

**UNIFIED SCHOOL DISTRICT NUMBER 275
WINONA, KANSAS**

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2011

**Unified School District Number 275
Winona, Kansas**

Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>ITEM</u>	<u>Page Number</u>
	Independent Auditor's Report.....	1
Statement 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash.....	2
Statement 2	Summary of Expenditures - Actual and Budget.....	3
Statement 3	Statement of Cash Receipts and Expenditures.....	4 - 19
Statement 4	Agency Funds - Statement of Cash Receipts and Cash Disbursements	20
Statement 5	District Activity Funds - Statement of Cash Receipts and Cash Disbursements	21
	Notes to the Financial Statements.....	22 - 27



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Certified Public Accountants

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1936 - 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 275
Winona, Kansas 67764

We have audited the accompanying financial statements of Unified School District Number 275, Winona, Kansas, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial (and summarized) comparative information has been derived from the District's 2010 financial statements and, in our report dated August 31, 2010 we expressed an unqualified opinion on the financial statements taken as a whole.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 prepared these financial statements in conformity with accounting practices prescribed by the State of Kansas to demonstrate compliance with 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2011, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the District as of June 30, 2011, and its cash receipts and expenditures, and budgetary comparisons for the year then ended on the basis of accounting described in Note 1.

Certified Public Accountants

August 18, 2011

**Unified School District Number 275
Winona, Kansas**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2011**

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

	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Outstanding</u> <u>Encumbrances</u> <u>and Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash Balance</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL FUNDS						
General	\$ -	\$ 906,905	\$ 898,450	\$ 8,455	\$ -	\$ 8,455
Supplemental General	31,096	287,557	300,842	17,811	-	17,811
SPECIAL REVENUE FUNDS						
At Risk (K-12)	-	73,622	73,622	-	-	-
Capital Outlay	209,081	143,354	203,536	148,899	-	148,899
Driver Training	1,500	2,232	2,288	1,444	-	1,444
Food Service	23,826	69,990	70,816	23,000	-	23,000
Professional Development	1,065	-	903	162	-	162
Special Education	76,000	187,298	137,506	125,792	-	125,792
Recreation Commission	4,969	4,054	984	8,039	-	8,039
KPERs Special Retirement Contribution	(26,341)	69,742	43,401	-	-	-
Textbook/Student Material Revolving	1,914	-	1,798	116	-	116
Gifts and Grants	6,044	76	2,098	4,022	-	4,022
Other Federal Funds	375	67,651	40,118	27,908	-	27,908
Gate Receipts	3,784	8,733	10,350	2,167	-	2,167
Total (Excluding Agency Funds)	<u>\$ 333,313</u>	<u>\$ 1,821,214</u>	<u>\$ 1,786,712</u>	<u>\$ 367,815</u>	<u>\$ -</u>	<u>\$ 367,815</u>

COMPOSITION OF CASH:

Board General Account	\$ 364,149
Board Petty Cash	1,500
High School Activity Fund - Checking	<u>24,190</u>
Total Cash	389,839
 Agency Funds per Statement 4	 <u>(22,024)</u>
 Total (Excluding Agency Funds)	 <u>\$ 367,815</u>

STATEMENT 1

Unified School District Number 275
Winona, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2011

	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General	\$ 886,251	\$ (17,355)	\$ 29,554	\$ 898,450	\$ 898,450	\$ -
Supplemental General	301,760	(1,330)	412	300,842	300,842	-
SPECIAL REVENUE FUNDS						
At Risk (K-12)	70,000	-	-	70,000	73,622	(3,622)
Capital Outlay	346,142	-	1,999	348,141	203,536	144,605
Driver Training	2,220	-	-	2,220	2,288	(68)
Food Service	103,695	-	3,721	107,416	70,816	36,600
Professional Development	1,064	-	-	1,064	903	161
Special Education	229,857	-	1,276	231,133	137,506	93,627
Recreation Commission	4,000	-	-	4,000	984	3,016
KPERs Special Retirement Contribution	59,293	-	-	59,293	43,401	15,892
	<u>\$ 2,004,282</u>	<u>\$ (18,685)</u>	<u>\$ 36,962</u>	<u>\$ 2,022,559</u>	<u>\$ 1,732,349</u>	<u>\$ 290,210</u>

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

Unified School District Number 275
Winona, Kansas

GENERAL

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 7,519	\$ 1,329	\$ -	\$ 1,329
Current year	293,772	330,491	320,335	10,156
Delinquent tax	578	321	740	(419)
Mineral production tax	10,206	17,017	-	17,017
State aid	471,520	395,293	462,417	(67,124)
Federal aid - ARRA	46,006	16,454	16,454	-
Federal aid - Ed Jobs	-	28,810	-	28,810
Special education state aid	82,957	87,636	86,305	1,331
Miscellaneous reimbursements	18,848	29,554	-	29,554
	<u>931,406</u>	<u>906,905</u>	<u>\$ 886,251</u>	<u>\$ 20,654</u>
Expenditures:				
Instruction -				
Certified salaries	269,001	139,369	\$ 250,000	\$ 110,631
Certified salaries - ARRA	28,515	16,454	-	(16,454)
Certified salaries - Ed Jobs	-	22,544	-	(22,544)
Insurance	161,648	172,529	163,500	(9,029)
Insurance - Ed Jobs	-	6,266	-	(6,266)
Social Security	29,998	26,519	30,000	3,481
Other benefits	2,061	4,301	2,000	(2,301)
Purchased professional and tech services	6,595	453	6,000	5,547
Other purchased services	2,565	-	-	-
Teaching supplies	6,383	1,805	5,000	3,195
Textbooks	1,150	416	1,000	584
Miscellaneous supplies	-	367	500	133
Property and equipment	540	4,204	500	(3,704)
Other	991	-	1,000	1,000
Student Support Services -				
Certified salaries	9,412	-	1,800	1,800
Certified salaries - ARRA	856	-	-	-
Social Security	617	-	610	610
Other benefits	8	-	-	-
Other purchased services	103	6,080	100	(5,980)
Supplies	-	-	100	100

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

Unified School District Number 275
Winona, Kansas

GENERAL (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Instruction Support Staff -				
Certified salaries	\$ 21,814	\$ 23,798	\$ 14,800	\$ (8,998)
Certified salaries - ARRA	1,983	-	-	-
Insurance	11,588	12,518	11,500	(1,018)
Social Security	1,345	1,203	1,400	197
Other benefits	107	150	100	(50)
Books and periodicals	638	898	500	(398)
General Administration -				
Certified salaries	52,777	38,126	37,000	(1,126)
Certified salaries - ARRA	6,815	-	-	-
Non-certified salaries	22,109	24,119	22,000	(2,119)
Insurance	14,834	16,073	20,000	3,927
Social Security	5,787	4,326	6,000	1,674
Other benefits	370	313	500	187
Purchased professional and tech services	4,171	3,293	3,000	(293)
Purchased property service	120	-	300	300
Communications	5,158	3,086	5,200	2,114
Other purchased services	12,365	9,303	10,000	697
Supplies	3,187	3,412	2,800	(612)
Other	5,818	14,651	5,500	(9,151)
School Administration -				
Certified salaries	-	18,628	-	(18,628)
Non-certified salaries	584	(940)	1,000	1,940
Insurance	17,947	20,109	18,000	(2,109)
Social Security	517	1,788	600	(1,188)
Other benefits	96	231	100	(131)
Communications	3,732	10,895	3,700	(7,195)
Other purchased services	1,134	1,658	886	(772)
Supplies	245	7,275	500	(6,775)
Other	1,838	6,077	1,500	(4,577)

Unified School District Number 275
Winona, Kansas

GENERAL (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Operations and Maintenance -				
Non-certified salaries	\$ 38,631	\$ 41,606	\$ 31,000	\$ (10,606)
Non-certified salaries - ARRA	3,559	-	-	-
Insurance	4,988	5,687	5,000	(687)
Social Security	3,010	2,960	3,100	140
Other benefits	2,214	4,735	2,300	(2,435)
Purchased professional and tech services	512	120	500	380
Water/sewer	1,113	235	1,500	1,265
Cleaning	160	160	300	140
Rentals	-	-	1,000	1,000
Repair of buildings	50	124	100	(24)
Other purchased property services	-	422	500	78
Insurance	-	-	2,000	2,000
General supplies	305	6,169	1,100	(5,069)
Heating	158	7,435	200	(7,235)
Electricity	938	2,028	1,000	(1,028)
Miscellaneous supplies	261	279	300	21
Other	32	-	-	-
Operations and Maintenance: Transportation -				
Purchased property services	513	-	-	-
Other purchased services	31	-	-	-
Supplies	44	-	-	-
Vehicle Operating Services -				
Non-certified salaries	48,764	27,377	36,000	8,623
Non-certified salaries - ARRA	4,278	-	-	-
Social security	3,826	2,031	50	(1,981)
Other employee benefits	49	26	2,000	1,974
Mileage in lieu	-	1,642	4,000	2,358
Motor Fuel	409	7,217	500	(6,717)
Other	-	379	-	(379)

Unified School District Number 275
Winona, Kansas

GENERAL (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Vehicle & Maintenance Services -				
Non-certified salaries	\$ 3,509	\$ -	\$ 2,000	\$ 2,000
Insurance	1,084	-	-	-
Social security	502	-	500	500
Other employee benefits	2,027	3,370	3,000	(370)
Purchased property services	-	-	2,000	2,000
Supplies	-	893	1,000	107
Other	2	-	-	-
Outgoing Transfers -				
Food Service	100	-	-	-
At Risk (K-12)	-	73,622	70,000	(3,622)
Special Education	82,957	87,636	86,305	(1,331)
Adjustment to comply with legal max	-	-	(17,355)	(17,355)
Legal General Fund budget	921,548	898,450	868,896	(29,554)
Adjustment for qualifying budget credits	-	-	29,554	29,554
Total Expenditures	<u>921,548</u>	<u>898,450</u>	<u>\$ 898,450</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	9,858	8,455		
Unencumbered Cash, Beginning	<u>(9,858)</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 8,455</u>		

* See Note 10 (Statutory Presentation)

Unified School District Number 275
Winona, Kansas

SUPPLEMENTAL GENERAL

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010		2011	
	Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 8,140	\$ 1,516	\$ 961	\$ 555
Current year	271,111	271,031	254,857	16,174
Motor vehicle tax	13,313	14,049	14,159	(110)
Recreational vehicle tax	165	104	157	(53)
Miscellaneous reimbursements	198	412	-	412
Total Cash Receipts	293,369	287,557	\$ 270,818	\$ 16,739
Expenditures:				
Instruction -				
Certified salaries	30,315	97,103	\$ 60,000	\$ (37,103)
Other purchased services	250	1,373	250	(1,123)
Miscellaneous supplies	652	3,193	5,500	2,307
Property and equipment	322	553	300	(253)
Student Support Services -				
Purchased professional and tech services	466	158	400	242
Supplies	861	692	800	108
Instructor Support Staff -				
Purchased professional and tech services	5,400	-	1,000	1,000
Supplies	2,814	2,005	2,000	(5)
General Administration -				
Non-certified salaries	-	-	5,533	5,533
Other	370	-	23,300	23,300
Operations and Maintenance -				
Purchased property services	4,946	5,832	3,000	(2,832)
Other purchased services	-	15,788	-	(15,788)
Supplies	50,229	32,741	8,000	(24,741)
Other	-	-	47,000	47,000
Vehicle Operating Services -				
Other purchased services	-	5,613	-	(5,613)
Motor fuel	20,057	7,278	24,000	16,722
Other	1,317	116	1,000	884
Vehicle Services & Maintenance Services -				
Other purchased services	1,235	5,594	1,000	(4,594)
Supplies	4,269	1,299	4,000	2,701
Outgoing transfers -				
Driver training	-	1,588	-	(1,588)
Food Service	33,707	27,394	31,000	3,606
Special Education	83,677	92,522	83,677	(8,845)
At Risk (K-12)	67,587	-	-	-
Adjustment to comply with legal max	-	-	(1,330)	(1,330)
Legal Supplemental General Fund Budget	308,474	300,842	300,430	(412)
Adjustment for qualifying budget credits	-	-	412	412
Total Expenditures	308,474	300,842	\$ 300,842	\$ -
Receipts Over (Under) Expenditures	(15,105)	(13,285)		
Unencumbered Cash, Beginning	46,201	31,096		
Unencumbered Cash, Ending	\$ 31,096	\$ 17,811		

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

Unified School District Number 275
Winona, Kansas

AT RISK (K-12)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ -	\$ 73,622	\$ 70,000	\$ 3,622
Transfer from Supplemental General	67,587	-	-	-
Total Cash Receipts	67,587	73,622	\$ 70,000	\$ 3,622
Expenditures:				
Instruction -				
Certified salaries	67,587	73,622	\$ 70,000	\$ (3,622)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 275
Winona, Kansas

CAPITAL OUTLAY

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 1,651	\$ 668	\$ 323	\$ 345
Current year	120,708	134,886	131,414	3,472
Delinquent tax	106	168	305	(137)
Motor vehicle tax	2,868	4,042	3,871	171
Recreational vehicle tax	36	27	43	(16)
Other revenue from local source	3,037	1,564	-	1,564
Miscellaneous reimbursements	436	1,999	-	1,999
Total Cash Receipts	128,842	143,354	\$ 135,956	\$ 7,398
Expenditures:				
Instruction -				
Property and equipment	15,160	2,312	\$ 49,142	\$ 46,830
Instructional Support Staff -				
Property and equipment	-	1,233	-	(1,233)
General Administration -				
Property and equipment	1,163	11,649	3,000	(8,649)
Operations and Maintenance -				
Property and equipment	11,178	141,325	15,000	(126,325)
Transportation -				
Property and equipment	44,515	44,824	75,000	30,176
Facilities -				
Architectural and engineering services	-	-	14,000	14,000
Building additions	-	-	180,000	180,000
Repair and remodeling	440	-	10,000	10,000
Other	2,167	2,193	-	(2,193)
Legal Capital Outlay Fund Budget	74,623	203,536	346,142	142,606
Adjustment for qualifying budget credits	-	-	1,999	1,999
Total Expenditures	74,623	203,536	\$ 348,141	\$ 144,605
Receipts Over (Under) Expenditures	54,219	(60,182)		
Unencumbered Cash, Beginning	154,862	209,081		
Unencumbered Cash, Ending	\$ 209,081	\$ 148,899		

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

Unified School District Number 275
Winona, Kansas

DRIVER TRAINING

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Other revenue from local source	\$ -	\$ 200	\$ 300	\$ (100)
State aid	-	444	420	24
Transfer from Supplemental General	-	1,588	-	1,588
Total Cash Receipts	-	2,232	\$ 720	\$ 1,512
Expenditures:				
Certified salaries	-	2,112	\$ 1,800	\$ (312)
Social Security	-	162	84	(78)
Other employee benefits	-	2	200	198
Supplies	-	12	-	(12)
Motor fuel	-	-	136	136
Total Expenditures	-	2,288	\$ 2,220	\$ (68)
Receipts Over (Under) Expenditures	-	(56)		
Unencumbered Cash, Beginning	1,500	1,500		
Unencumbered Cash, Ending	\$ 1,500	\$ 1,444		

Unified School District Number 275
Winona, Kansas

FOOD SERVICE

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State aid	\$ 493	\$ 424	\$ 472	\$ (48)
Federal aid	23,913	21,181	26,047	(4,866)
Interest on idle funds	791	550	1,000	(450)
Student sales - lunch	12,025	9,864	11,662	(1,798)
Student sales - breakfast	849	281	2,227	(1,946)
Adult sales	6,891	5,992	6,463	(471)
Transfer from General	100	-	-	-
Transfer from Supplemental General	33,707	27,394	31,000	(3,606)
Miscellaneous income	1,233	583	1,000	(417)
Miscellaneous reimbursements	1,429	3,721	-	3,721
Total Cash Receipts	81,431	69,990	\$ 79,871	\$ (9,881)
Expenditures:				
Operations and Maintenance -				
Purchased property services	85	277	\$ 1,595	\$ 1,318
Food Service -				
Non-certified salaries	16,947	17,079	22,000	4,921
Insurance	3,856	4,039	4,000	(39)
Social Security	1,148	1,115	1,200	85
Other employee benefits	768	2,569	900	(1,669)
Other purchased services	833	1,936	3,000	1,064
Food and milk	45,771	42,126	60,000	17,874
Miscellaneous supplies	215	134	5,000	4,866
Property and equipment	741	1,347	5,000	3,653
Other	307.85	194.05	1,000	806
Legal Food Service Fund Budget	70,672	70,816	103,695	32,879
Adjustment for qualifying budget credits	-	-	3,721	3,721
Total Expenditures	70,672	70,816	\$ 107,416	\$ 36,600
Receipts Over (Under) Expenditures	10,759	(826)		
Unencumbered Cash, Beginning	13,067	23,826		
Unencumbered Cash, Ending	\$ 23,826	\$ 23,000		

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

Unified School District Number 275
Winona, Kansas

PROFESSIONAL DEVELOPMENT

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State aid	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Instruction Support Staff -				
Other	362	903	\$ -	\$ (903)
Other Support Services -				
Salaries	-	-	400	400
Social Security	-	-	100	100
Other employee benefits	-	-	564	564
Total Expenditures	<u>362</u>	<u>903</u>	<u>\$ 1,064</u>	<u>\$ 161</u>
Receipts Over (Under) Expenditures	(362)	(903)		
Unencumbered Cash, Beginning	<u>1,427</u>	<u>1,065</u>		
Unencumbered Cash, Ending	<u>\$ 1,065</u>	<u>\$ 162</u>		

**Unified School District Number 275
Winona, Kansas**

SPECIAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Federal aid - ARRA	\$ 8,003	\$ 5,864	\$ -	\$ 5,864
Transfer from General	82,957	87,636	86,305	1,331
Transfer from Supplemental General	83,677	92,522	83,677	8,845
Miscellaneous reimbursements	100	1,276	-	1,276
Total Cash Receipts	174,737	187,298	\$ 169,982	\$ 17,316
Expenditures:				
Instruction -				
Certified salaries	14,428	24,979	\$ 35,000	\$ 10,021
Certified salaries - ARRA	7,295	5,864	-	(5,864)
Non-certified salaries	22,079	22,398	25,000	2,602
Non-certified salaries - ARRA	708	-	-	-
Insurance	27,534	8,099	40,000	31,901
Social Security	3,871	4,116	4,000	(116)
Other benefits	48	51	100	49
Professional and technical services	50	-	100	100
Payments to Special Education Coop	65,600	53,924	123,157	69,233
General supplemental teaching supplies	-	29	-	(29)
Equipment	-	84	-	(84)
Student Transportation Services -				
Other	2,500	17,962	2,500	(15,462)
Legal Special Education Fund Budget	144,113	137,506	229,857	92,351
Adjustment for qualifying budget credits	-	-	1,276	1,276
Total Expenditures	144,113	137,506	\$ 231,133	\$ 93,627
Receipts Over (Under) Expenditures	30,624	49,792		
Unencumbered Cash, Beginning	45,376	76,000		
Unencumbered Cash, Ending	\$ 76,000	\$ 125,792		

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

Unified School District Number 275
Winona, Kansas

RECREATION COMMISSION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 30	\$ 12	\$ 4	\$ 8
Current year	2,092	3,966	-	3,966
Delinquent tax	3	4	5	(1)
Motor vehicle tax	50	72	68	4
Recreational vehicle tax	1	-	-	-
Total Cash Receipts	2,176	4,054	\$ 77	\$ 3,977
Expenditures:				
Summer program expenses	1,381	984	\$ 4,000	\$ 3,016
Receipts Over (Under) Expenditures	795	3,070		
Unencumbered Cash, Beginning	4,174	4,969		
Unencumbered Cash, Ending	\$ 4,969	\$ 8,039		

Unified School District Number 275
Winona, Kansas

KPERS SPECIAL RETIREMENT CONTRIBUTION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State Sources - KPERS	\$ 27,120	\$ 69,742	\$ 59,293	\$ 10,449
Expenditures:				
Employee Benefits -				
Instruction	40,857	31,465	\$ 41,000	\$ 9,535
Student Support	-	305	-	(305)
Instructional Support	1,394	1,215	2,400	1,185
General Administration	6,016	6,510	8,093	1,583
School Administration	774	434	1,600	1,166
Operations & Maintenance	1,644	2,387	2,000	(387)
Student Transportation Services	1,648	-	2,500	2,500
Food Service	1,128	1,085	1,700	615
Total Expenditures	53,461	43,401	\$ 59,293	\$ 15,892
Receipts Over (Under) Expenditures	(26,341)	26,341		
Unencumbered Cash, Beginning	-	(26,341)		
Unencumbered Cash, Ending	\$ (26,341)	\$ -		

Unified School District Number 275
Winona, Kansas

TEXTBOOK/STUDENT MATERIAL REVOLVING

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Student fees	\$ 1,590	\$ -
Expenditures:		
Purchase of textbooks	76	1,652
Other Materials/Supplies	-	146
Total Expenditures	<u>76</u>	<u>1,798</u>
Receipts Over (Under) Expenditures	1,514	(1,798)
Unencumbered Cash, Beginning	<u>400</u>	<u>1,914</u>
Unencumbered Cash, Ending	<u>\$ 1,914</u>	<u>\$ 116</u>

Unified School District Number 275
Winona, Kansas

GIFTS AND GRANTS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Miscellaneous revenue	\$ 6,269	\$ 76
Expenditures:		
Instruction -		
Purchased professional services	2,857	-
Supplies	4,167	667
Property	25,042	1,431
Expenditures	<u>32,066</u>	<u>2,098</u>
Receipts Over (Under) Expenditures	(25,797)	(2,022)
Unencumbered Cash, Beginning	<u>31,841</u>	<u>6,044</u>
Unencumbered Cash, Ending	<u>\$ 6,044</u>	<u>\$ 4,022</u>

Unified School District Number 275
Winona, Kansas

OTHER FEDERAL FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Title I - Federal Grant Award	\$ 13,280	\$ 24,885
Title I - Federal Grant Award - ARRA	-	9,930
Title IV School Preparedness - Federal Grant Award	500	-
Title II-D Ed Tech -		
Federal Grant Award	44,961	22,737
Federal Grant Award - ARRA	396	-
Title IV Drug Free -		
Federal Grant Award	-	348
Title II-A Teacher Quality -		
Federal Grant Award	-	9,751
Title VI -		
Federal Grant Award	10,500	-
Total Cash Receipts	<u>69,637</u>	<u>67,651</u>
Expenditures:		
Title I - Instruction -		
Teachers' salaries	12,178	5,911
Teachers' salaries - ARRA	-	9,930
Social Security	1,246	1,212
Other employee benefits	16	15
Title IV School Preparedness - Student Support Services		
Other purchased services	500	-
Title II-D Ed Tech -		
Purchased professional services	54,926	-
Purchased professional services - ARRA	396	-
Property and equipment	-	23,050
Total Expenditures	<u>69,262</u>	<u>40,118</u>
Receipts Over (Under) Expenditures	375	27,533
Unencumbered Cash, Beginning	-	375
Unencumbered Cash, Ending	<u>\$ 375</u>	<u>\$ 27,908</u>

**Unified School District Number 275
Winona, Kansas**

AGENCY FUNDS

**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL
For the Year Ended June 30, 2011**

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organizations:				
Class of 2009	\$ 158	\$ -	\$ -	\$ 158
Class of 2010	12	-	12	-
Class of 2011	12,679	3,599	14,962	1,316
Class of 2012	3,015	15,649	12,115	6,549
Class of 2013	2,721	6,309	3,436	5,594
Class of 2014	-	3,843	2,092	1,751
Home Economics	1	-	-	1
Kayettes	1,728	2,238	2,401	1,565
Pep Club	46	425	471	-
Student Council	303	1,139	1,107	335
T-Club	108	360	269	199
Yearbook	5,549	4,664	6,170	4,043
Cheerleaders	-	517	346	171
Jr High Cheerleaders	8	3,641	3,317	332
Football	-	440	430	10
	<hr/>	<hr/>	<hr/>	<hr/>
Total Student Organization Funds	\$ 26,328	\$ 42,824	\$ 47,128	\$ 22,024

Unified School District Number 275
Winona, Kansas

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL
For the Year Ended June 30, 2011

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Gate Receipts: Athletics	\$ 3,784	\$ 8,733	\$ 10,350	\$ 2,167

**Unified School District Number 275
Winona, Kansas**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 275, Winona, Kansas is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 275, the primary government. There were no component units in the years ended June 30, 2011 and 2010.

(b) Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2011, in the amount of \$29,554, \$412, \$1,999, \$3,721 and \$1,276 are classified as reimbursed expenses in the General Fund, Supplemental General Fund, Capital Outlay Fund, Food Service Fund, and Special Education Fund, respectively. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

(c) Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into two categories: Governmental and Fiduciary. Within each of these two categories there are one or more fund types. The District uses the following fund types:

GOVERNMENTAL FUND TYPES

General Fund -- The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Special Revenue Funds -- Special Revenue Funds are used to account for the collection and disbursement of monies earmarked for a special purpose.

FIDUCIARY FUND TYPES

This fund type accounts for assets held by the District as a trustee or agent for others and therefore cannot be used to support the District's own programs.

Private Purpose Trust Funds -- These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

(d) Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's 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. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made. 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 District to use the statutory basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expenses, 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 generally accepted accounting principles. Capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

(f) Budget and Tax Cycle

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. Although directory rather than mandatory, the statutes provided for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of 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. There were no budget amendments for this year.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any used expenditure authority lapses at year end. A legal operating budget is not required for Fiduciary and Permanent Funds and the following Special Revenue Funds: Textbook/Student Material Revolving, Other Federal Funds, Gifts and Grants, and Gate Receipts.

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

2. COMPLIANCE WITH KANSAS STATUTES

In violation of K.S.A. 79-2935, expenditures were made in excess of budget authority in the At Risk Fund and the Driver Training Fund.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, 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 in 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.

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 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 carrying amount of the District's deposits was \$389,839 and the bank balance was \$490,192. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$240,192 was covered by pledged securities held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank, and the independent third-party bank holding the pledged securities.

(b) Investments

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Municipal Investment Pool. The District held no investments at year end.

4. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (K-12)	K.S.A. 72-6428	\$ 73,622
General Fund	Special Education	K.S.A. 72-6428	87,636
Supplemental General Fund	Driver Training	K.S.A. 72-6433	1,588
Supplemental General Fund	Food Service	K.S.A. 72-6433	27,394
Supplemental General Fund	Special Education	K.S.A. 72-6433	92,522

5. PENSION COSTS AND EMPLOYEE BENEFITS

Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% 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. For fiscal year 2011, the State of Kansas contributed 9.17% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009 were \$188,864,352 received as of June 30, 2011, (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), \$140,318,394 received as of June 30, 2010, (with the remaining \$108,149,792 received as of July 9, 2010), \$242,277,364, and \$220,815,154, respectively, equal to the statutory required contributions for each year.

6. LEAVE POLICIES

Vacation, sick leave and other compensated absences are recorded as expenditures in Governmental Funds when they are paid.

Sick leave benefits and other compensated absences for Governmental Funds are not accrued in the financial statements because they do not vest. When an employee leaves the District they do not receive any compensation for unused sick leave.

7. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of August 18, 2011, grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operations the District is a party to various claims, legal actions and complaints. It is of the opinion of the District's management and legal counsel that these matters are not anticipated to have a material financial impact on the District.

The District is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2010 to 2011, and there were no settlements that exceeded insurance coverage in the past three years.

8. RECREATION FUND

Although an independent Recreation Committee acts in an advisory and supervisory capacity to the Winona Recreation Program, the Board of Education has retained control of the receipts, expenditures and record keeping of the Recreation Fund; and therefore, the fund transactions are presented in the accompanying financial statements in the same manner as the other District funds.

9. 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 the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes.

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2011

GENERAL FUND

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 1,329	\$ -	\$ 1,329
Current Year	330,491	320,335	10,156
Delinquent Tax	321	740	(419)
Mineral Production Tax	17,017	-	17,017
State Aid	395,293	462,417	(67,124)
Federal Aid - ARRA	16,454	16,454	-
Federal Aid - ARRA - Jobs Grant	28,810	-	28,810
Special Education State Aid	87,636	86,305	1,331
Miscellaneous Reimbursements	29,554	-	29,554
Total Statutory Revenues	906,905	\$ 886,251	\$ 20,654
Expenditures			
Instruction	395,229	\$ 459,500	\$ 64,271
Student Support Services	6,080	2,610	(3,470)
Instructional Support Staff	38,566	28,300	(10,266)
General Administration	116,701	112,300	(4,401)
School Administration	65,720	26,286	(39,434)
Operations & Maintenance	71,960	49,900	(22,060)
Vehicle Operating Services	38,673	42,550	3,877
Vehicle & Maintenance Services	4,263	8,500	4,237
Outgoing Transfers	161,258	156,305	(4,953)
Adjustment to Comply with Legal Max	-	(17,355)	(17,355)
Legal General Fund Budget	898,450	868,896	(29,554)
Adjustment for qualifying budget credits	-	29,554	29,554
Total Expenditures	898,450	\$ 898,450	\$ -
Statutory Revenues Over (Under) Expenditures	8,455		
Modified Unencumbered Cash, June 30, 2010	-		
Modified Unencumbered Cash, June 30, 2011	\$ 8,455		

11. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. 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 of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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.

12. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2011 and 2010, the District employed immediate family members of two and one of the District's board members, respectively. At June 30, 2011, there were no amounts payable to these individuals. Total payments to these individuals' employees during the years ended June 30, 2011 and 2010, were \$24,805 and \$23,055, respectively.

13. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through August 18, 2011 which is the date at which the financial statements were available to be issued.