]	13,125	2,668	-
Total U.S. Department of Justice to State of Kansas		<u>[10,457]</u>	<u>50,625</u>	<u>51,854</u>	<u>[11,686]</u>
<u>Corporation for National and Community Service</u>					
<u>Pass Through Kansas Community Service</u>					
Kansas Learn and Serve	94.004	[2,097]	10,080	10,564	[2,581]
Total Federal Awards		<u>\$ [309,117]</u>	<u>\$ 8,479,926</u>	<u>\$ 8,407,390</u>	<u>\$ [236,581]</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 253. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas prescribed basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 253
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

	Qualified (Prescribed Basis) <u>Adverse (GAAP)</u>
Type of auditor's report issued:	
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> No
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ Yes <u> X </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173, 84.391, 84.392 84.410	Title VI-B - Special Education Cluster Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes _____ No

UNIFIED SCHOOL DISTRICT NO. 253
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended June 30, 2011

Section II - Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Current Status</u>
Title I	2010-1	Personnel costs not supported by required documentation in one instance out of a sample of twenty-five selected for the audit.	OMB Circular A-87 Attachment B	Not determined	Adopt policy and procedures to comply with the federal time keeping rules	Agrees	Resolved

LOWENTHAL, WEBB & ODERMANN, P.A.

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

Board of Education
Unified School District No. 253
Emporia, Kansas

We have audited the financial statements of the Unified School District No. 253, (the District), Emporia, Kansas, as of and for the year ended June 30, 2011, and have issued our report thereon dated September 22, 2011, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. 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 a 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.

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 or other matters that are required to be reported under "Government Auditing Standards."

However, we noted certain other matters that we reported to management of Unified School District No. 253, Emporia, Kansas, in a separate letter dated September 22, 2011.

This communication is intended solely for the information and use of the Board of Education, administration, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Lowenthal, Wett & Odummann, P.A.

September 22, 2011

LOWENTHAL, WEBB & ODERMANN, P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Unified School District No. 253
Emporia, Kansas

Compliance

We have audited the compliance of the Unified School District No. 253 (the District), Emporia, Kansas, with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2011. Major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the 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, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of law, 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 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 over compliance 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 a 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.

Our consideration of the internal control over compliance 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 compliance that might be deficiencies, 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 District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This communication is intended solely for the information and use of management, the Board of Education, federal awarding agencies and pass through entities, is not intended to be, and should not be used by anyone other than these specified parties.

Lowenthal, Wett & Odermann, P.A.

September 22, 2011