

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
ANDOVER, KANSAS

FINANCIAL STATEMENTS
JUNE 30, 2011

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

We have audited the accompanying financial statements of **Andover Unified School District No. 385, Andover, Kansas**, as of and for the year ended **June 30, 2011**, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative financial information has been derived from the District's 2010 financial statements and, in our report dated October 5, 2010, we expressed an unqualified opinion that the financial statements were fairly presented in accordance with the cash basis and budget laws of the State of Kansas.

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

As described more fully in Note 1, **Andover Unified School District No. 385, Andover, Kansas**, has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Andover Unified School District No. 385, Andover, Kansas**, as of **June 30, 2011**, or changes in the financial position for the year then ended.

**Board of Education
Andover Unified School District No. 385**

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of **Andover Unified School District No. 385, Andover, Kansas**, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2012, on our consideration of **Andover Unified School District No. 385, Andover, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of **Andover Unified School District No. 385, Andover, Kansas**, taken 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


Busby Ford & Reimer, LLC
February 29, 2012

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Certified Budget	Adjustment to		Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
		Legal Max	Comply with	Budget Credits	Qualifying			
General Fund	\$ 25,347,981	\$ 0	\$ 0	\$ 502,024	\$ 25,850,005	\$ 25,850,005	\$ 0	0
Special Revenue Funds								
Supplemental General	8,245,645	0	0	34,927	8,280,572	8,280,542	30	30
At Risk (4 Year Old)	121,885	0	0	0	121,885	95,029	26,856	26,856
At Risk (K-12)	1,269,509	0	0	0	1,269,509	893,894	375,615	375,615
Bilingual Education	91,681	0	0	0	91,681	91,518	163	163
Virtual Education	730,000	0	0	0	730,000	632,514	97,486	97,486
Capital Outlay	2,590,000	0	0	0	2,590,000	1,948,448	641,552	641,552
Driver Training	71,300	0	0	0	71,300	35,412	35,888	35,888
Food Service	2,300,984	0	0	0	2,300,984	1,877,455	423,529	423,529
Professional Development	19,500	0	0	0	19,500	19,500	0	0
Summer School	10,313	0	0	0	10,313	7,924	2,389	2,389
Special Education	4,424,944	0	0	0	4,424,944	4,247,841	177,103	177,103
Vocational Education	365,400	0	0	0	365,400	356,119	9,281	9,281
KPERS Contribution	1,896,728	0	0	0	1,896,728	2,275,522	(378,794)	(378,794)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	593,092	XXXXXXXXXX	XXXXXXXXXX
Gifts and Grants Fund	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	288,809	XXXXXXXXXX	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX
Textbook Rental	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	424,097	XXXXXXXXXX	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	972,903	XXXXXXXXXX	XXXXXXXXXX
Debt Service Funds								
Bond and Interest	8,070,630	0	0	0	8,070,630	8,070,629	1	1
	<u>\$ 55,556,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 536,951</u>	<u>\$ 56,093,451</u>	<u>\$ 56,961,253</u>	<u>\$ 1,411,099</u>	<u>\$ 1,411,099</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>General Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Local Sources	\$ 5,224,901	\$ 5,480,672	\$ 4,808,549	\$ 672,123
County Sources	4,839	9,682	0	9,682
State Sources	20,355,536	19,044,275	20,082,091	(1,037,816)
Federal Sources	1,200,070	1,242,112	448,735	793,377
	<u>26,785,346</u>	<u>25,776,741</u>	<u>\$ 25,339,375</u>	<u>\$ 437,366</u>
Expenditures				
Instruction	12,545,343	12,961,420	\$ 12,242,675	\$ (718,745)
Student Support Services	1,123,659	1,028,707	1,106,076	77,369
Instructional Support Staff	858,401	774,855	784,939	10,084
School Administration	2,191,254	2,224,475	2,196,500	(27,975)
Operations & Maintenance	1,714,140	1,749,673	1,790,600	40,927
Student Transportation Services	885,962	1,092,079	802,962	(289,117)
Other Supplemental Services	598,597	359,779	27,946	(331,833)
Transfers	5,806,366	5,659,017	6,396,283	737,266
Adjustment for Qualifying Budget Credits	0	0	502,024	502,024
	<u>25,723,722</u>	<u>25,850,005</u>	<u>\$ 25,850,005</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	1,061,624	(73,264)		
Unencumbered Cash, Beginning	(2,361,497)	(1,298,479)		
Prior Year Canceled Encumbrances	<u>1,394</u>	<u>3,988</u>		
Unencumbered Cash, Ending	<u>\$ (1,298,479)</u>	<u>\$ (1,367,755)</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 4,064,077	\$ 4,552,931	\$ 4,190,310	\$ 362,621
County Sources	515,447	544,201	539,230	4,971
State Sources	2,700,637	3,813,297	3,310,528	502,769
Federal Sources	918,948	0	0	0
	<u>8,199,109</u>	<u>8,910,429</u>	<u>\$ 8,040,068</u>	<u>\$ 870,361</u>
Expenditures				
Instruction	3,811,173	3,904,710	\$ 3,922,724	\$ 18,014
General Administration	1,304,647	705,018	1,202,300	497,282
Operations & Maintenance	1,554,741	1,947,310	1,733,500	(213,810)
Student Transportation Services	443	0	0	0
Other Supplemental Services	982,283	1,524,145	1,059,875	(464,270)
Facility Acquisition & Construction Services	344,088	33,113	161,000	127,887
Transfers	167,305	166,246	166,246	0
Adjustment for Qualifying Budget Credits	0	0	34,927	34,927
	<u>8,164,680</u>	<u>8,280,542</u>	<u>\$ 8,280,572</u>	<u>\$ 30</u>
Receipts Over (Under) Expenditures	34,429	629,887		
Unencumbered Cash, Beginning	(538,566)	(501,993)		
Prior Year Canceled Encumbrances	<u>2,144</u>	<u>1,424</u>		
Unencumbered Cash, Ending	<u>\$ (501,993)</u>	<u>\$ 129,318</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>At Risk Fund (4 Year Old)</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Transfers	\$ 118,846	\$ 118,800	\$ 118,800	\$ 0
	<u>118,846</u>	<u>118,800</u>	<u>\$ 118,800</u>	<u>\$ 0</u>
Expenditures				
Instruction	114,549	93,533	\$ 120,385	\$ 26,852
Student Transportation Services	0	1,496	0	(1,496)
Other Supplemental Services	1,212	0	1,500	1,500
	<u>115,761</u>	<u>95,029</u>	<u>\$ 121,885</u>	<u>\$ 26,856</u>
Receipts Over (Under) Expenditures	3,085	23,771		
Unencumbered Cash, Beginning	0	3,085		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,085</u>	<u>\$ 26,856</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>At Risk Fund (K-12)</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 300,160	\$ 320,596	\$ 300,000	\$ 20,596
Transfers	956,862	678,588	956,862	278,274
	<u>1,257,022</u>	<u>999,184</u>	<u>\$ 1,256,862</u>	<u>\$ 298,870</u>
Expenditures				
Instruction	1,089,423	893,894	\$ 1,269,509	\$ 375,615
Student Transportation Services	2,405	0	0	0
	<u>1,091,828</u>	<u>893,894</u>	<u>\$ 1,269,509</u>	<u>\$ 375,615</u>
Receipts Over (Under) Expenditures	165,194	105,290		
Unencumbered Cash, Beginning	39,484	204,678		
Prior Year Canceled Encumbrances	<u>0</u>	<u>45</u>		
Unencumbered Cash, Ending	<u>\$ 204,678</u>	<u>\$ 310,013</u>		

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)**

<u>Bilingual Education Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Transfers	\$ 91,681	\$ 93,764	\$ 80,800	\$ 12,964
	<u>91,681</u>	<u>93,764</u>	<u>\$ 80,800</u>	<u>\$ 12,964</u>
Expenditures				
Instruction	80,800	91,518	\$ 91,681	\$ 163
	<u>80,800</u>	<u>91,518</u>	<u>\$ 91,681</u>	<u>\$ 163</u>
Receipts Over (Under) Expenditures	10,881	2,246		
Unencumbered Cash, Beginning	0	10,881		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 10,881</u>	<u>\$ 13,127</u>		

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)**

<u>Virtual Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 0	\$ 6,058	\$ 2,500	\$ 3,558
Transfers	<u>92,276</u>	<u>739,651</u>	<u>730,000</u>	<u>9,651</u>
	<u>92,276</u>	<u>745,709</u>	<u>\$ 732,500</u>	<u>\$ 13,209</u>
Expenditures				
Instruction	92,276	536,917	\$ 642,381	\$ 105,464
Student Support Services	0	3,553	6,625	3,072
School Administration	0	75,044	80,994	5,950
Operations & Maintenance	0	17,000	0	(17,000)
	<u>92,276</u>	<u>632,514</u>	<u>\$ 730,000</u>	<u>\$ 97,486</u>
Receipts Over (Under) Expenditures	0	113,195		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 113,195</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Capital Outlay Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 2,022,316	\$ 1,742,719	\$ 1,557,339	\$ 185,380
County Sources	228,426	231,831	230,646	1,185
State Sources	90	34	0	34
Federal Sources	196,722	104,595	0	104,595
	2,447,554	2,079,179	\$ 1,787,985	\$ 291,194
Expenditures				
Instruction	782,440	597,844	\$ 1,750,000	\$ 1,152,156
General Administration	194,923	239,030	0	(239,030)
School Administration	0	0	10,000	10,000
Operations & Maintenance	24,222	106,933	215,000	108,067
Transportation	66,194	148,531	290,000	141,469
Facility Acquisition & Construction				
Services	1,138,278	714,238	325,000	(389,238)
Debt Service	41,503	141,872	0	(141,872)
	2,247,560	1,948,448	\$ 2,590,000	\$ 641,552
Receipts Over (Under) Expenditures	199,994	130,731		
Unencumbered Cash, Beginning	1,400,093	1,605,902		
Prior Year Canceled Encumbrances	5,815	563		
Unencumbered Cash, Ending	\$ 1,605,902	\$ 1,737,196		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 52,900	\$ 34,825	\$ 50,000	\$ (15,175)
State Sources	11,600	17,612	16,660	952
	<u>64,500</u>	<u>52,437</u>	<u>\$ 66,660</u>	<u>\$ (14,223)</u>
Expenditures				
Instruction	38,851	29,168	\$ 53,300	\$ 24,132
Vehicle Operations, Maintenance Services	6	6,244	18,000	11,756
	<u>38,857</u>	<u>35,412</u>	<u>\$ 71,300</u>	<u>\$ 35,888</u>
Receipts Over (Under) Expenditures	25,643	17,025		
Unencumbered Cash, Beginning	44,142	69,785		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 69,785</u>	<u>\$ 86,810</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Food Service Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,529,337	\$ 1,486,344	\$ 1,828,900	\$ (342,556)
State Sources	19,871	19,995	17,850	2,145
Federal Sources	433,872	456,299	483,050	(26,751)
	1,983,080	1,962,638	\$ 2,329,800	\$ (367,162)
Expenditures				
Food Service Operation	1,908,786	1,877,455	\$ 2,300,984	\$ 423,529
	1,908,786	1,877,455	\$ 2,300,984	\$ 423,529
Receipts Over (Under) Expenditures	74,294	85,183		
Unencumbered Cash, Beginning	47,316	121,882		
Prior Year Canceled Encumbrances	272	0		
Unencumbered Cash, Ending	\$ 121,882	\$ 207,065		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
State Sources	\$ 7,795	\$ 0	\$ 0	\$ 0
Transfers	<u>11,446</u>	<u>19,500</u>	<u>19,500</u>	<u>0</u>
	<u>19,241</u>	<u>19,500</u>	<u>\$ 19,500</u>	<u>\$ 0</u>
Expenditures				
Instructional Support Staff	<u>19,486</u>	<u>19,500</u>	<u>\$ 19,500</u>	<u>\$ 0</u>
	<u>19,486</u>	<u>19,500</u>	<u>\$ 19,500</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(245)	0		
Unencumbered Cash, Beginning	(184)	2,643		
Prior Year Canceled Encumbrances	<u>3,072</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,643</u>	<u>\$ 2,643</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Summer School Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 6,714	\$ 5,660	\$ 10,000	\$ (4,340)
Transfers	4,816	5,356	0	5,356
	<u>11,530</u>	<u>11,016</u>	<u>\$ 10,000</u>	<u>\$ 1,016</u>
Expenditures				
Instruction	6,546	3,700	\$ 6,610	\$ 2,910
School Administration	3,706	4,224	3,703	(521)
	<u>10,252</u>	<u>7,924</u>	<u>\$ 10,313</u>	<u>\$ 2,389</u>
Receipts Over (Under) Expenditures	1,278	3,092		
Unencumbered Cash, Beginning	252	1,530		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,530</u>	<u>\$ 4,622</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 205,637	\$ 202,443	\$ 0	\$ 202,443
Federal Sources	0	11,792	0	11,792
Transfers	<u>4,161,452</u>	<u>3,804,204</u>	<u>4,000,000</u>	<u>(195,796)</u>
	<u>4,367,089</u>	<u>4,018,439</u>	<u>\$ 4,000,000</u>	<u>\$ 18,439</u>
Expenditures				
Instruction	3,954,772	4,036,752	\$ 4,234,144	\$ 197,392
Student Support Services	0	28,939	0	(28,939)
Student Transportation Services	<u>173,256</u>	<u>182,150</u>	<u>190,800</u>	<u>8,650</u>
	<u>4,128,028</u>	<u>4,247,841</u>	<u>\$ 4,424,944</u>	<u>\$ 177,103</u>
Receipts Over (Under) Expenditures	239,061	(229,402)		
Unencumbered Cash, Beginning	201,399	441,602		
Prior Year Canceled Encumbrances	<u>1,142</u>	<u>27</u>		
Unencumbered Cash, Ending	<u>\$ 441,602</u>	<u>\$ 212,227</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Vocational Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Transfers	\$ 356,300	\$ 365,400	\$ 365,400	\$ 0
	<u>356,300</u>	<u>365,400</u>	<u>\$ 365,400</u>	<u>\$ 0</u>
Expenditures				
Instruction	356,300	356,119	\$ 365,400	\$ 9,281
	<u>356,300</u>	<u>356,119</u>	<u>\$ 365,400</u>	<u>\$ 9,281</u>
Receipts Over (Under) Expenditures	0	9,281		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 9,281</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
State Sources	\$ 842,526	\$ 2,275,522	\$ 1,896,728	\$ 378,794
	<u>842,526</u>	<u>2,275,522</u>	<u>\$ 1,896,728</u>	<u>\$ 378,794</u>
Expenditures				
Instruction	531,219	1,434,732	\$ 1,251,728	\$ (183,004)
Student Support Services	29,176	78,800	60,000	(18,800)
Instructional Support Staff	24,426	65,971	50,000	(15,971)
General Administration	20,607	55,656	45,000	(10,656)
School Administration	78,474	211,947	160,000	(51,947)
Other Supplemental Services	28,900	79,813	60,000	(19,813)
Operations & Maintenance	72,880	196,837	150,000	(46,837)
Student Transportation Services	33,121	90,271	70,000	(20,271)
Food Service Operation	23,723	61,495	50,000	(11,495)
	<u>842,526</u>	<u>2,275,522</u>	<u>\$ 1,896,728</u>	<u>\$ (378,794)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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)

<u>Bond and Interest Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 5,284,296	\$ 6,386,501	\$ 6,164,898	\$ 221,603
County Sources	592,254	640,185	634,955	5,230
State Sources	<u>2,325,024</u>	<u>2,178,889</u>	<u>2,179,070</u>	<u>(181)</u>
	<u>8,201,574</u>	<u>9,205,575</u>	<u>\$ 8,978,923</u>	<u>\$ 226,652</u>
 Expenditures				
Debt Service	<u>7,749,201</u>	<u>8,070,629</u>	<u>\$ 8,070,630</u>	<u>\$ 1</u>
	<u>7,749,201</u>	<u>8,070,629</u>	<u>\$ 8,070,630</u>	<u>\$ 1</u>
 Receipts Over (Under) Expenditures	452,373	1,134,946		
 Unencumbered Cash, Beginning	4,030,198	4,482,571		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 4,482,571</u>	<u>\$ 5,617,517</u>		

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Federal Funds</u>	Prior Year	Current Year
	<u>Actual</u>	<u>Actual</u>
Cash Receipts		
Federal Sources	\$ 448,156	\$ 584,940
	<u>448,156</u>	<u>584,940</u>
 Expenditures		
Instruction	357,679	457,907
Student Support Services	1,819	5,556
Instructional Support Staff	83,122	89,916
Other Support Services	2,866	39,713
	<u>445,486</u>	<u>593,092</u>
 Receipts Over (Under) Expenditures	2,670	(8,152)
 Unencumbered Cash, Beginning	7,303	9,973
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	<u>\$ 9,973</u>	<u>\$ 1,821</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Gifts and Grants Fund</u>	Prior Year Actual	Current Year Actual
	<u> </u>	<u> </u>
Cash Receipts		
Local Sources	\$ 136,104	\$ 292,983
	<u>136,104</u>	<u>292,983</u>
 Expenditures		
Instruction	107,152	126,758
Student Support Services	58	1,208
Operations & Maintenance	1,250	0
Student Transportation Services	779	843
Facility Acquisition & Construction Services	0	160,000
	<u>109,239</u>	<u>288,809</u>
 Receipts Over (Under) Expenditures	26,865	4,174
 Unencumbered Cash, Beginning	25,238	52,103
 Prior Year Canceled Encumbrances	<u>0</u>	<u>12</u>
 Unencumbered Cash, Ending	<u>\$ 52,103</u>	<u>\$ 56,289</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Contingency Reserve Fund</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 179,992	\$ 0
	<u>179,992</u>	<u>0</u>
Expenditures		
Instruction	70,000	0
	<u>70,000</u>	<u>0</u>
Receipts Over (Under) Expenditures	109,992	0
Unencumbered Cash, Beginning	704,028	814,020
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 814,020</u>	<u>\$ 814,020</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

Textbook Rental Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 340,754	\$ 441,510
	<u>340,754</u>	<u>441,510</u>
Expenditures		
Instruction	203,717	424,097
	<u>203,717</u>	<u>424,097</u>
Receipts Over (Under) Expenditures	137,037	17,413
Unencumbered Cash, Beginning	58,513	196,501
Prior Year Canceled Encumbrances	<u>951</u>	<u>1,487</u>
Unencumbered Cash, Ending	<u>\$ 196,501</u>	<u>\$ 215,401</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover High School				
Crime Stoppers	\$ 300	\$ 0	\$ 0	\$ 300
Annual	12,989	40,066	41,120	11,935
Band Boosters	0	22,793	5,001	17,792
Band-AHS	6,990	25,165	13,935	18,220
Band Uniforms	3,265	2,799	2,038	4,026
Debate-AHS	91	822	692	221
Desktop Publishing	724	1,915	1,515	1,124
Forensics	0	1,494	764	730
Drama-AHS	9,800	16,353	17,974	8,179
Journalism	3,266	8,845	12,111	0
Choir Travel	2,073	5,245	3,124	4,194
Madrigals	10,333	3,054	3,841	9,546
Choir Uniforms	7,143	3,600	427	10,316
Music Festival	5,582	13,446	10,301	8,727
Student Council	3,380	20,742	20,464	3,658
Spec Ed/Karen Bainter	732	320	320	732
Spec Ed/Venus Bishop	1,603	15,260	11,560	5,303
ONE Stop Trojan Stop	1,709	1,401	311	2,799
Shop Spirit	0	7,043	2,926	4,117
Greenhouse	310	0	244	66
Class of 2010	141	0	0	141
Class of 2011	6,896	4,335	9,062	2,169
Class of 2012	5,654	9,724	8,579	6,799
Class of 2013	4,015	3,002	929	6,088
Class of 2014	1,716	1,815	1,128	2,403
Class of 2016	0	1,864	0	1,864
Outdoor Club	310	0	0	310
Quill & Scroll	29	171	0	200
Kids for Kids Club	3,678	16,400	16,685	3,393
FBLA	439	0	0	439
FACS - Beef	0	186	0	186
Arts and Crafts Club	102	1,383	626	859
National Honor Society	1,570	569	398	1,741
	<u>94,840</u>	<u>229,812</u>	<u>186,075</u>	<u>138,577</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover High School (Continued)				
Hall of Fame Sports Club	\$ 713	\$ 514	\$ 0	\$ 1,227
Science Olympiad	1,563	0	0	1,563
EMS Club	216	0	150	66
Fishing Club	832	0	0	832
Cheerleaders	5,287	36,394	38,005	3,676
Trojanettes	2,884	15,630	17,534	980
Sales Tax	0	15,897	15,897	0
	<u>11,495</u>	<u>68,435</u>	<u>71,586</u>	<u>8,344</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central High School				
Cheerleaders	\$ 3,878	\$ 21,738	\$ 22,284	\$ 3,332
Dance Team	199	8,051	7,548	702
General Activities	118	0	118	0
Band	13,317	112,880	112,061	14,136
Broadcasting	944	0	0	944
Debate	102	6,489	5,548	1,043
School Publications	827	3,650	3,044	1,433
Drama	16,227	16,633	16,439	16,421
Newspaper	42	8,477	6,437	2,082
New Generation- Madrigals	1,922	20,249	17,196	4,975
Newspaper Postage	0	17	0	17
Scholar's Bowl	580	450	247	783
Shakespeare	38	0	0	38
StuCo	779	8,889	7,684	1,984
Yearbook	14,938	23,705	32,083	6,560
Key Club	257	514	19	752
20 Minute Munchies	10	0	0	10
Art Club	93	307	135	265
FBLA-Future Business Leaders	0	4,852	4,664	188
FCS	109	0	0	109
French Club	56	700	700	56
Friends of Rachel	0	434	434	0
Greenhouse	738	0	278	460
Kansas BEST	126	0	0	126
Kids 4 Kids	0	1,004	542	462
National Honor Society	235	117	0	352
Photo Club	39	0	0	39
SADD	62	0	0	62
Science Olympiad	345	0	0	345
Spanish Club	33	168	168	33
Culture Club	56	0	0	56
Project Graduation	788	12,176	11,852	1,112
	<u>56,858</u>	<u>251,500</u>	<u>249,481</u>	<u>58,877</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central High School (Continued)				
Class of 2010	\$ 475	\$ 0	\$ 475	\$ 0
Class of 2011	2,557	2,008	4,565	0
Class of 2012	6,053	2,832	7,979	906
Class of 2013	7,709	2,040	0	9,749
Class of 2014	0	6,350	0	6,350
Class of 2015	0	5,295	0	5,295
Jaguar Assistance Group	0	939	0	939
Sales Tax	0	18,964	18,964	0
Interest	51	289	340	0
	<u>16,845</u>	<u>38,717</u>	<u>32,323</u>	<u>23,239</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Middle School				
Cheerleaders	\$ 139	\$ 2,263	\$ 2,403	\$ (1)
Student Council	1,246	2,207	2,093	1,360
Math Club	201	463	372	292
FACS	220	400	260	360
Math Moves U MS Grant	2,290	2,000	408	3,882
Scholar Bowl	1,124	400	83	1,441
Science Wish List	0	255	161	94
FACS Sewing Club	27	1,129	1,214	(58)
Newspaper	722	0	0	722
Band	2,777	887	1,608	2,056
Teaching Teams	4,527	12,195	11,640	5,082
Choir	579	4,675	4,104	1,150
Sales Tax	0	6,109	6,109	0
	<u>13,852</u>	<u>32,983</u>	<u>30,455</u>	<u>16,380</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central Middle School				
Cheerleaders	\$ 234	\$ 1,110	\$ 985	\$ 359
Student Council	3,256	1,555	1,544	3,267
Math Relay Team	1	0	0	1
Scholar Bowl	48	0	0	48
Science Olympiad	266	2,501	1,865	902
Web Leaders	196	0	0	196
Yearbook Sales	18	13,781	13,728	71
Media Arts	105	0	105	0
Choir	209	0	100	109
Band	21	0	0	21
Interest	1,173	54	1,138	89
Sales Tax	0	2,631	2,631	0
	<u>5,527</u>	<u>21,632</u>	<u>22,096</u>	<u>5,063</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Meadowlark Elementary				
Student Activity Fund	\$ 2,417	\$ 2,864	\$ 2,870	\$ 2,411
Field Trips	109	1,471	1,392	188
Lego Club Donation	0	80	60	20
	<u>2,526</u>	<u>4,415</u>	<u>4,322</u>	<u>2,619</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Cottonwood Elementary				
Student Activity Fund	\$ 2,590	\$ 1,190	\$ 3,188	\$ 592
2nd Grade Popcorn Acct	258	304	71	491
Cottonwood Yearbook	3,495	5,596	4,319	4,772
Cottonwood Shirts	394	0	394	0
Field Trips	0	230	230	0
	<u>6,737</u>	<u>7,320</u>	<u>8,202</u>	<u>5,855</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Robert Martin Elementary				
Library Book Club	\$ 193	\$ 0	\$ 146	\$ 47
Target	372	996	540	828
Miscellaneous	13	17	0	30
Student Council	824	0	113	711
American Heart Association	0	1,064	1,064	0
2nd Grade Popcorn Fundraiser	298	0	0	298
	<u>1,700</u>	<u>2,077</u>	<u>1,863</u>	<u>1,914</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Sunflower Elementary				
Student Council	\$ 909	\$ 485	\$ 210	\$ 1,184
Yearbook	2,738	5,253	4,374	3,617
5th Grade Projects	266	524	541	249
5th Grade Recognition	236	211	376	71
2nd Grade Popcorn Unit	218	344	136	426
Kindergarten Film Development	(26)	26	0	0
Music	224	0	0	224
SAMS Award-Stonehocker	214	0	171	43
3rd Grade Carnival	1,079	1,645	2,724	0
	<u>5,858</u>	<u>8,488</u>	<u>8,532</u>	<u>5,814</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Prairie Creek Elementary				
Student Activity Fund	\$ (2,138)	\$ 13,969	\$ 9,347	\$ 2,484
Yearbook	2,956	2,768	3,412	2,312
Sales Tax	0	175	233	(58)
	<u>818</u>	<u>16,912</u>	<u>12,992</u>	<u>4,738</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Wheatland Elementary				
Music	\$ 519	\$ 577	\$ 561	\$ 535
STUCO	673	50	558	165
	<u>1,192</u>	<u>627</u>	<u>1,119</u>	<u>700</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
 AGENCY FUNDS
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
District				
Memorials	\$ 683	\$ 0	\$ 0	\$ 683
Scholarships	39,528	1,467	668	40,327
Piano Music Festival	1,011	1,295	925	1,381
Sales Tax	1	45,039	45,040	0
	<u>41,223</u>	<u>47,801</u>	<u>46,633</u>	<u>42,391</u>
 Total Agency Funds	 <u>\$ 259,471</u>	 <u>\$ 730,719</u>	 <u>\$ 675,679</u>	 <u>\$ 314,511</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning		Prior Year		Expenditures	Ending		Add		
	Cash Balance	Unencumbered	Encumbrances	Canceled		Cash Receipts	Cash Balance	Unencumbered and Accounts Payable	Encumbrances and Accounts Payable	Ending Cash Balance
Andover High School										
Athletics	\$ 35,208	\$ 0	\$ 100,395	\$ 0	\$ 89,525	\$ 46,078	\$ 0	\$ 0	\$ 46,078	
District Concessions	5,565	0	0	0	2,133	3,432	0	0	3,432	
Baseball	10,724	0	16,062	0	16,935	9,851	0	0	9,851	
Baseball Coaches	1,154	0	3,764	0	1,253	3,665	0	0	3,665	
Boys Soccer	153	0	483	0	277	359	0	0	359	
Girls Soccer	416	0	1,312	0	1,004	724	0	0	724	
Wrestling	1,717	0	5,875	0	4,145	3,447	0	0	3,447	
Track	1,039	0	384	0	416	1,007	0	0	1,007	
Wrestling Coaches	500	0	0	0	0	500	0	0	500	
Volleyball	100	0	0	0	0	100	0	0	100	
Boys Golf	839	0	1,295	0	654	1,480	0	0	1,480	
Girls Golf	44	0	576	0	584	36	0	0	36	
Cross Country	716	0	611	0	554	773	0	0	773	
Softball	(505)	0	1,307	0	0	802	0	0	802	
Softball Coaches	54	0	0	0	0	54	0	0	54	
Concessions	371	0	7,625	0	7,996	0	0	0	0	
Tennis Coaches	75	0	844	0	845	74	0	0	74	
Girls Tennis	90	0	1,444	0	1,527	7	0	0	7	
Boys Tennis	47	0	1,328	0	1,263	112	0	0	112	
Athletic Training	5,442	0	2,880	0	8,181	141	0	0	141	
Boys Basketball	(499)	0	1,650	0	641	510	0	0	510	
Boys Basketball Coaches	739	0	100	0	35	804	0	0	804	
Girls Basketball Coaches	(429)	0	3,620	0	3,048	143	0	0	143	
Football	4,574	0	17,063	0	19,310	2,327	0	0	2,327	
Girls Swim	406	0	2,614	0	2,691	329	0	0	329	
	<u>68,540</u>	<u>0</u>	<u>171,232</u>	<u>0</u>	<u>163,017</u>	<u>76,755</u>	<u>0</u>	<u>0</u>	<u>76,755</u>	

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Andover High School (Continued)							
LINK Crew	\$ 59	\$ 0	737	796	\$ 0	\$ 0	0
Educational Services	6,115	0	8,287	9,769	4,633	0	4,633
Student Obligations	4,872	0	1,358	5,921	309	0	309
Library	3,877	0	2,205	1,309	4,773	0	4,773
Lifetouch Senior Sitting Fee	266	0	1,690	1,850	106	0	106
Testing	4,346	0	10,051	9,761	4,636	0	4,636
Vending Machines	20,418	0	17,654	12,168	25,904	0	25,904
After Prom	1,332	0	10,268	10,458	1,142	0	1,142
Student Planners	0	0	2,179	2,074	105	0	105
Scholarships	4,380	0	0	850	3,530	0	3,530
Memorials	1,035	0	0	0	1,035	0	1,035
Insufficient Funds	(1,711)	0	40	1,057	(2,728)	0	(2,728)
	44,989	0	54,469	56,013	43,445	0	43,445

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered		Prior Year Canceled		Cash Receipts	Expenditures	Ending Unencumbered		Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
	Cash Balance		Encumbrances				Cash Balance			
Andover Central High School	\$ 12,728	\$ 0	\$ 0	\$ 0	\$ 361,815	\$ 344,379	\$ 30,164	\$ 0	\$ 0	\$ 30,164
Athletics	636	0	0	0	0	0	636	0	0	636
District Activity	510	0	0	0	2,191	2,243	458	0	0	458
Girls' Basketball	365	0	0	0	9,644	9,191	818	0	0	818
Baseball	148	0	0	0	941	169	920	0	0	920
Boy's Basketball	175	0	0	0	1,480	1,392	263	0	0	263
Bowling	991	0	0	0	10,974	10,964	1,001	0	0	1,001
Concessions	14	0	0	0	27,887	27,902	(1)	0	0	(1)
District Concessions	0	0	0	0	6,658	6,658	0	0	0	0
District Concessions - Due AHS	0	0	0	0	175	74	101	0	0	101
Cross Country	4,572	0	0	0	5,591	7,039	3,124	0	0	3,124
Football	1,210	0	0	0	1,185	2,258	137	0	0	137
Golf-Boys	45	0	0	0	809	460	394	0	0	394
Golf-Girls	900	0	0	0	1,777	2,371	306	0	0	306
Soccer-Boys	507	0	0	0	2,364	2,088	783	0	0	783
Soccer-Girls	8,167	0	0	0	2,200	6,800	3,567	0	0	3,567
Softball	113	0	0	0	2,487	2,459	141	0	0	141
Tennis-Girls	435	0	0	0	0	350	85	0	0	85
Track	528	0	0	0	977	138	1,367	0	0	1,367
Training Room	1,224	0	0	0	3,170	2,357	2,037	0	0	2,037
Volleyball	490	0	0	0	2,307	2,507	290	0	0	290
Wrestling	299	0	0	0	300	600	(1)	0	0	(1)
Wrestling-State	1,649	0	0	0	355	1,350	654	0	0	654
Non-Student Activities	555	0	0	0	658	1,208	5	0	0	5
Educational Services	738	0	0	0	1,860	2,523	75	0	0	75
Lifetouch	1,875	0	0	0	3,837	1,883	3,829	0	0	3,829
Library	123	0	0	0	0	0	123	0	0	123
Math-Calculators	38,997	0	0	0	451,642	439,363	51,276	0	0	51,276

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance		Prior Year Canceled Encumbrances		Cash Receipts		Expenditures		Ending Unencumbered Cash Balance		Add Outstanding Encumbrances and Accounts Payable		Ending Cash Balance
	Cash Balance	Unencumbered	Encumbrances	Canceled	Cash Receipts	Expenditures	Cash Balance	Unencumbered	Encumbrances and Accounts Payable	Ending Cash Balance			
Andover Central High School (Continued)													
Brick & Stone Student Recognition	\$ 927	\$ 0	\$ 0	\$ 45	\$ 0	\$ 0	\$ 972	\$ 0	\$ 0	\$ 972	\$ 0	\$ 0	\$ 972
Wall of Fame Plaques	198	0	0	0	0	0	198	0	0	198	0	0	198
Planners	132	0	0	2,255	2,387	0	0	0	0	0	0	0	0
"Robe the Faculty"	54	0	0	0	29	0	25	0	0	25	0	0	25
Science Goggles	388	0	0	0	111	0	277	0	0	277	0	0	277
Testing	3,330	0	0	9,675	8,872	0	4,133	0	0	4,133	0	0	4,133
Transportation - School Sponsored	157	0	0	179	49	0	287	0	0	287	0	0	287
Transportation - Student Paid	0	0	0	1,253	1,253	0	0	0	0	0	0	0	0
Vending Machines	4,355	0	0	1,881	3,639	0	2,597	0	0	2,597	0	0	2,597
Pepsi Guarantee	32,153	0	0	11,500	28,359	0	15,294	0	0	15,294	0	0	15,294
Scholarships/Memorials	779	0	0	0	0	0	779	0	0	779	0	0	779
Scholarships - Billy Means Fund	22,702	0	0	2,300	0	0	25,002	0	0	25,002	0	0	25,002
Scholarships	1,600	0	0	2,500	1,450	0	2,650	0	0	2,650	0	0	2,650
Insufficient Funds	(313)	0	0	313	0	0	0	0	0	0	0	0	0
	<u>66,462</u>	<u>0</u>	<u>0</u>	<u>31,901</u>	<u>46,149</u>	<u>0</u>	<u>52,214</u>	<u>0</u>	<u>0</u>	<u>52,214</u>	<u>0</u>	<u>0</u>	<u>52,214</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning	Prior Year	Expenditures		Ending	Add		Ending Cash
	Unencumbered Cash Balance	Canceled Encumbrances	Cash Receipts		Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable		Balance
Andover Middle School								
Athletics	\$ 19,679	\$ 0	\$ 25,501	\$ 24,862	\$ 20,318	\$ 0	\$ 0	20,318
Volleyball	0	0	997	997	0	0	0	0
Cross Country	0	0	521	510	11	0	0	11
Football	0	0	92	92	0	0	0	0
Football Fundraising	2,914	0	163	0	3,077	0	0	3,077
Girls Tennis	0	0	729	661	68	0	0	68
Boys Tennis	0	0	1,425	1,394	31	0	0	31
Girls BB	0	0	2,897	2,751	146	0	0	146
Boys BB	0	0	1,344	1,338	6	0	0	6
Wrestling	0	0	1,439	1,344	95	0	0	95
Track	2,171	0	2,363	4,342	192	0	0	192
Concessions	2,521	0	3,358	5,362	517	0	0	517
PE Teachers	2,792	0	5,700	5,486	3,006	0	0	3,006
Mentoring Program	76	0	250	326	0	0	0	0
Art Supplies	20	0	0	20	0	0	0	0
Middle School	19,190	0	4,714	650	23,254	0	0	23,254
Trojan Booster Club Donation	230	0	72	0	302	0	0	302
Incoming 6th Graders	0	0	1,100	0	1,100	0	0	1,100
Yearbook	0	0	15,861	15,861	0	0	0	0
Student Agendas	0	0	1,818	1,817	1	0	0	1
Fundraiser	0	0	14,763	14,763	0	0	0	0
Kansas Scholarship Contest	0	0	1,034	1,034	0	0	0	0
Library	4,005	0	496	921	3,580	0	0	3,580
Web Leader	0	0	410	410	0	0	0	0
Pencil/Pen Machine	281	0	188	272	197	0	0	197
8th Grade Promotion	0	0	4,835	4,835	0	0	0	0
Magazine Fundraiser	0	0	5,533	5,533	0	0	0	0
Fundraisers	0	0	7,777	7,777	20	0	0	20
Physical Education Uniforms	2,549	0	4,999	6,816	732	0	0	732
Interest	0	0	81	81	0	0	0	0
	<u>56,428</u>	<u>0</u>	<u>110,480</u>	<u>110,255</u>	<u>56,653</u>	<u>0</u>	<u>0</u>	<u>56,653</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning	Prior Year	Expenditures	Cash Receipts	Ending	Add	Ending Cash
	Unencumbered	Canceled					
	Cash Balance	Encumbrances			Cash Balance	Encumbrances	Balance
Andover Central Middle School							
Athletics	\$ 10,739	\$ 0	\$ 33,636	\$ 28,485	\$ 5,588	\$ 0	\$ 5,588
Concessions	5,069	0	14,044	10,396	1,421	0	1,421
Middle School	3,459	0	10,199	10,297	3,557	0	3,557
Library Birthday Club	62	0	0	0	62	0	62
Fundraiser	147	0	(65)	0	212	0	212
Student Meal Accounts	0	0	19	19	0	0	0
Agenda Books	139	0	241	241	380	0	380
Media Center	4,899	0	1,788	1,410	4,521	0	4,521
Transportation Fee	0	0	150	150	0	0	0
PE Uniforms	4,002	0	3,734	4,572	4,840	0	4,840
8th Celebration	0	0	8,507	8,507	0	0	0
Lost/Damaged Books	1,462	0	0	508	1,970	0	1,970
Insufficient Funds	(195)	0	0	(173)	(368)	0	(368)
	<u>29,783</u>	<u>0</u>	<u>72,012</u>	<u>64,412</u>	<u>22,183</u>	<u>0</u>	<u>22,183</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Meadowlark Elementary	\$ 623	\$ 0	1,813	1,733	\$ 703	\$ 0	\$ 703
Community Projects	32	0	0	0	32	0	32
P.E.	1	0	0	0	1	0	1
Reimbursement	435	0	0	0	435	0	435
Art	1,267	0	0	1,164	103	0	103
Library	450	0	413	361	502	0	502
Music	507	0	0	0	507	0	507
General	1,109	0	3,500	1,880	2,729	0	2,729
Field Trips	1,495	0	200	981	714	0	714
Library Book Fair	412	0	293	96	609	0	609
Lost/Damaged Library Books	29	0	14	0	43	0	43
Interest	(11)	0	0	0	(11)	0	(11)
Check Orders	1,625	0	1,237	348	2,514	0	2,514
Picture Commission	876	0	0	0	876	0	876
Yearbook	0	0	234	234	0	0	0
NSF	145	0	7,070	7,193	22	0	22
PTO Grants	8,995	0	14,774	13,990	9,779	0	9,779

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning	Prior Year	Cash Receipts	Expenditures	Ending	Add	Ending Cash
	Unencumbered	Canceled					
	Cash Balance	Encumbrances	Cash Balance	Cash Balance	Cash Balance	Encumbrances	Balance
Cottonwood Elementary							
PTO Gifts to Teachers	\$ 2,168	\$ 0	\$ 4,921	\$ 6,405	\$ 684	\$ 0	\$ 684
Kids In Need	754	0	156	171	739	0	739
Piano Festival	0	0	120	120	0	0	0
Cottonwood Choir	609	0	1,997	2,309	297	0	297
Library Book Fair	7,243	0	532	2,689	5,086	0	5,086
Lost/Damaged Library Books	2,422	0	363	30	2,755	0	2,755
NSF Checks	(35)	0	0	0	(35)	0	(35)
	<u>13,161</u>	<u>0</u>	<u>8,089</u>	<u>11,724</u>	<u>9,526</u>	<u>0</u>	<u>9,526</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning	Prior Year	Cash Receipts	Expenditures	Ending	Add	Ending Cash
	Unencumbered	Canceled					
	Cash Balance	Encumbrances	Cash Receipts	Expenditures	Cash Balance	Encumbrances and Accounts Payable	Balance
Robert Martin Elementary							
Library	\$ 1,082	\$ 0	\$ 1,000	\$ 861	\$ 1,221	\$ 0	\$ 1,221
Library Fines	315	0	351	327	339	0	339
Textbook Fines	87	0	0	0	87	0	87
Pictures	21	0	1,167	400	788	0	788
Music Program	577	0	30	509	98	0	98
Staff	1	0	0	0	1	0	1
Pepsi	353	0	0	200	153	0	153
Donations	6,265	0	16,571	19,226	3,610	0	3,610
	<u>8,701</u>	<u>0</u>	<u>19,119</u>	<u>21,523</u>	<u>6,297</u>	<u>0</u>	<u>6,297</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance		Prior Year Canceled Encumbrances		Cash Receipts	Expenditures	Ending Unencumbered Cash Balance		Add Outstanding Encumbrances and Accounts Payable		Ending Cash Balance
	Cash Balance	Unencumbered	Encumbrances	Canceled			Cash Balance	Unencumbered	Encumbrances	Payable	
Sunflower Elementary											
Book Fair	\$ 3,512		\$ 0		512	200	\$ 3,824	\$ 0			3,824
CAAMP Activities	1,675		0		2,562	2,400	1,837	0			1,837
Student Activity	1,302		0		6,179	3,750	3,731	0			3,731
Field Trips	474		0		3,848	3,106	1,216	0			1,216
Cup Stacking	1		0		0	0	1	0			1
Library Book Fair	5,990		0		2,006	2,818	5,178	0			5,178
Library Lost Book Fund	618		0		256	16	858	0			858
	<u>13,572</u>		<u>0</u>		<u>15,363</u>	<u>12,290</u>	<u>16,645</u>	<u>0</u>			<u>16,645</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Prairie Creek Elementary							
Music	\$ 136	\$ 0	\$ 618	\$ 538	\$ 216	\$ 0	\$ 216
Library Book Fair	988	0	1,358	240	2,106	0	2,106
Lost/Damaged Library Books	493	0	206	35	664	0	664
NSF	(142)	0	0	0	(142)	0	(142)
Interest	4	0	6	0	10	0	10
	<u>1,479</u>	<u>0</u>	<u>2,188</u>	<u>813</u>	<u>2,854</u>	<u>0</u>	<u>2,854</u>

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Wheatland Elementary							
Library Book Fair	\$ 593	\$ 0	\$ 1,725	\$ 2,254	\$ 64	\$ 0	\$ 64
Student Activity	5,707	0	21,660	20,396	6,971	0	6,971
WES PTO Donations	0	0	1,308	1,038	270	0	270
Library Birthday Book Club	609	0	1,046	1,571	84	0	84
Library Lost Book Fund	435	0	201	495	141	0	141
	<u>7,344</u>	<u>0</u>	<u>25,940</u>	<u>25,754</u>	<u>7,530</u>	<u>0</u>	<u>7,530</u>
Total District Activity Funds	\$ 358,451	\$ 0	\$ 969,609	\$ 972,903	\$ 355,157	\$ 0	\$ 355,157

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

Andover Unified School District No. 385 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Andover, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statements include all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The District has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

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

Governmental Funds

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

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

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

Agency Funds-To account for resources held by the District as an agent for others.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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. 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. 75-110a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the statutory basis of accounting.

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

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

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), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were four amendments for the year ended June 30, 2011.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds:

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook Rental Fund
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.

Note 2 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 3 - On-Behalf Payments for Fringe Benefits and Salaries:

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERs) on behalf of the District's employees. For the year ended June 30, 2011, the State made contributions of \$1,439,534. These contributions are recorded in the KPERs Contribution Fund as receipts and expenditures.

Note 4 - Prior Year Balances:

Certain prior year balances are presented for comparison purposes. Certain items have been reclassified in the June 30, 2010, financial statements in order to conform to the June 30, 2011, presentation.

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 5 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$10,768,561 and the bank balance was \$14,215,863. The bank balance is held by two banks. Of the bank balance, \$302,419 was covered by depository insurance, and the remaining \$13,913,444 was collateralized with securities held by the pledging financial institution's agent 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.

Note 6 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer To:								Total
	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Virtual Education	Professional Development	Summer School	Special Education	Vocational Education	
Transfer from:									
General Fund	\$ 118,800	\$ 678,588	\$ 93,764	\$ 739,651	\$ 0	\$ 5,356	\$ 3,804,204	\$ 218,654	\$ 5,659,017
Supplemental General Fund	0	0	0	0	19,500	0	0	146,746	166,246
	<u>\$ 118,800</u>	<u>\$ 678,588</u>	<u>\$ 93,764</u>	<u>\$ 739,651</u>	<u>\$ 19,500</u>	<u>\$ 5,356</u>	<u>\$ 3,804,204</u>	<u>\$ 365,400</u>	<u>\$ 5,825,263</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 7 - Postemployment 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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

Note 8 - Defined Benefit Pension Plan:

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer, defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas Ave, 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 a minimum of 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. Kansas contributed 9.17% of covered payroll for the year ended June 30, 2011. These contribution requirements are established by KPERS and are periodically revised. Kansas contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$253,834,044, \$248,468,186, and \$242,277,363 respectively, equal to the required contributions for each year.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 9 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

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

Note 10 - 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 offset by the reimbursements.

Note 11 - Facility Lease Agreement:

In September 1992, the District entered into a facilities lease agreement with Butler County Community College. The agreement provides for annual rental payments. The District received \$171,148 in rental payments for the year ended June 30, 2011.

Note 12 - Subsequent Events:

The District has evaluated subsequent events through February 29, 2012, the date which the financial statements were available to be issued.

Note 13 - Capital Lease:

The District has been in an operating lease for the building where its central office is located. On March 1, 2010 this operating lease was converted to a capital lease. The monthly payments remain \$3,750 under the capital lease with a balloon payment of \$41,509 due on March 1, 2022. The terms, activity and maturity schedule for this lease are reflected below in Note 15.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 14 - Advance Refunding of Bond Obligation:

On December 1, 1998, the District issued \$9,850,500 in General Obligation Bonds with interest rates ranging from 3.60% to 5.50%. Of the issue, \$4,439,195 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1994 bonds. As a result, this portion of the 1994 bonds is considered defeased and not included in long-term debt below.

On August 1, 1999, the District issued \$18,930,000 in General Obligation Bonds with interest rates ranging from 3.60% to 5.70%. Of the issue, \$6,597,307 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1992 and 1994 bonds. As a result, this portion of the 1992 and 1994 bonds is considered defeased and not included in long-term debt below.

On May 15, 2000, the District issued \$20,055,000 in General Obligation Bonds with interest rates ranging from 4.80% to 6.00%. Of the issue, \$2,992,770 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1994 bonds. As a result, this portion of the 1994 bonds is considered defeased and not included in long-term debt below.

On November 1, 2005, the District issued \$36,170,000 in General Obligation Bonds with interest rates ranging from 3.00% to 5.00%. Of the issue, \$6,180,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1999 bonds. As a result, this portion of the 1999 bonds is considered defeased and not included in long-term debt below.

On April 1, 2007, the District issued \$27,860,000 in General Obligation Bonds with interest rates ranging from 4.00% to 5.00%. Of the issue, \$17,990,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1998, 2000 and 2001 bonds. As a result, this portion of the 1998, 2000 and 2001 bonds is considered defeased and not included in long-term debt below.

On May 1, 2009, the District issued \$4,980,000 in General Obligation Bonds with interest rates ranging from 2.50% to 4.00%. Of the issue, \$4,990,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1998 bonds. As a result, this portion of the 1998 bonds is considered defeased and not included in long-term debt below.

On April 15, 2010, the District issued \$5,295,000 in General Obligation Bonds with interest rates of 2.00%. Of the issue, \$5,220,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1999 and 2001 bonds. As a result, this portion of the 1999 and 2001 bonds is considered defeased and not included in long-term debt below.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 15 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due monthly.

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
1998 Series	3.60 - 5.50	12/1/98	9,850,000	9/1/18
1999 Series	3.60 - 5.70	8/1/99	18,930,000	9/1/18
2000 Series	4.80 - 6.00	5/15/00	20,055,000	9/1/18
2001 Series	4.00 - 7.00	3/1/01	17,275,000	9/1/19
2005 Series	3.00 - 5.00	11/1/05	36,170,000	9/1/19
2007 Series	4.00 - 5.00	4/1/07	27,860,000	9/1/19
2009 Series	2.50 - 4.00	5/1/09	4,980,000	9/1/15
2010 Series	2.00	4/15/10	5,295,000	9/1/14
Qualified School Construction Bonds				
2011 Series	4.79	3/1/11	2,000,000	9/1/21
Capital Leases				
Phone System	5.63	7/1/07	1,185,587	6/30/12
Central Office	5.256	3/1/10	420,000	3/1/22
Computer Server	2.16	6/1/11	626,068	6/1/14

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
1998 Series	\$ 1,700,000	\$ 0	\$ 0	\$ 1,700,000	\$ 93,500
1999 Series	4,000,000	0	0	4,000,000	226,075
2000 Series	11,855,000	0	950,000	10,905,000	678,512
2001 Series	460,000	0	460,000	0	9,775
2005 Series	35,675,000	0	1,270,000	34,405,000	1,560,185
2007 Series	27,780,000	0	150,000	27,630,000	1,275,525
2009 Series	4,705,000	0	50,000	4,655,000	150,250
2010 Series	5,295,000	0	1,115,000	4,180,000	81,807
Qualified School Construction Bonds					
2011 Series	0	2,000,000	0	2,000,000	0
	<u>91,470,000</u>	<u>2,000,000</u>	<u>3,995,000</u>	<u>89,475,000</u>	<u>4,075,629</u>
Capital Leases					
Phone System	269,784	0	134,892	134,892	5,303
Central Office	414,283	0	23,816	390,467	21,184
Computer Server	0	626,068	161,569	464,499	0
	<u>684,067</u>	<u>626,068</u>	<u>320,277</u>	<u>989,858</u>	<u>26,487</u>
	<u>\$ 92,154,067</u>	<u>\$ 2,626,068</u>	<u>\$ 4,315,277</u>	<u>\$ 90,464,858</u>	<u>\$ 4,102,116</u>

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

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	
2012	\$ 5,120,000	\$ 311,470	\$ 5,431,470	\$ 4,016,255	\$ 35,294	\$ 4,051,549	\$ 9,483,019
2013	6,250,000	181,253	6,431,253	3,774,355	25,316	3,799,671	10,230,924
2014	7,350,000	186,019	7,536,019	3,450,953	20,550	3,471,503	11,007,522
2015	8,535,000	29,365	8,564,365	3,090,510	15,636	3,106,146	11,670,511
2016	9,880,000	30,906	9,910,906	2,696,105	14,094	2,710,199	12,621,105
2017 - 2021	52,140,000	181,516	52,321,516	5,307,931	43,484	5,351,415	57,672,931
2022 - 2026	200,000	69,329	269,329	4,790	2,180	6,970	276,299
	<u>\$ 89,475,000</u>	<u>\$ 989,858</u>	<u>\$ 90,464,858</u>	<u>\$ 22,340,899</u>	<u>\$ 156,554</u>	<u>\$ 22,497,453</u>	<u>\$ 112,962,311</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 16 - 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 the Statutes.

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

	<u>General Fund</u>		Variance -
	Statutory		Favorable
	Transactions	Budget	(Unfavorable)
Statutory Revenues			
Local Sources	\$ 5,480,672	\$ 4,808,549	\$ 672,123
County Sources	9,682	0	9,682
State Sources	19,112,603	20,082,091	(969,488)
Federal Sources	1,242,112	448,735	793,377
	<u>25,845,069</u>	<u>\$ 25,339,375</u>	<u>\$ 505,694</u>
Expenditures			
Instruction	12,961,420	\$ 12,242,675	\$ (718,745)
Student Support Services	1,028,707	1,106,076	77,369
Instructional Support Staff	774,855	784,939	10,084
School Administration	2,224,475	2,196,500	(27,975)
Operations & Maintenance	1,749,673	1,790,600	40,927
Student Transportation Services	1,092,079	802,962	(289,117)
Other Supplemental Services	359,779	27,946	(331,833)
Transfers	5,659,017	6,396,283	737,266
Adjustment for Qualifying Budget Credits	0	502,024	502,024
	<u>25,850,005</u>	<u>\$ 25,850,005</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(4,936)		
Modified Unencumbered Cash, Beginning	2,828		
Prior Year Canceled Encumbrances	3,988		
Modified Unencumbered Cash, Ending	<u>\$ 1,880</u>		

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011
Supplemental General Fund

	<u>Statutory</u>	<u>Budget</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Transactions</u>		
Statutory Revenues			
Local Sources	\$ 4,552,931	\$ 4,190,310	\$ 362,621
County Sources	544,201	539,230	4,971
State Sources	3,299,829	3,310,528	(10,699)
Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>
	<u>8,396,961</u>	<u>\$ 8,040,068</u>	<u>\$ 356,893</u>
Expenditures			
Instruction	3,904,710	\$ 3,922,724	\$ 18,014
General Administration	705,018	1,202,300	497,282
School Administration	1,947,310	1,733,500	(213,810)
Operations & Maintenance	0	0	0
Student Transportation Services	1,524,145	1,059,875	(464,270)
Other Supplemental Services	33,113	161,000	127,887
Transfers	166,246	166,246	0
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>34,927</u>	<u>34,927</u>
	<u>8,280,542</u>	<u>\$ 8,280,572</u>	<u>\$ 30</u>
Receipts Over (Under) Expenditures	116,419		
Modified Unencumbered Cash, Beginning	207,519		
Prior Year Canceled Encumbrances	<u>1,424</u>		
Modified Unencumbered Cash, Ending	<u>\$ 325,362</u>		

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

KPERS Contribution Fund

	Statutory	Budget	Variance - Favorable (Unfavorable)
	<u>Transactions</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Statutory Revenues			
State Sources	\$ 1,439,534	\$ 1,896,728	\$ (457,194)
	<u>1,439,534</u>	<u>\$ 1,896,728</u>	<u>\$ (457,194)</u>
Expenditures			
Instruction	907,634	\$ 1,251,728	\$ 344,094
Student Support Services	49,850	60,000	10,150
Instructional Support Staff	41,735	50,000	8,265
General Administration	35,209	45,000	9,791
School Administration	134,081	160,000	25,919
Other Supplemental Services	50,191	60,000	9,809
Operations & Maintenance	124,523	150,000	25,477
Student Transportation Services	57,408	70,000	12,592
Food Service Operation	38,903	50,000	11,097
	<u>1,439,534</u>	<u>\$ 1,896,728</u>	<u>\$ 457,194</u>
Receipts Over (Under) Expenditures	0		
Modified Unencumbered Cash, Beginning	0		
Prior Year Canceled Encumbrances	<u>0</u>		
Modified Unencumbered Cash, Ending	<u>\$ 0</u>		

FEDERAL AWARD INFORMATION



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

We have audited the financial statements of **Andover Unified School District No. 385, Andover, Kansas**, as of and for the year ended **June 30, 2011**, and have issued our report thereon dated February 29, 2012, which was adverse because of the District's policy to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of **Andover Unified School District No. 385, Andover, Kansas**, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **Andover Unified School District No. 385, Andover, Kansas'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Andover Unified School District No. 385, Andover, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Andover Unified School District No. 385, Andover, 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 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.

**Board of Education
Andover Unified School District No. 385**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Andover Unified School District No. 385, Andover, 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 **Andover Unified School District No. 385, Andover, Kansas**, in a separate letter dated February 29, 2012.

This report is intended solely for the information and use of the Board of Education and management of **Andover Unified School District No. 385, Andover, Kansas**, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Busby Ford & Reimer, LLC
February 29, 2012



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

Compliance

We have audited **Andover Unified School District No. 385, Andover, 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 **Andover Unified School District No. 385, Andover, Kansas'** major federal programs for the year ended **June 30, 2011**. **Andover Unified School District No. 385, Andover, 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 **Andover Unified School District No. 385, Andover, Kansas'** management. Our responsibility is to express an opinion on **Andover Unified School District No. 385, Andover, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Andover Unified School District No. 385, Andover, 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 **Andover Unified School District No. 385, Andover, Kansas'** compliance with those requirements.

In our opinion, **Andover Unified School District No. 385, Andover, 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**.

**Board of Education
Andover Unified School District No. 385**

Internal Control Over Compliance

Management of **Andover Unified School District No. 385, Andover, Kansas** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Andover Unified School District No. 385, Andover, 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 **Andover Unified School District No. 385, Andover, Kansas'** internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Board of Education and management of **Andover Unified School District No. 385, Andover, Kansas**, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Busby Ford & Reimer, LLC
February 29, 2012

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-10	Receipts	Expenditures	Unencumbered Cash 6-30-11
Department of Education Teaching American History Grant	84.215	<u>256,792</u>	<u>0</u>	<u>256,792</u>	<u>256,792</u>	<u>0</u>
(Passes Through Kansas Department of Education)						
Department of Agriculture School Breakfast Program	10.553	\$ 30,800				
National School Lunch Program	10.555	<u>425,499</u>				
		<u>456,299</u>	<u>\$ 0</u>	<u>\$ 456,299</u>	<u>\$ 456,299</u>	<u>\$ 0</u>
Department of Education Title I	84.010	190,677	119	190,677	190,584	212
Drug Free	84.186	6,204	891	6,204	5,556	1,539
Title II Tech Literacy	84.318	605	0	605	605	0
Title II	84.367	69,739	8,964	69,739	78,631	72
Title I ARRA	84.389	46,731	0	46,731	46,731	0
Stabilization ARRA	84.394	448,735		448,735	448,735	0
Education Jobs Fund	84.410	<u>785,734</u>	<u>0</u>	<u>785,734</u>	<u>785,734</u>	<u>0</u>
		<u>1,548,425</u>	<u>9,974</u>	<u>1,548,425</u>	<u>1,556,576</u>	<u>1,823</u>
(Passes Through South Central Kansas Education Service Center)						
Department of Education Carl Perkins	84.048	13,884	0	13,884	13,884	0
Title III	84.365	<u>308</u>	<u>0</u>	<u>308</u>	<u>308</u>	<u>0</u>
		<u>14,192</u>	<u>0</u>	<u>14,192</u>	<u>14,192</u>	<u>0</u>
(Passes Through Kansas SRS)						
Department of Health and Human Services Medicaid	93.778	<u>124,030</u>	<u>0</u>	<u>124,030</u>	<u>124,030</u>	<u>0</u>
Total Federal Financial Assistance		<u>\$ 2,399,738</u>	<u>\$ 9,974</u>	<u>\$ 2,399,738</u>	<u>\$ 2,407,889</u>	<u>\$ 1,823</u>

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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 **Andover Unified School District No. 385, Andover, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statements. 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."

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an adverse opinion on the financial statements of **Andover Unified School District No. 385, Andover, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the 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*.
3. No instances of noncompliance material to the financial statements of **Andover Unified School District No. 385, Andover, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the 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.
5. The auditors' report on compliance for the major federal award programs for **Andover Unified School District No. 385, Andover, Kansas**, expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Andover Unified School District No. 385, Andover, Kansas**.
7. The programs tested as major programs were:

Stabilization ARRA	84.394
Education Jobs Fund	84.410
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Andover Unified School District No. 385, Andover, Kansas**, was determined not to be a low-risk auditee.

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

There are no prior audit findings.