

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2011

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2011

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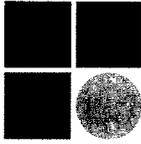
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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 352 Goodland, Kansas
Goodland, Kansas

We have audited the accompanying financial statements of **Unified School District No. 352 Goodland, 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 **Unified School District No. 352 Goodland, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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 opinions.

As described more fully in Note 1, **Unified School District No. 352 Goodland, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 352 Goodland, Kansas**, as of June 30, 2011, or the changes in its financial position for the year then ended. Further, **Unified School District No. 352 Goodland, Kansas** has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Unified School District No. 352 Goodland, Kansas**, as of June 30, 2011, and their respective cash receipts and disbursements and budgetary results for the year then ended on the basis of accounting described in Note 1.

Unified School District No. 352 Goodland, Kansas

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In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, on our consideration of **Unified School District No. 352 Goodland, Kansas**' 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise **Unified School District No. 352 Goodland, Kansas**' financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and is derived from and relates 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 accounting 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.

Adam, Brown, Beran & Ball, Chtd

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 28, 2011

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Year Ended June 30, 2011

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories							
General Funds							
General Fund	\$ (512,473)	-	6,625,968	6,488,434	(374,939)	120,308	(254,631)
Supplemental General Fund	(127,366)	-	2,202,591	1,941,050	134,175	114,498	248,673
Special Revenue Funds							
Bilingual Education Fund	29,873	-	103,198	131,847	1,224	-	1,224
Capital Outlay Fund	1,075,177	-	442,773	567,170	950,780	161,172	1,111,952
Driver Training Fund	12,880	-	15,134	7,329	20,685	-	20,685
Food Service Fund	105,905	-	401,417	406,921	100,401	11,989	112,400
Special Education Fund	536,054	-	1,185,900	1,245,301	476,653	47	476,700
Vocational Education Fund	42,937	-	113,602	145,907	10,632	73	10,705
KPERS Retirement Contribution Fund	-	-	352,365	352,365	-	-	-
Contingency Reserve Fund	360,107	-	-	-	360,107	-	360,107
At Risk (K-12) Fund	40,964	-	740,315	771,008	10,271	-	10,271
Title I Low Income Fund	57,899	-	255,247	306,509	6,637	2,700	9,337
Title I Migrant Fund	-	-	23,700	23,700	-	-	-
Drug Free Schools Fund	-	-	-	-	-	27	27
Secondary Program Improvement Fund	-	-	10,140	10,140	-	-	-
Title II Teacher Quality Fund	-	-	66,409	66,409	-	4,761	4,761
Title II Education Technology Fund	-	-	682	682	-	682	682
Miscellaneous Grants Fund	14,803	-	20,748	26,286	9,265	789	10,054
Differentiated Instruction Fund	537	-	-	537	-	-	-
Technology Rich Classrooms Fund	-	-	28,000	28,000	-	-	-
School Improvement Grant Fund	(81,490)	-	171,289	89,799	-	12,029	12,029
District Activity Funds	108,408	-	276,709	276,503	108,614	-	108,614
Total Reporting Entity (Excluding Agency Funds)	\$ 1,664,215	-	13,036,187	12,885,897	1,814,505	429,085	2,243,590
			Composition of Cash				
			Checking Accounts				\$ 1,424,010
			Petty Cash				5,000
			Certificates of Deposit				882,428
			Total Cash				2,311,438
			Agency Funds per Statement 4				(67,848)
			Total Reporting Entity (Excluding Agency Funds)				\$ 2,243,590

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended June 30, 2011

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories						
General Funds	\$	(114,728)	2,620	6,488,434	6,488,434	-
General Fund	6,600,542	-	-	1,941,050	1,941,050	-
Supplemental General Fund	1,941,050	-	-	-	-	-
Special Revenue Funds						
Bilingual Education Fund	133,071	-	-	133,071	131,847	(1,224)
Capital Outlay Fund	1,320,177	-	-	1,320,177	667,170	(753,007)
Driver Training Fund	7,395	-	-	7,395	7,329	(66)
Food Service Fund	476,758	-	-	476,758	406,921	(69,837)
Special Education Fund	1,410,850	-	-	1,410,850	1,245,301	(165,549)
Vocational Education Fund	156,539	-	-	156,539	145,907	(10,632)
KPERS Retirement Contribution Fund	470,358	-	-	470,358	352,365	(117,993)
At Risk (K-12) Fund	781,279	-	-	781,279	771,008	(10,271)

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
General Fund

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 1,017,103	1,069,465	1,056,317	13,148
Delinquent Tax	16,468	94,479	22,361	72,118
In Lieu of Taxes	1,485	3,043	1,426	1,617
Intergovernmental Revenues				
Mineral Severance Tax	507	1,310	-	1,310
Equalization Aid	4,320,331	4,277,762	4,429,332	(151,570)
Special Education Aid	750,412	861,637	861,637	-
Federal Aid - ARRA	312,881	114,741	114,741	-
Federal Aid - Education Jobs	-	200,911	-	200,911
Reimbursements	5,527	2,620	-	2,620
Total Cash Receipts	6,424,714	6,625,968	6,485,814	140,154
Expenditures				
Instruction	3,098,040	2,999,096	2,986,146	12,950
Student Support Services	104,517	122,304	129,609	(7,305)
Instructional Support Services	228,922	165,857	186,458	(20,601)
General Administration	72,346	78,693	73,742	4,951
School Administration	184,316	177,856	181,706	(3,850)
Operations and Maintenance	919,054	870,325	915,628	(45,303)
Transportation	198,451	239,345	241,018	(1,673)
Other Support Services	-	45,000	221,870	(176,870)
Transfers Out	1,666,021	1,789,958	1,664,365	125,593
Adjustment to Comply with Legal Max	-	-	(114,728)	114,728
Legal General Fund Budget	6,471,667	6,488,434	6,485,814	2,620
(a) Adjustment for Qualifying Budget Credit	-	-	2,620	(2,620)
Total Expenditures	6,471,667	6,488,434	6,488,434	-
Cash Receipts Over (Under) Expenditures	(46,953)	137,534		
Unencumbered Cash - Beginning	(465,520)	(512,473)		
Unencumbered Cash - Ending	\$ (512,473)	(374,939)		
(a) Adjustment for Qualifying Budget Credit				
Miscellaneous Reimbursements Over Amount Budgeted			\$ 2,620	

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Supplemental General Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 1,193,944	1,287,589	1,187,185	100,404
Delinquent Tax	14,729	96,568	25,776	70,792
Motor Vehicle Tax	132,870	155,181	155,070	111
Recreational Vehicle Tax	2,149	2,313	2,382	(69)
In Lieu of Taxes	1,558	-	1,617	(1,617)
Intergovernmental Revenues				
Federal Aid - ARRA	165,119	-	-	-
Equalization Aid	467,828	660,940	567,338	93,602
Reimbursements	250	-	-	-
Total Cash Receipts	1,978,447	2,202,591	1,939,368	263,223
Expenditures				
Instruction	311,742	326,465	328,946	(2,481)
Student Support Services	40,835	42,384	42,408	(24)
General Administration	168,394	140,185	161,104	(20,919)
School Administration	405,289	486,663	493,778	(7,115)
Operations and Maintenance	233,572	283,709	547,411	(263,702)
Other Supplemental Services	99,421	100,721	105,594	(4,873)
Community Services Operations	12,648	17,818	35,009	(17,191)
Transfers Out	794,399	543,105	226,800	316,305
Total Expenditures and Legal Supplemental General Fund Budget	2,066,300	1,941,050	1,941,050	-
Cash Receipts Over (Under) Expenditures	(87,853)	261,541		
Unencumbered Cash - Beginning	(39,513)	(127,366)		
Unencumbered Cash - Ending	\$ (127,366)	134,175		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Bilingual Education Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 141,400	103,198	103,198	--
Expenditures				
Instruction	119,103	131,847	133,071	(1,224)
Cash Receipts Over (Under) Expenditures	22,297	(28,649)		
Unencumbered Cash - Beginning	7,576	29,873		
Unencumbered Cash - Ending	\$ 29,873	1,224		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Capital Outlay Fund

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 56	-	-	-
Delinquent Tax	2,073	885	-	885
Motor Vehicle Tax	17,582	51	-	51
Recreational Vehicle Tax	238	-	-	-
Transfers In	280,000	239,946	200,000	39,946
Interest on Idle Funds	19,016	19,392	20,000	(608)
Miscellaneous Revenue	135,713	182,499	25,000	157,499
Total Cash Receipts	454,678	442,773	245,000	197,773
Expenditures				
Instruction	86,239	82,393	126,500	(44,107)
Student Support Services	464	-	10,000	(10,000)
General Administration	12,351	14,226	60,000	(45,774)
School Administration	-	-	38,769	(38,769)
Operations and Maintenance	774	68,269	65,000	3,269
Transportation	-	65,140	110,000	(44,860)
QZAB Bond Principal	-	150,000	-	150,000
Facility Acquisition and Construction Services	25,109	187,142	909,908	(722,766)
Total Expenditures	124,937	567,170	1,320,177	(753,007)
Cash Receipts Over (Under) Expenditures	329,741	(124,397)		
Unencumbered Cash - Beginning	745,436	1,075,177		
Unencumbered Cash - Ending	\$ 1,075,177	950,780		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Driver Training Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 2,600	3,996	-	3,996
Transfers In	10,000	10,000	10,000	-
Student Fees	1,181	1,138	630	508
Total Cash Receipts	13,781	15,134	10,630	4,504
Expenditures				
Instruction	7,297	7,329	7,395	(66)
Cash Receipts Over (Under) Expenditures	6,484	7,805		
Unencumbered Cash - Beginning	6,396	12,880		
Unencumbered Cash - Ending	\$ 12,880	20,685		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Food Service Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 4,649	4,722	3,629	1,093
Federal Aid	233,948	242,156	217,686	24,470
Lunch Receipts - Students	110,235	115,857	106,393	9,464
Lunch Receipts - Adults	47,865	38,682	43,145	(4,463)
Total Cash Receipts	396,697	401,417	370,853	30,564
Expenditures				
Operation and Maintenance	2,252	24,419	57,182	(32,763)
Food Service Operation	366,297	382,502	419,576	(37,074)
Total Expenditures	368,549	406,921	476,758	(69,837)
Cash Receipts Over (Under) Expenditures	28,148	(5,504)		
Unencumbered Cash - Beginning	77,757	105,905		
Unencumbered Cash - Ending	\$ 105,905	100,401		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Parent Education Fund
 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)

	Prior Year Actual	Actual
Cash Receipts		
Transfers In	\$ 16,960	-
Expenditures		
Student Support Services	16,960	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Special Education Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
Federal Aid	\$ 38,748	-	-	-
Federal Aid - ARRA	-	47,870	-	47,870
Transfers In	1,098,951	1,126,002	824,050	301,952
Miscellaneous Income	12,357	12,028	-	12,028
Total Cash Receipts	1,150,056	1,185,900	824,050	361,850
Expenditures				
Instruction	1,094,860	1,243,839	1,403,250	(159,411)
Student Support Services	3,441	-	400	(400)
Instructional Support Services	4,200	65	5,800	(5,735)
School Administration	690	-	800	(800)
Transportation	1,189	1,397	600	797
Total Expenditures	1,104,380	1,245,301	1,410,850	(165,549)
Cash Receipts Over (Under) Expenditures	45,676	(59,401)		
Unencumbered Cash - Beginning	490,378	536,054		
Unencumbered Cash - Ending	\$ 536,054	476,653		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Vocational Education Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 187,957	113,602	113,602	-
Expenditures				
Instruction	145,148	136,581	145,774	(9,193)
Instructional Support Services	8,518	8,768	9,265	(497)
Operations and Maintenance	761	558	1,500	(942)
Total Expenditures	154,427	145,907	156,539	(10,632)
Cash Receipts Over (Under) Expenditures	33,530	(32,305)		
Unencumbered Cash - Beginning	9,407	42,937		
Unencumbered Cash - Ending	\$ 42,937	10,632		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
KPERS Retirement Contribution Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 411,872	352,365	470,358	(117,993)
Expenditures				
Instruction	296,549	181,730	338,660	(156,930)
Student Support Services	12,356	82,543	14,110	68,433
Instructional Support Services	12,356	10,571	14,110	(3,539)
School Administration	37,068	31,713	42,332	(10,619)
Other Supplemental Services	4,119	3,524	4,704	(1,180)
Operations and Maintenance	28,831	24,666	32,925	(8,259)
Student Transportation Services	12,356	10,571	14,110	(3,539)
Food Service	8,237	7,047	9,407	(2,360)
Total Expenditures	411,872	352,365	470,358	(117,993)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Contingency Reserve Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 50,000	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	50,000	-
Unencumbered Cash - Beginning	310,107	360,107
Unencumbered Cash - Ending	\$ 360,107	360,107

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

UNIFIED SCHOOL DISTRICT No. 352 GOODLAND, KANSAS
At Risk (K-12) Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 675,152	740,315	640,315	100,000
Other Local Sources	-	-	100,000	(100,000)
Total Cash Receipts	675,152	740,315	<u>740,315</u>	<u>-</u>
Expenditures				
Instruction	654,188	771,008	<u>781,279</u>	<u>(10,271)</u>
Cash Receipts Over (Under) Expenditures	20,964	(30,693)		
Unencumbered Cash - Beginning	20,000	40,964		
Unencumbered Cash - Ending	\$ <u>40,964</u>	<u>10,271</u>		

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

UNIFIED SCHOOL DISTRICT No. 352 GOODLAND, KANSAS
Title I Low Income Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 311,600	255,247
Expenditures		
Instruction	253,701	306,509
Cash Receipts Over (Under) Expenditures	57,899	(51,262)
Unencumbered Cash - Beginning	-	57,899
Unencumbered Cash - Ending	\$ 57,899	6,637

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Title I Migrant Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 24,600	23,700
Expenditures		
Instruction	24,600	23,700
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Drug Free Schools Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 3,822	-
Expenditures		
Instruction	3,822	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Secondary Program Improvement Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursements	\$ 8,799	10,140
Expenditures		
Instruction	6,240	8,845
Instructional Support Services	1,999	1,295
Curriculum Development	560	-
Total Expenditures	8,799	10,140
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Title II Teacher Quality Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 67,979	66,409
Expenditures		
Instruction	67,979	66,409
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Title II Education Technology Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 6,784	682
Expenditures		
Instruction	6,784	682
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Title V Innovative Education Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 26,466	-
Expenditures		
Instruction	26,466	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Miscellaneous Grants Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous Aid	\$ 16,894	20,748
Expenditures		
Instruction	8,321	26,286
Cash Receipts Over (Under) Expenditures	8,573	(5,538)
Unencumbered Cash - Beginning	6,230	14,803
Unencumbered Cash - Ending	\$ 14,803	9,265

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Dawson Science Trust Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest on Idle Funds	\$ 1	-
Expenditures		
Instruction	887	-
Cash Receipts Over (Under) Expenditures	(886)	-
Unencumbered Cash - Beginning	886	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Inservice (PCD) Fund
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)

	Prior Year Actual	Actual
Cash Receipts	\$ -	-
Expenditures		
Sales/Consultant	524	-
Cash Receipts Over (Under) Expenditures	(524)	-
Unencumbered Cash - Beginning	524	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Differentiated Instruction Fund
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)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts	\$ -	-
Expenditures		
Instruction	<u>11,454</u>	<u>537</u>
Cash Receipts Over (Under) Expenditures	(11,454)	(537)
Unencumbered Cash - Beginning	<u>11,991</u>	<u>537</u>
Unencumbered Cash - Ending	\$ <u><u>537</u></u>	<u><u>-</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Technology Rich Classrooms Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 100,000	28,000
Expenditures		
Instruction	100,000	28,000
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
School Improvement Grant Fund
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 60,000	171,289
Expenditures		
Instruction	141,490	89,799
Cash Receipts Over (Under) Expenditures	(81,490)	81,490
Unencumbered Cash - Beginning	-	(81,490)
Unencumbered Cash - Ending	\$ (81,490)	-

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Agency Funds

Summary of Cash Receipts and Cash Disbursements

For the Year Ended June 30, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
AFS Club	\$ 883	6,949	6,479	1,353
Band Club	4,179	3,996	1,624	6,551
Buckaroo Club	7,703	10,582	13,048	5,237
Cheerleader Club	469	5,503	5,523	449
Xpresso	391	2,085	2,328	148
Class of 2010	236	-	236	-
Class of 2011	877	747	1,362	262
Class of 2012	150	12,254	11,682	722
Class of 2013	50	100	60	90
Class of 2014	-	129	-	129
Graduation Speaker	497	-	54	443
DECA Club	8,962	6,603	8,143	7,422
Fellowship of Christian Students	509	-	-	509
FCCLA and Special FCCLA	7,375	26,826	27,220	6,981
Student Leadership	155	-	150	5
Faculty	683	720	1,164	239
G-Club	1,780	14,380	15,169	991
GAA	2,733	1,599	1,748	2,584
Library	660	17	192	485
NHS	778	672	-	1,450
Peer Counselors	313	237	211	339
Science Club	3,480	5,426	5,641	3,265
Scholars Bowl	48	280	171	157
Staff Fund	325	742	1,067	-
Stucco	3,080	3,220	4,016	2,284
Shop Class	479	3,170	2,746	903
Art Class	-	1,610	1,610	-
Art Club	3,444	3,571	2,079	4,936
Total High School	50,239	111,418	113,723	47,934
Junior High School				
Faculty	146	973	1,016	103
T.A.	6,459	13,933	15,299	5,093
Alumni	39	100	114	25
SADD	756	506	451	811
Yearbook Sales	715	1,996	421	2,290
FCCLA	225	2,046	2,008	263
SPURS	40	-	-	40
Total Junior High School	\$ 8,380	19,554	19,309	8,625

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Agency Funds
Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
West Elementary School				
Faculty	\$ 39	1,351	550	840
Alumni	208	100	50	258
Total West Elementary School	247	1,451	600	1,098
Central Elementary School				
Lollipops - Fund Raiser	1,759	1,403	461	2,701
Site Council	4,457	11,272	8,768	6,961
Alumni	429	100	-	529
Total Central Elementary School	6,645	12,775	9,229	10,191
Total	\$ 65,511	145,198	142,861	67,848

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
District Activity Funds
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2011

Funds	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							
High School	\$ 79,178	-	104,282	95,310	88,150	-	88,150
Jr. High School	8,274	-	23,339	29,189	2,424	-	2,424
Total Gate Receipts	87,452	-	127,621	124,499	90,574	-	90,574
School Projects							
High School							
Control	169	-	-	169	-	-	-
Special Service/Scholarship	662	-	598	398	862	-	862
Musical	3,140	-	6,576	7,255	2,461	-	2,461
Jr. High School	702	-	-	-	702	-	702
Library Fund	-	-	782	782	-	-	-
Art	-	-	-	-	-	-	-
West Elementary School							
Student Project	12,056	-	26,317	28,718	9,655	-	9,655
Social Fund	58	-	-	-	58	-	58
McGraw Hill Account	352	-	-	112	240	-	240
General Activity	36	-	41	72	5	-	5
Book Fair	696	-	51	-	747	-	747
Rock, Talk, and Read	288	-	-	-	288	-	288
Central Elementary School							
General Activity	822	-	406	-	1,228	-	1,228
Book Fair	370	-	49	6	413	-	413
Teacher Awards	300	-	-	-	300	-	300
Faculty	798	-	456	361	893	-	893
Staff Activities Account	128	-	271	211	188	-	188
Total School Projects	20,577	-	35,547	38,084	18,040	-	18,040
Student Fees and User Charges							
High School	379	-	18,339	18,718	-	-	-
Jr. High School	-	-	39,386	39,386	-	-	-
Central Elementary School	-	-	27,908	27,908	-	-	-
West Elementary School	-	-	27,908	27,908	-	-	-
Total Student Fees and User Charges	379	-	113,541	113,920	-	-	-
Total District Activity Funds	\$ 108,408	-	276,709	276,503	108,614	-	108,614

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 352 Goodland, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no component units.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Governmental Fund Categories

General Fund – to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

District Activity Funds – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

Fiduciary Fund Categories

Agency Funds – to account for assets held by the District as trustee or agent for others.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Student Activity Funds – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditure, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

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.

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, expenditures, 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 District 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.

Budgetary Information

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

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such 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 District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Reserve Fund, Title I Low Income Fund, Title I Migrant Fund, Drug Free Schools Fund, Secondary Program Improvement Fund, Title II Teacher Quality Fund, Title II Education Technology Fund, Title V Innovative Education Fund, Miscellaneous Grants Fund, Differentiated Instruction Fund, Technology Rich Classrooms Fund, School Improvement Grant Fund and District Activity Funds..

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

Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

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

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$2,311,438 and the bank balance was \$3,238,880. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$409,841 was covered by federal depository insurance and \$2,829,039 was collateralized with securities held by pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2011.

Compensated Absences

Sick/Personal Leave

The District's policy for teachers who work on a full-time basis shall be granted leave on the basis of 13 days per contract year. Teachers will accumulate any unused leave up to 10 days as sick leave to a maximum of 65 days. Teachers will be paid at the rate of \$100 for each unused day over 10, maximum \$300. The teacher will receive payment in a June direct deposit after payroll calculations have been completed. Part-time teachers will receive leave prorated on the basis of their full-time equivalency. Employees under this benefit will draw full pay at their contracted rate. Reasons for requesting such leave shall be at the employee's discretion with no salary deduction.

Unused leave will accumulate as sick leave for the purpose of sick leave. Teachers who finish a school year with 56 or more days up to a maximum of 65 days of unused sick leave will be paid for any days in excess of 55 days. Part-time teachers will receive pay for unused sick leave prorated on the basis of their full-time equivalency. Pay for unused sick leave will be at the rate of \$40 per day. The teacher will receive payment in a June direct deposit after payroll calculations have been completed.

At the time of retirement, the teacher will be reimbursed for his/her unused sick leave days, up to a maximum of 40 days at the rate of \$40 per day. Upon death of a teacher who is eligible for early retirement, unused leave reimbursement will go to the beneficiaries of said employee.

The potential liability for accumulated sick leave and personal leave is shown in Note 9.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Defined Benefit Pension Plan

Plan Description

The District contributes to the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) 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. The State currently contributes 9.17% of covered payroll and 20.07% for licensed KPERs retirees. These contribution requirements are established by KPERs and are periodically revised. The State of Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$253,834,044, \$248,468,186, and \$242,277,363, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2011, 2010, and 2009 were \$352,365, \$411,872, and \$412,599, respectively.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. The District pays \$2,800 of the premium for each retiree and each retiree is responsible for the balance. During the year ended June 30, 2011, 6 retirees participated in this plan and the District paid \$16,800 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure 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.

The District provided a retirement incentive for eligible teachers who elect to retire at the conclusion of the 2009-2010 school year. The Board of Education had to be notified in writing on or before May 1, 2011 of the intent to retire at the conclusion of the 2009-2010 year to be eligible for this incentive. Teachers shall qualify for this incentive if they are:

- a. Currently a professional full-time employee of the District
- b. Not less than age 57 or meets the KPERs requirements for early retirement
- c. Have 12 years of employment in the District

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This retirement incentive is comprised of two options. Teachers may select one of the following:

- a. Ten percent of their total salary (teaching contract + supplemental contracts) as a retirement incentive to be paid in a lump sum following KPERS retirement date pursuant to K.S.A. 72-5395.
- b. Board paid health insurance premiums for a single health insurance policy to a maximum annual amount of \$5,000 for a term not to exceed three years or until eligible for Medicare or eligible to be covered under another employer's primary group health insurance plan. At the end of three years, if the retiree has not reached the age of 65 and become Medicare eligible, or is eligible to be covered under another employer's primary group health insurance plan, this benefit will terminate and the retiree shall be eligible for the board paid health insurance premiums to the \$2,800 maximum as specified in the above paragraphs.

Five employees took advantage of this incentive. Two were paid a lump sum and the other three will participate in the Board paid health coverage. During the year ended June 30, 2011, the District paid \$26,739 in premiums and lump sum incentives.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the agency funds of the District for special purposes.

Reimbursements

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

NOTE 2 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 352 Goodland, Kansas'** interfund transfers and statutory authority for the year ended June 30, 2011 were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Capital Outlay Fund	K.S.A. 72-6428	\$ 239,946
General Fund	Special Education Fund	K.S.A. 72-6428	981,364
General Fund	At Risk(K-12) Fund	K.S.A. 72-6428	568,648

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 2 – INTERFUND TRANSFERS (continued)

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Supplemental General Fund	Title I Bilingual Fund	K.S.A. 72-6433	\$ 103,198
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	144,638
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	113,602
Supplemental General Fund	Driver Training Fund	K.S.A. 72-6433	10,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	171,667

NOTE 3 – LITIGATION

Unified School District No. 352 Goodland, Kansas is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

NOTE 4 – RISK MANAGEMENT

Unified School District No. 352 Goodland, Kansas carries commercial insurance for risks of loss, including property, general liability, crime, inland marine, automobile, linebacker, workers' compensation, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 5 – GRANTS AND SHARED REVENUES

Unified School District No. 352 Goodland, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 6 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **Unified School District No. 352 Goodland, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

NOTE 7 – OPERATING LEASES

Unified School District No. 352 Goodland, Kansas is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and therefore, the results of the lease agreements are not reflected in the District's financial statements. A lease agreement was entered into on September 29, 2010 with Pitney Bowes to lease a postage meter. The lease agreement is for five years. The District makes quarterly payments of \$350. The total paid during the fiscal year ended June 30, 2011, was \$700.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 7 – OPERATING LEASES (continued)

Future scheduled payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 1,400
2013	1,400
2014	1,400
2015	1,400
2016	700

NOTE 8 – CAPITAL LEASES

On July 26, 2010, the District approved a resolution authorizing **Unified School District No. 352 Goodland, Kansas** to enter into a lease purchase transaction to purchase \$1,500,000 in Qualified Zone Academy Bonds (QZAB) to pay the costs of acquiring, constructing, and installing improvements to the District's facilities. The QZAB lease purchase is being financed through the Bank of Kansas City, N.A. and the effective annual interest rate is 5.3%. The interest will be paid by the United States government and the principal will be paid by the District. The lease purchase will be paid in full July 30, 2020.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 9 - LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid	
Capital Leases											
Qualified Zone Academy Bonds	5.300%	07/26/10	\$ 1,500,000	07/30/20	-	1,500,000	-	1,500,000	1,500,000	-	
Compensated Absences											
					31,550			(5,950)	25,600		
Total Long-Term Debt			\$		\$ 31,550	1,500,000	-	1,494,050	1,525,600	-	
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:											
					YEAR						
					2011	2012	2013	2014	2015	2016-2020	Total
Principal Capital Leases			\$		150,000	150,000	150,000	150,000	150,000	750,000	1,500,000

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 10 - COMPLIANCE WITH K.S.A 72-6417(d) AND K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require 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.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND KANSAS
General Fund
 Statutory Revenues and Expenditures - Statutory and Budget
 For the Year Ended June 30, 2010

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 1,069,465	1,056,317	13,148
Delinquent Tax	94,479	22,361	72,118
In Lieu of Taxes	3,043	1,426	1,617
Intergovernmental Revenues			
Mineral Severance Tax	1,310	-	1,310
Equalization Aid	4,139,363	4,429,332	(289,969)
Special Education Aid	861,637	861,637	-
Federal Aid - ARRA	114,741	114,741	-
Federal Aid - Education Jobs	200,911	-	200,911
Reimbursements	2,620	-	2,620
Total Statutory Revenues	<u>6,487,569</u>	<u>6,485,814</u>	<u>1,755</u>
Expenditures			
Instruction	2,999,096	2,986,146	12,950
Student Support Services	122,304	129,609	(7,305)
Instructional Support Services	165,857	186,458	(20,601)
General Administration	78,693	73,742	4,951
School Administration	177,856	181,706	(3,850)
Operations and Maintenance	870,325	915,628	(45,303)
Transportation	239,345	241,018	(1,673)
Other Support Services	45,000	221,870	(176,870)
Transfers Out	1,789,958	1,664,365	125,593
Adjustment to Comply with Legal Max	-	(114,728)	114,728
Legal General Fund Budget	6,488,434	6,485,814	2,620
(a) Adjustment for Qualifying Budget Credit	-	2,620	(2,620)
Total Expenditures and Legal General Fund Budget	<u>6,488,434</u>	<u>6,488,434</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(865)		
Modified Unencumbered Cash - Beginning	<u>865</u>		
Modified Unencumbered Cash - Ending	<u>\$ -</u>		
(a) Adjustment for Qualifying Budget Credit			
Miscellaneous Reimbursements Over Amount Budgeted		\$ <u>2,620</u>	

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 10 - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d) (continued)

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.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Supplemental General Fund

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2010

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (under)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 1,287,589	1,187,185	100,404
Delinquent Tax	96,568	25,776	70,792
Motor Vehicle Tax	155,181	155,070	111
Recreational Vehicle Tax	2,313	2,382	(69)
In Lieu of Taxes	-	1,617	(1,617)
Intergovernmental Revenue			
State Aid	<u>565,488</u>	<u>567,338</u>	<u>(1,850)</u>
Total Statutory Revenues	<u>2,107,139</u>	<u>1,939,368</u>	<u>167,771</u>
Expenditures			
Instruction	326,465	328,946	(2,481)
Student Support Services	42,384	42,408	(24)
General Administration	140,185	161,104	(20,919)
School Administration	486,663	493,778	(7,115)
Operations and Maintenance	283,709	547,411	(263,702)
Other Supplemental Services	100,721	105,594	(4,873)
Community Services Operations	17,818	35,009	(17,191)
Transfers Out	<u>543,105</u>	<u>226,800</u>	<u>316,305</u>
Total Expenditures and Legal Supplemental General Fund Budget	<u>1,941,050</u>	<u>1,941,050</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	166,089		
Modified Unencumbered Cash - Beginning	<u>1,683</u>		
Modified Unencumbered Cash - Ending	\$ <u><u>167,772</u></u>		

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Supplementary Information



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Certified
Public
Accountants

**INDEPENDENT AUDITORS' 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**

To the Board of Education
Unified School District No. 352 Goodland, Kansas
Goodland, Kansas

We have audited the financial statements of **Unified School District No. 352 Goodland, Kansas** as of and for the year ended June 30, 2011, and have issued our report thereon dated November 28, 2011. The report on the audited financial statements was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Unified School District No. 352 Goodland, Kansas'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 352 Goodland, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 352 Goodland, Kansas'** 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting (2011-A). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 352 Goodland, Kansas'** 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*.

We noted certain matters that we reported to management of **Unified School District No. 352, Goodland, Kansas** in a separate letter dated November 28, 2011.

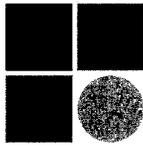
Unified School District No. 352 Goodland, Kansas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit **Unified School District No. 352 Goodland, Kansas'** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, federal awarding agencies and pass-through entities, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and is not intended to be and should not be used by anyone other than these specified parties.



ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 28, 2011



Certified
Public
Accountants

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

To the Board of Education
Unified School District No. 352 Goodland, Kansas
Goodland, Kansas

Compliance

We have audited **Unified School District No. 352 Goodland, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 352 Goodland, Kansas'** major federal programs for the year ended June 30, 2011. **Unified School District No. 352 Goodland, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of **Unified School District No. 352 Goodland, Kansas'** management. Our responsibility is to express an opinion on **Unified School District No. 352 Goodland, Kansas'** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, the audit guide and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Unified School District No. 352 Goodland, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **Unified School District No. 352 Goodland, Kansas'** compliance with those requirements.

As described in items 2011-B, 2011-C, and 2011-D in the accompanying schedule of findings and questioned costs, **Unified School District No. 352 Goodland, Kansas** did not comply with requirements regarding Documentation of Employee Time and Effort, Level of Effort-Supplement, Not Supplant, and Reporting that are applicable to its Title I, Part A Cluster. Compliance with such requirements is necessary, in our opinion, for **Unified School District No. 352 Goodland, Kansas**, to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, **Unified School District No. 352 Goodland, Kansas** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of **Unified School District No. 352 Goodland, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **Unified School District No. 352 Goodland, Kansas'** internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 **Unified School District No. 352 Goodland, Kansas'** internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-B and 2011-C to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-D to be a significant deficiency.

Unified School District No. 352 Goodland, Kansas' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit **Unified School District No. 352 Goodland, Kansas'** responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, federal awarding agencies and pass-through entities, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and is not intended to be and should not be used by anyone other than these specified parties.



ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 28, 2011

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting

- Material weakness identified? Yes X No
- Significant deficiency identified? X Yes No
- Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? X Yes No
- Significant deficiency identified? X Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*? X Yes No

Identification of major programs:

CFDA Number	Name of Federal Program
84.010	Title I Low Income
84.389	Title I Low Income, Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X Yes No

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Material Weakness in Internal Control

No material weaknesses in internal control are required to be disclosed.

B. Significant Deficiency in Internal Control

2011-A

Criteria

Client personnel responsible for the accounting and reporting function should have the necessary skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or when preparing financial statements.

Condition

Client personnel responsible for the accounting and reporting function do not have the necessary skills and knowledge to apply generally accepted accounting principles.

Effect

Financial transactions and financial statements may not properly reflect financial information in accordance with generally accepted accounting principles.

Cause

The District's employees are unable to obtain the training necessary to obtain these skills due to its size and financial resources.

Recommendation

Continual training of accounting personnel should be implemented to ensure financial transactions and financial statements are being presented as accurately as possible.

Views of responsible officials and planned corrective actions

The District is aware that personnel responsible for the accounting and reporting function do not have the necessary skills and knowledge to apply generally accepted accounting principles. However, due to the size and financial resources of the District, it would not be feasible to obtain the necessary training.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Material Weaknesses in Internal Control and Federal Award Compliance Finding.

2011-B

Information on the Federal Program

CFDA Number 84.010 Title I Grants to Local Educational Agencies

U.S. Department of Education, Passed through Kansas State Department of Education

Agency or Pass Through Number: 3532-3520 3520

Criteria

The District is required to Document Employee Time and Effort for employees that work in part on a federal program and in part on activities funded from other revenue sources.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Condition

The District did not have employees that worked in part on a federal program and in part on activities funded from other revenue sources complete the required Time and Effort Documentation. Instead of the Time and Effort Documentation, the District had the employees complete Semi-Annual Certifications of a Sole Source of Funding, which should be used when employees work solely on the federal program.

Effect

The District was not in compliance with the Documentation of Employee Time and Effort requirement.

Cause

The District does not have a clear understanding of the requirement for Documentation of Employee Time and Effort.

Recommendation

Any employees that work in part on a federal program and in part on activities funded from other revenue sources should complete Time and Effort forms. District personnel overseeing the Title I Federal Program should attend training so that they fully understand the requirement for Documentation of Employee Time and Effort and can ensure the District complies with this requirement in the future.

Views of responsible officials and planned corrective actions

District personnel will attend training on Title I, Part A to obtain a full understanding of the requirement for Documentation of Employee Time and Effort. These personnel will provide oversight for the Title I program and ensure that employees that work on activities for this federal program properly document Time and Effort.

2011-C

Information on the Federal Program

CFDA Number 84.010 Title I Grants to Local Educational Agencies
U.S. Department of Education, Passed through Kansas State Department of Education
Agency or Pass Through Number: 3532-3520 3520

Criteria

The District is required to comply with the Level of Effort-Supplement, Not Supplant requirement for federal programs.

Condition

In the District's targeted assistance school, Title I students are not segregated. The District paid two Language Arts teachers with $\frac{1}{4}$ Title I funding and one Math teacher with $\frac{1}{2}$ Title I funding. While these teachers were in the classroom providing Title I services to the Title I students, another teacher was not consistently in the classroom providing Language Arts or Math instruction to the students who were not eligible for Title I services.

Effect

The District was not in compliance with the Level of Effort-Supplement, Not Supplant requirement.

Cause

The District does not have a clear understanding of the Level of Effort-Supplement, Not Supplant requirement.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Recommendation

The District should have another teacher in the classroom providing services to students that are not eligible for Title I services while the Title I teacher provides Title I services to the Title I students. As an alternative to this, the District could segregate the Title I students when the Title I teacher provides services to them. District personnel overseeing the Title I federal program should attend training so that they fully understand the requirement for Level of Effort-Supplement, Not Supplant.

Views of responsible officials and planned corrective actions

District personnel will attend training on Title I, Part A to obtain a full understanding of the Level of Effort-Supplement, Not Supplant requirement. These personnel will provide oversight for the Title I program and ensure that supplanting does not occur.

B. Significant Deficiency in Internal Control and Federal Award Compliance Finding

2011-D

Information on the Federal Program

CFDA Number 84.010 Title I Grants to Local Educational Agencies
U.S. Department of Education, Passed through Kansas State Department of Education
Agency or Pass Through Number: 3532-3520 3520

Criteria

The District is required to prepare a budget amendment and submit it to the Kansas Department of Education when actual expenditures exceed budgeted expenditures by 10%. The District is required to submit a Budget Revision and Carryover report on the final program expenditures and actual expenditures should match those reported.

Condition

The final expenditures that the District reported on the Budget Revision and Carryover Report were not the District's actual expenditures for the year. One of the variances between actual expenditures and those shown for a budgeted line item on the District's Budget Revision and Carryover report exceeded 10%. The District did not submit a budget amendment to correct this variance.

Effect

The District's Budget Revision and Carryover report for the year ended June 30, 2011 was not accurate.

Cause

The District does not have a clear understanding of Title I reporting requirements.

Recommendation

District personnel should attend training so that they fully understand the reporting requirements for Title I, Part. A. The District should implement a review process for reporting on federal grant activity. After federal reports are prepared, a second individual should review the reports for accuracy and verify the information reported matches the underlying financial records. District personnel should monitor grant expenditures against budget and submit budget amendments as required.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Views of responsible officials and planned corrective actions

District personnel will attend training on Title I, Part A to obtain a full understanding of the reporting requirements for Title I. The District will implement a review process for reporting on federal grant activity to ensure reports accurately portray grant activity. The District will monitor grant expenditures against budget and submit budget amendments when needed.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

No material findings or questioned costs for the year ended June 30, 2010 are required to be disclosed under OMB Circular A-133.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass Through Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through Kansas State Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	3529-3490 3490 9904	\$ 55,613
National School Lunch Program	10.555	3530-3500 3500 9902/12	<u>186,543</u>
Total Child Nutrition Cluster			<u>242,156</u>
U.S. Department of Education			
Passed Through Kansas State Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	84.010	3532-3520 3520	250,195
Title I Grants to Local Educational Agencies	84.010	3233-3040 3040 9954	106,973
Title I Grants to Local Educational Agencies - Recovery Act	84.389	3532-3525 3525	<u>59,670</u>
Total Title I, Part A Cluster			<u>416,838</u>
State Fiscal Stabilization Fund Cluster			
State Fiscal Stabilization Fund - Education			
State Grants - Recovery Act	84.394	3790-3790 3790	<u>114,741</u>
Education Technology State Grants Cluster			
Education Technology State Grants	84.318	3233-3040 3040 9962/63	29,634
Education Technology State Grant - Recovery Act	84.386	3233-3044 3044 9964	<u>1,360</u>
Total Education Technology State Grants Cluster			<u>30,994</u>
Migrant Education - State Grant Program			
Migrant Education	84.011	3537-3570 3570	<u>23,700</u>
Education Jobs Fund			
Education Jobs Fund	84.410	3551-3551 3551	<u>200,911</u>
Improving Teacher Quality State Grants			
Improving Teacher Quality State Grants	84.367	3526-3860 3860	<u>61,648</u>
Safe and Drug-Free Schools and Communities			
Safe and Drug-Free Schools and Communities	84.186	3795-3100 3100 1000	<u>927</u>
Fund for the Improvement of Education			
Fund for the Improvement of Education	84.215	3592-3070 S070	<u>745</u>
Passed Through Northwest Kansas Education Service Center			
Special Education Cluster (IDEA)			
Special Education - Grants to States - Recovery Act	84.391	3234-3055	45,286
Special Education - Preschool Grants - Recovery Act	84.392	3535-3555	<u>2,584</u>
Total Special Education Cluster (IDEA)			<u>47,870</u>
Total Expenditures of Federal Awards			\$ <u>1,140,530</u>

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 352 GOODLAND, KANSAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 352 Goodland, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.