

**UNIFIED SCHOOL DISTRICT NUMBER 400  
LINDSBORG, KANSAS**

**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2011**

**Unified School District Number 400  
Lindsborg, Kansas**

**Fiscal Year Ended June 30, 2011**

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Keith S. Janzen, CPA  
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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District Number 400  
Lindsborg, KS 67456

We have audited the accompanying financial statements of Unified School District Number 400, Lindsborg, Kansas, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial (and summarized) comparative information has been derived from the District's 2010 financial statements and, in our report dated October 4, 2010, we expressed an unqualified opinion on the financial statements taken as a whole.

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

As described in Note 1, the District prepared these financial statements in conformity with accounting practices prescribed by the State of Kansas to demonstrate compliance with cash basis and budget laws of the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011 on our consideration of the Unified School District Number 400's internal control over financial reporting and 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 conducted for the purpose of forming an opinion on the financial statements that collectively comprise Unified School District Number 400, Lindsborg, Kansas' financial statements. 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 of Unified School District Number 400, Lindsborg, Kansas. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting 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 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 taken as a whole, on the basis of accounting described in Note 1.

*Sumrell, Geyer, Houck & Loyd, LLC*

Certified Public Accountants

September 29, 2011



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

Board of Education  
Unified School District Number 400  
Lindsborg, Kansas

We have audited the financial statements of the Unified School District Number 400 as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Auditing Guide*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (11-01 and 11-02). 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.

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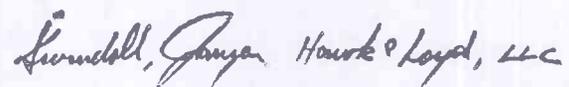
## Compliance and Other Matters

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

We noted certain matters that we reported to management of the District, in a separate letter dated September 29, 2011.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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



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Swindoll Janzen Hawk & Loyd, LLC

September 29, 2011



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**INDEPENDENT AUDITOR'S 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**

Board of Education  
Unified School District Number 400  
Lindsborg, Kansas

**Compliance**

We have audited the compliance of the Unified School District Number 400 with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 11-03.

**Internal Control Over Compliance**

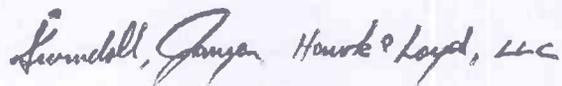
Management of the Unified School District Number 400 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* 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.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

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



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Swindoll Janzen Hawk & Loyd, LLC

September 29, 2011

**Unified School District Number 400**  
Lindsborg, Kansas

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

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<b>GOVERNMENTAL TYPE FUNDS:</b>						
<b>GENERAL OPERATING FUNDS</b>						
General	\$ (434,199)	\$ 6,819,672	\$ 6,790,928	\$ (405,455)	\$ 54,590	\$ (350,865)
Supplemental General	(116,178)	2,303,571	2,192,754	(5,361)	174,350	168,989
<b>SPECIAL REVENUE FUNDS</b>						
At Risk (4 Year Old)	90,291	25,000	62,607	52,684	-	52,684
At Risk (K-12)	166,422	397,895	415,520	148,797	-	148,797
Bilingual	28,248	-	7,575	20,673	-	20,673
Capital Outlay	1,133,729	604,531	612,624	1,125,636	27,592	1,153,228
Driver Training	33,700	7,175	7,372	33,503	550	34,053
Food Service	164,999	490,798	494,983	160,814	359	161,173
Professional Development	75,951	28	9,960	66,019	1,765	67,784
Special Education	1,007,975	1,429,876	1,419,085	1,018,766	-	1,018,766
Summer School	40,954	-	-	40,954	-	40,954
Vocational Education	149,600	213,342	188,499	174,443	-	174,443
Parent Education Program	18,567	-	-	18,567	-	18,567
KPERS Special Retirement Contribution	(181,913)	491,730	309,817	-	-	-
Contingency Reserve	737,142	-	-	737,142	-	737,142
Textbook/Student Material Revolving	76,579	22,233	1,417	97,395	-	97,395
Title I	-	71,828	71,828	-	-	-
Title I - ARRA	97	32,294	32,391	-	-	-
Title II-A Teacher Quality	-	25,334	25,334	-	-	-
Title II-D Tech Literacy	-	321	321	-	-	-
Title II-D Tech Literacy - ARRA	66	1,223	1,289	-	-	-
Title IV - Drug Free Schools	-	-	-	-	-	-
Virtual Education	43,294	163,981	128,024	79,251	25,178	104,429
C.H.U.M.S	14,877	28,378	34,526	8,729	-	8,729
Dissemination Grant	-	56,965	56,965	-	-	-
Trust Fund	24,205	9,633	18,297	15,541	436	15,977
Gate Receipts	-	40,399	40,399	-	-	-
<b>DEBT SERVICE FUND</b>						
Bond and Interest	1,721,890	888,552	971,574	1,638,868	-	1,638,868
<b>CAPITAL PROJECT FUNDS</b>						
Bond Construction	-	1	1	-	-	-
Total Reporting Entity	4,796,296	14,124,760	13,894,090	5,026,966	284,820	5,311,786
<b>DISCRETELY PRESENTED COMPONENT UNIT</b>						
Smoky Valley Education Foundation	323,450	30,416	113,978	239,888	-	239,888
Total (Excluding Agency Funds)	\$ 5,119,746	\$ 14,155,176	\$ 14,008,068	\$ 5,266,854	\$ 284,820	\$ 5,551,674

**COMPOSITION OF CASH:**

Super NOW Checking Account - Lyons State Bank, Lindsborg	\$ (263,404)
Board Petty Cash Checking Account - Lyons State Bank, Lindsborg	1,000
Charter School Petty Cash Checking Account - Lyons State Bank, Lindsborg	500
Money Market Account - Roxbury State Bank, Roxbury	800,059
Money Market Account - Lyons State Bank, Lindsborg	605,077
Investments	4,172,879
Activity Funds Account - High School - Lyons State Bank, Lindsborg	48,259
Activity Funds Account - Middle School - Lyons State Bank, Lindsborg	5,035
Activity Funds Account - Soderstrom Elementary - Lyons State Bank, Lindsborg	1,418
Activity Funds Account - Marquette Elementary - Marquette Farmers State Bank, Marquette	2,393
Total Primary Government Cash	5,373,216
Component Unit Cash	239,888
Total Reporting Entity Cash	5,613,104
Agency Funds per Statement 5	(61,430)
Total Reporting Entity (Excluding Agency Funds)	\$ 5,551,674

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

STATEMENT 1

**Unified School District Number 400  
Lindsborg, Kansas**

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

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

	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total for Budget Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
<b>GOVERNMENTAL TYPE FUNDS:</b>						
<b>GENERAL OPERATING FUNDS</b>						
General	\$ 6,742,567	\$ (63,446)	\$ 111,807	\$ 6,790,928	\$ 6,790,928	\$ -
Supplemental General	2,201,000	(8,246)	-	2,192,754	2,192,754	-
<b>SPECIAL REVENUE FUNDS</b>						
At Risk (4 Year Old)	76,007	-	-	76,007	62,607	13,400
At Risk (K-12)	653,999	-	-	653,999	415,520	238,479
Bilingual	31,458	-	-	31,458	7,575	23,883
Capital Outlay	1,312,419	-	368,076	1,680,495	612,624	1,067,871
Driver Training	26,650	-	-	26,650	7,372	19,278
Food Service	637,928	-	-	637,928	494,983	142,945
Professional Development	75,951	-	-	75,951	9,960	65,991
Special Education	1,635,821	-	-	1,635,821	1,419,085	216,736
Summer School	40,954	-	-	40,954	-	40,954
Vocational Education	207,220	-	-	207,220	188,499	18,721
Parent Education Program	18,567	-	-	18,567	-	18,567
KPERs Special Retirement Contribution	440,527	-	-	440,527	309,817	130,710
Virtual Education	150,855	-	-	150,855	128,024	22,831
<b>DEBT SERVICE FUND</b>						
Bond and Interest	971,676	-	-	971,676	971,574	102
	<u>\$ 15,223,599</u>	<u>\$ (71,692)</u>	<u>\$ 479,883</u>	<u>\$ 15,631,790</u>	<u>\$ 13,611,321</u>	<u>\$ 2,020,469</u>

**Unified School District Number 400**  
**Lindsborg, 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)

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
<b>Cash Receipts:</b>				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 43,993	\$ 32,455	\$ 31,391	\$ 1,064
Current year	892,140	891,266	878,081	13,185
Delinquent tax	16,740	19,333	14,288	5,045
Mineral production tax	671	1,245	500	745
State aid	4,806,434	4,424,360	4,752,959	(328,599)
Special education aid	1,141,065	1,017,639	948,457	69,182
Federal Aid - ARRA	320,752	116,891	116,891	-
Federal Aid - Education Jobs	-	204,676	-	204,676
Miscellaneous reimbursements	106,892	111,807	-	111,807
<b>Total Cash Receipts</b>	<b>7,328,687</b>	<b>6,819,672</b>	<b>\$ 6,742,567</b>	<b>\$ 77,105</b>
<b>Expenditures:</b>				
Instruction -				
Certified salaries	1,994,787	2,124,971	\$ 2,220,945	\$ 95,974
Certified salaries - ARRA	320,752	116,891	116,891	-
Certified salaries - Education Jobs	-	204,676	-	(204,676)
Non-certified salaries	73,893	76,884	78,250	1,366
Insurance	12,510	49,063	17,570	(31,493)
Social Security	200,818	194,505	201,997	7,492
Other employee benefits	97,290	77,374	77,510	136
Tuition	6,018	14,849	12,036	(2,813)
Other purchased services	37,975	33,752	40,500	6,748
General teaching supplies	45,680	40,902	53,066	12,164
Miscellaneous supplies	110,926	109,726	123,065	13,339
Property, equipment and furniture	47	-	100	100
Student Support Services -				
Certified salaries	137,714	116,138	117,575	1,437
Insurance	136	215	150	(65)
Social Security	10,453	8,863	9,000	137
Other employee benefits	562	447	600	153
Purchased professional services	2,301	2,570	3,200	630
Supplies	3,096	2,298	4,555	2,257
Instruction Support Staff -				
Certified salaries	111,936	28,921	30,000	1,079
Non-certified salaries	217,411	239,305	238,000	(1,305)
Insurance	472	441	445	4
Social Security	24,153	19,270	19,550	280
Other employee benefits	1,345	1,032	1,290	258
Purchased professional services	11,641	6,837	7,310	473
Other purchased services	13,475	13,658	12,000	(1,658)
Books and periodicals	15,526	8,754	9,000	246
Audiovisual and instruction software	51,820	73,452	58,120	(15,332)
Miscellaneous supplies	947	609	835	226
General Administration -				
Certified salaries	109,763	108,566	108,675	109
Non-certified salaries	32,585	32,459	33,000	541
Insurance	137	232	250	18

**Unified School District Number 400  
Lindsborg, Kansas**

**GENERAL FUND (cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended June 30, 2011**

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

	2011			
	2010 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures (cont.):				
General Administration (cont.)				
Social Security	\$ 10,600	\$ 10,419	\$ 10,900	\$ 481
Other employee benefits	581	543	725	182
Purchased professional services	52,679	35,921	26,000	(9,921)
Communications	4,458	3,576	3,500	(76)
Other purchased services	86,395	13,691	14,250	559
Supplies	10,345	9,218	18,000	8,782
Books and periodicals	110	466	750	284
Property, equipment and furniture	341	129	500	371
Other general administration	6,442	6,417	8,000	1,583
School Administration -				
Certified salaries	308,217	328,461	329,050	589
Non-certified salaries	138,455	136,186	136,750	564
Insurance	382	702	810	108
Social Security	30,523	31,959	34,325	2,366
Other employee benefits	1,824	1,788	2,375	587
Communications	9,046	9,082	9,250	168
Other purchased services	5,378	4,079	9,500	5,421
Supplies	38,252	31,491	30,257	(1,234)
Operations and Maintenance -				
Non-certified salaries	299,437	327,325	345,000	17,675
Insurance	17,232	14,471	22,845	8,374
Social Security	21,020	23,716	24,515	799
Water/sewer	393	398	575	177
Cleaning	811	768	750	(18)
Repairs and maintenance	6,935	500	-	(500)
General supplies	-	-	300	300
Heating	1,456	1,152	1,150	(2)
Electricity	1,587	1,549	1,500	(49)
Miscellaneous supplies	350	201	250	49
Other Support Services -				
Non-certified salaries	118,737	116,696	118,750	2,054
Insurance	597	636	795	159
Social Security	8,752	8,595	9,000	405
Transportation - Vehicle Operating Services -				
Non-certified salaries	184,996	169,642	170,000	358
Insurance	8,308	6,263	9,625	3,362
Social Security	12,558	11,251	13,770	2,519
Vehicle insurance	7,082	13,038	7,000	(6,038)
Other	74	-	-	-

Unified School District Number 400  
Lindsborg, Kansas

GENERAL FUND (cont.)

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

	2010		2011		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Expenditures (cont.):					
Transportation - Supervision -					
Non-certified salaries	\$ 34,013	\$ 32,172	\$ 32,500	\$ 32,500	\$ 328
Insurance	1,760	1,486	2,010	2,010	524
Social Security	2,604	2,430	2,850	2,850	420
Supplies	357	175	500	500	325
Transportation - Vehicle & Maint. Services -					
Non-certified salaries	15,948	13,048	13,500	13,500	452
Insurance	951	784	945	945	161
Social Security	997	797	1,340	1,340	543
Purchased professional services	2,467	2,099	2,500	2,500	401
Supplies	34,079	31,409	32,000	32,000	591
Transportation - Other Student -					
Transportation Services -					
Other purchased services	1,980	1,755	2,500	2,500	745
Property and equipment	1,039	3,418	2,500	2,500	(918)
Other	4,250	3,006	5,000	5,000	1,994
Outgoing Transfers -					
At Risk (4 Year Old)	48,144	25,000	47,244	47,244	22,244
At Risk (K-12)	383,146	370,472	370,472	370,472	-
Bilingual	4,814	-	2,756	2,756	2,756
Food Service	-	5,000	-	-	(5,000)
Professional Development	6,909	-	-	-	-
Special Education	910,898	1,017,639	1,017,639	1,017,639	-
Vocational Education	209,994	120,842	123,288	123,288	2,446
Virtual Education	135,761	131,407	126,771	126,771	(4,636)
Adjustment to comply with legal max	-	-	(63,446)	(63,446)	(63,446)
Legal General Fund Budget	6,840,633	6,790,928	6,679,121	6,679,121	(111,807)
Adjustment for qualifying budget credits	-	-	111,807	111,807	111,807
Total Expenditures	6,840,633	6,790,928	\$ 6,790,928	\$ 6,790,928	-
Receipts Over (Under) Expenditures	488,054	28,744			
Unencumbered Cash, Beginning	(922,253)	(434,199)			
Unencumbered Cash, Ending	\$ (434,199)	\$ (405,455)	*		

\* See Note 10 (Statutory Presentation)

Unified School District Number 400  
Lindsborg, Kansas

SUPPLEMENTAL GENERAL

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010		2011		Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	Actual	
<b>Cash Receipts:</b>					
Taxes and Shared Revenue -					
Ad valorem property					
Prior year	\$ 48,046	\$ 36,332	\$ 39,602	\$ (3,270)	
Current year	928,941	1,046,391	1,004,910	41,481	
Delinquent tax	18,806	22,226	14,985	7,241	
Motor vehicle tax	130,198	136,058	134,226	1,832	
Recreational vehicle tax	3,044	3,076	2,988	88	
State aid	699,911	1,059,488	932,273	127,215	
Federal aid - ARRA	243,744	-	-	-	
Total Cash Receipts	<u>2,072,690</u>	<u>2,303,571</u>	<u>\$ 2,128,984</u>	<u>\$ 174,587</u>	
<b>Expenditures:</b>					
Instruction -					
Certified salaries	-	-	\$ 97,291	\$ 97,291	
Certified salaries - ARRA	129,485	-	-	-	
Non-certified salaries - ARRA	114,259	-	-	-	
Insurance	280,882	290,756	340,224	49,468	
Textbooks	32,546	18,920	24,000	5,080	
Property and equipment	226,197	276,416	249,865	(26,551)	
Student Support Services -					
Insurance	4,824	10,632	10,632	-	
Instructional Support Staff -					
Insurance	42,158	34,901	47,844	12,943	
General Administration -					
Insurance	9,648	10,509	10,632	123	
Purchased professional services	-	-	15,500	15,500	
School Administration -					
Insurance	45,277	51,529	58,476	6,947	
Operations and Maintenance -					
Insurance	54,996	58,509	69,976	11,467	
Purchased property services	373,534	149,461	300,197	150,736	
Other purchased services	9,126	151,569	80,750	(70,819)	
General supplies	24,020	28,934	38,000	9,066	
Heating	72,938	62,126	85,250	23,124	
Electricity	151,925	178,256	188,500	10,244	
Motor fuel	2,865	2,918	4,750	1,832	
Miscellaneous supplies	34,565	41,755	61,500	19,745	
Student Transportation Services -					
Insurance	55,927	59,306	79,740	20,434	
Motor fuel	66,718	75,443	99,500	24,057	
Equipment	82,315	95,251	175,000	79,749	
Other Supplemental Services -					
Insurance	9,648	10,509	15,948	5,439	
Outgoing Transfers -					
Bilingual	5,000	-	-	-	
Food Service	12,000	28,000	-	(28,000)	
Special Education	148,270	409,026	-	(409,026)	
Vocational Education	-	89,000	-	(89,000)	
Virtual Education	-	32,000	23,246	(8,754)	
At Risk (4 Year Old)	45,000	-	30,000	30,000	
At Risk (K-12)	85,000	27,028	94,179	67,151	
Adjustment to comply with legal max	-	-	(8,246)	(8,246)	
Total Expenditures	<u>2,119,123</u>	<u>2,192,754</u>	<u>\$ 2,192,754</u>	<u>\$ -</u>	
Receipts Over (Under) Expenditures	(46,433)	110,817			
Unencumbered Cash, Beginning	(69,745)	(116,178)			
Unencumbered Cash, Ending	<u>\$ (116,178)</u>	<u>\$ (5,361)</u>	*		

\* See Note 10 (Statutory Presentation)

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

Unified School District Number 400  
Lindsborg, Kansas

AT RISK FUND (4 YEAR OLD)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 48,144	\$ 25,000	\$ 47,244	\$ (22,244)
Transfer from Supplemental General Fund	45,000	-	30,000	(30,000)
Total Cash Receipts	<u>93,144</u>	<u>25,000</u>	<u>\$ 77,244</u>	<u>\$ (52,244)</u>
Expenditures:				
Instruction -				
Certified salaries	43,024	42,375	\$ 45,000	\$ 2,625
Noncertified salaries	11	9,753	12,000	2,247
Insurance	4,875	5,405	10,732	5,327
Social security	4,078	3,993	4,400	407
Other employee benefits	176	201	288	87
Purchased professional services	-	300	-	(300)
General teaching supplies	859	580	2,837	2,257
Property and equipment	-	-	750	750
Total Expenditures	<u>53,023</u>	<u>62,607</u>	<u>\$ 76,007</u>	<u>\$ 13,400</u>
Receipts Over (Under) Expenditures	40,121	(37,607)		
Unencumbered Cash, Beginning	<u>50,170</u>	<u>90,291</u>		
Unencumbered Cash, Ending	<u>\$ 90,291</u>	<u>\$ 52,684</u>		

**Unified School District Number 400**  
**Lindsborg, Kansas**

**AT RISK FUND (K-12)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended June 30, 2011**

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Miscellaneous revenue	\$ 400	\$ 395	\$ -	\$ 395
Transfer from General Fund	383,146	370,472	370,472	-
Transfer from Supplemental General Fund	85,000	27,028	102,425	(75,397)
<b>Total Cash Receipts</b>	<b>468,546</b>	<b>397,895</b>	<b>\$ 472,897</b>	<b>\$ (75,002)</b>
<b>Expenditures:</b>				
Instruction -				
Certified salaries	349,460	300,111	\$ 499,269	\$ 199,158
Noncertified salaries	12,607	74,688	84,000	9,312
Insurance	14,525	25,085	29,480	4,395
Social security	14,522	14,334	37,500	23,166
General teaching supplies	-	-	3,750	3,750
Miscellaneous supplies	676	1,302	-	(1,302)
<b>Total Expenditures</b>	<b>391,790</b>	<b>415,520</b>	<b>\$ 653,999</b>	<b>\$ 238,479</b>
Receipts Over (Under) Expenditures	76,756	(17,625)		
Unencumbered Cash, Beginning	89,666	166,422		
Unencumbered Cash, Ending	\$ 166,422	\$ 148,797		

Unified School District Number 400  
Lindsborg, Kansas

BILINGUAL 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)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Transfer from General Fund	\$ 4,814	\$ -	\$ 2,756	\$ (2,756)
Transfer from Supplemental General Fund	5,000	-	-	-
<b>Total Cash Receipts</b>	<b>9,814</b>	<b>-</b>	<b>\$ 2,756</b>	<b>\$ (2,756)</b>
<b>Expenditures:</b>				
Instruction -				
Certified salaries	2,875	4,026	\$ 11,150	\$ 7,124
Noncertified salaries	1,500	3,193	11,500	8,307
Insurance	21	42	5,466	5,424
Social security	217	552	1,500	948
Teaching supplies	238	(238)	750	988
Textbooks	-	-	592	592
Instructional Support Staff -				
Purchased professional services	-	-	500	500
<b>Total Expenditures</b>	<b>4,851</b>	<b>7,575</b>	<b>\$ 31,458</b>	<b>\$ 23,883</b>
Receipts Over (Under) Expenditures	4,963	(7,575)		
Unencumbered Cash, Beginning	23,285	28,248		
Unencumbered Cash, Ending	\$ 28,248	\$ 20,673		

Unified School District Number 400  
Lindsborg, Kansas

CAPITAL OUTLAY

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 10,280	\$ 9,234	\$ 9,909	\$ (675)
Current year	236,150	186,506	184,581	1,925
Delinquent tax	4,115	5,159	3,807	1,352
Motor vehicle tax	27,808	30,697	30,527	170
Recreational vehicle tax	650	727	680	47
Other local source revenue	10,569	4,132	11,500	(7,368)
Interest on idle funds	-	-	25,000	(25,000)
Miscellaneous reimbursements	90,874	368,076	18,000	350,076
<b>Total Cash Receipts</b>	<b>380,446</b>	<b>604,531</b>	<b>\$ 284,004</b>	<b>\$ 320,527</b>
<b>Expenditures:</b>				
Instruction property, equipment, and furniture	68,778	31,108	\$ 551,370	\$ 520,262
Student support services property	6,802	-	37,500	37,500
Instruction support property	3,479	31,880	80,000	48,120
General administration property	204	1,273	22,500	21,227
School administration property	4,189	1,289	37,500	36,211
Business services property	-	-	17,500	17,500
Operation and maintenance property	20,372	37,599	63,549	25,950
Transportation	-	7,145	175,000	167,855
Other support services property	750	750	2,500	1,750
Architectural and engineering services	-	-	25,000	25,000
New building acquisition and construction	-	-	50,000	50,000
Building additions/service systems	4,400	40,792	75,000	34,208
Repair and remodeling building	117,183	460,788	175,000	(285,788)
<b>Legal Capital Outlay Fund Budget</b>	<b>226,157</b>	<b>612,624</b>	<b>1,312,419</b>	<b>699,795</b>
Adjustment for qualifying budget credits	-	-	368,076	368,076
<b>Total Expenditures</b>	<b>226,157</b>	<b>612,624</b>	<b>\$ 1,680,495</b>	<b>\$ 1,067,871</b>
Receipts Over (Under) Expenditures	154,289	(8,093)		
Unencumbered Cash, Beginning	979,440	1,133,729		
Unencumbered Cash, Ending	\$ 1,133,729	\$ 1,125,636		

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

**Unified School District Number 400**  
**Lindsborg, Kansas**

**DRIVER TRAINING**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended June 30, 2011**

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

		<b>2011</b>		
	<u>2010</u> <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>Cash Receipts:</b>				
State aid	\$ 2,250	\$ 3,404	\$ 3,220	\$ 184
Fees	5,658	3,771	5,750	(1,979)
<b>Total Cash Receipts</b>	<u>7,908</u>	<u>7,175</u>	<u>\$ 8,970</u>	<u>\$ (1,795)</u>
<b>Expenditures:</b>				
Instruction -				
Certified salaries	9,500	6,300	\$ 15,000	\$ 8,700
Insurance	48	40	100	60
Social Security	727	482	1,150	668
General teaching supplies	-	-	500	500
Textbooks	-	-	3,500	3,500
Miscellaneous supplies	-	-	400	400
Vehicle Operation Maintenance Service -				
Rent of vehicles	-	-	2,500	2,500
Insurance	-	-	500	500
Motor fuel - not school buses	637	550	2,500	1,950
Property	-	-	500	500
<b>Total Expenditures</b>	<u>10,912</u>	<u>7,372</u>	<u>\$ 26,650</u>	<u>\$ 19,278</u>
Receipts Over (Under) Expenditures	(3,004)	(197)		
Unencumbered Cash, Beginning	<u>36,704</u>	<u>33,700</u>		
Unencumbered Cash, Ending	<u>\$ 33,700</u>	<u>\$ 33,503</u>		

Unified School District Number 400  
Lindsborg, Kansas

FOOD SERVICE

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
State aid	\$ 5,623	\$ 5,269	\$ 4,547	\$ 722
Federal aid	185,296	173,391	183,909	(10,518)
Student receipts	210,475	207,669	209,641	(1,972)
Adult and ala carte receipts	50,513	50,233	50,756	(523)
Transfer from General Fund	-	5,000	-	5,000
Transfer from Supplemental General Fund	12,000	28,000	-	28,000
Interest on idle funds	48,888	21,236	55,000	(33,764)
	<u>512,795</u>	<u>490,798</u>	<u>\$ 503,853</u>	<u>\$ (13,055)</u>
<b>Expenditures:</b>				
Food Service Operation -				
Non-certified salaries	118,836	114,507	\$ 130,000	\$ 15,493
Insurance	36,455	36,700	50,228	13,528
Social Security	8,576	8,398	9,950	1,552
Other purchased services	-	-	750	750
Food and milk	313,441	309,236	405,000	95,764
Miscellaneous supplies	9,931	8,093	11,500	3,407
Property, equipment and furniture	4,511	6,364	17,500	11,136
Other food service operations	12,363	11,685	13,000	1,315
	<u>504,113</u>	<u>494,983</u>	<u>\$ 637,928</u>	<u>\$ 142,945</u>
Receipts Over (Under) Expenditures	8,682	(4,185)		
Unencumbered Cash, Beginning	<u>156,317</u>	<u>164,999</u>		
Unencumbered Cash, Ending	<u>\$ 164,999</u>	<u>\$ 160,814</u>		

**Unified School District Number 400**  
**Lindsborg, Kansas**

**PROFESSIONAL DEVELOPMENT**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended June 30, 2011**

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

	<u>2011</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>2010 Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b>Cash Receipts:</b>				
Miscellaneous income	\$ -	\$ 28	\$ -	\$ 28
Transfer from General Fund	6,909	-	-	-
<b>Total Cash Receipts</b>	<u>6,909</u>	<u>28</u>	<u>\$ -</u>	<u>\$ 28</u>
<b>Expenditures:</b>				
<b>Instructional Support Staff -</b>				
Certified salaries	-	-	\$ 7,500	\$ 7,500
Social Security	-	-	575	575
Other employee benefits	-	-	50	50
Purchased professional services	8,310	8,195	58,388	50,193
Books and periodicals	-	1,765	4,688	2,923
Miscellaneous supplies	136	-	4,750	4,750
<b>Total Expenditures</b>	<u>8,446</u>	<u>9,960</u>	<u>\$ 75,951</u>	<u>\$ 65,991</u>
Receipts Over (Under) Expenditures	(1,537)	(9,932)		
Unencumbered Cash, Beginning	<u>77,488</u>	<u>75,951</u>		
Unencumbered Cash, Ending	<u>\$ 75,951</u>	<u>\$ 66,019</u>		

Unified School District Number 400  
Lindsborg, Kansas

SPECIAL EDUCATION

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

	2010		2011		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
<b>Cash Receipts:</b>					
Miscellaneous revenue	\$ -	\$ 3,211	\$ -	\$ -	\$ 3,211
Transfer from General Fund	910,898	1,017,639	1,017,639	-	-
Transfer from Supplemental General Fund	148,270	409,026	-	-	409,026
<b>Total Cash Receipts</b>	<b>1,059,168</b>	<b>1,429,876</b>	<b>\$ 1,017,639</b>	<b>\$ -</b>	<b>\$ 412,237</b>
<b>Expenditures:</b>					
Instruction -					
Payment to Special Education Coop	1,287,094	1,357,117	\$ 1,538,127	\$ -	\$ 181,010
Vehicle Operating Service Supervision -					
Non-certified salaries	-	-	7,500	-	7,500
Insurance	-	-	1,275	-	1,275
Social Security	-	-	575	-	575
Vehicle Operating Services -					
Non-certified salaries	23,671	28,683	50,644	-	21,961
Insurance	2,333	3,063	7,300	-	4,237
Social Security	1,811	2,054	3,750	-	1,696
Insurance	704	1,514	2,150	-	636
Motor fuel	6,300	11,622	13,500	-	1,878
Miscellaneous supplies	1,376	6,010	1,500	-	(4,510)
Vehicle Services & Maintenance Services -					
Other vehicle maintenance	5,450	9,022	9,500	-	478
<b>Total Expenditures</b>	<b>1,328,739</b>	<b>1,419,085</b>	<b>\$ 1,635,821</b>	<b>\$ -</b>	<b>\$ 216,736</b>
Receipts Over (Under) Expenditures	(269,571)	10,791			
Unencumbered Cash, Beginning	1,277,546	1,007,975			
Unencumbered Cash, Ending	\$ 1,007,975	\$ 1,018,766			

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

Unified School District Number 400  
Lindsborg, Kansas

SUMMER SCHOOL

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>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Fees	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Instruction -				
Certified salaries	-	-	\$ 27,750	\$ 27,750
Non-certified salaries	-	-	5,500	5,500
Insurance	-	-	2,954	2,954
Social Security	-	-	2,500	2,500
General teaching supplies	-	-	1,500	1,500
Miscellaneous supplies	-	-	750	750
Total Expenditures	-	-	\$ 40,954	\$ 40,954
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>40,954</u>	<u>40,954</u>		
Unencumbered Cash, Ending	<u>\$ 40,954</u>	<u>\$ 40,954</u>		

Unified School District Number 400  
Lindsborg, Kansas

VOCATIONAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Transfer from General Fund	\$ 209,994	\$ 120,842	\$ 59,842	\$ 61,000
Transfer from Supplemental General Fund	-	89,000	-	89,000
Miscellaneous revenue	3,500	3,500	-	3,500
<b>Total Cash Receipts</b>	<b>213,494</b>	<b>213,342</b>	<b>\$ 59,842</b>	<b>\$ 153,500</b>
<b>Expenditures:</b>				
Instruction -				
Certified salaries	143,652	149,184	\$ 150,000	\$ 816
Insurance	7,579	11,490	16,025	4,535
Social Security	10,563	11,004	11,475	471
Tuition	17,088	11,376	12,875	1,499
General teaching supplies	10,436	5,445	13,345	7,900
Property	2,594	-	3,500	3,500
<b>Total Expenditures</b>	<b>191,912</b>	<b>188,499</b>	<b>\$ 207,220</b>	<b>\$ 18,721</b>
Receipts Over (Under) Expenditures	21,582	24,843		
Unencumbered Cash, Beginning	128,018	149,600		
Unencumbered Cash, Ending	\$ 149,600	\$ 174,443		

Unified School District Number 400  
Lindsborg, Kansas

PARENT EDUCATION PROGRAM

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>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Student Support Services - Payments to Coops/Interlocal	<u>10,596</u>	<u>-</u>	<u>\$ 18,567</u>	<u>\$ 18,567</u>
Receipts Over (Under) Expenditures	(10,596)	-		
Unencumbered Cash, Beginning	<u>29,163</u>	<u>18,567</u>		
Unencumbered Cash, Ending	<u>\$ 18,567</u>	<u>\$ 18,567</u>		

Unified School District Number 400  
Lindsborg, Kansas

KPERS SPECIAL RETIREMENT CONTRIBUTION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State Sources - KPERS	\$ 185,192	\$ 491,730	\$ 440,527	\$ 51,203
Expenditures:				
Employee Benefits -				
Instruction	259,707	202,942	\$ 312,650	\$ 109,708
Student Support	1,827	1,347	7,054	5,707
Instructional Support	25,473	20,525	24,610	4,085
General Administration	8,229	9,634	8,545	(1,089)
School Administration	32,809	32,084	33,488	1,404
Other Supplemental Services	6,644	7,767	7,125	(642)
Operations & Maintenance	15,682	19,217	21,573	2,356
Student Transportation Services	12,107	11,530	17,589	6,059
Food Service	4,627	4,771	7,893	3,122
Total Expenditures	367,105	309,817	\$ 440,527	\$ 130,710
Receipts Over (Under) Expenditures	(181,913)	181,913		
Unencumbered Cash, Beginning	-	(181,913)		
Unencumbered Cash, Ending	\$ (181,913)	\$ -		

Unified School District Number 400  
Lindsborg, Kansas

CONTINGENCY RESERVE

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>737,142</u>	<u>737,142</u>
Unencumbered Cash, Ending	<u>\$ 737,142</u>	<u>\$ 737,142</u>

Unified School District Number 400  
Lindsborg, Kansas

TEXTBOOK/STUDENT MATERIAL REVOLVING

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Receipts:		
Fines	\$ 56	\$ 20
Rental fees	22,803	22,213
	<u>22,859</u>	<u>22,233</u>
Total Receipts		
Expenditures:		
Textbooks	30	793
Workbooks	-	624
Other materials and supplies	19	-
	<u>49</u>	<u>1,417</u>
Total Expenditures		
Receipts Over (Under) Expenditures	22,810	20,816
Unencumbered Cash, Beginning	<u>53,769</u>	<u>76,579</u>
Unencumbered Cash, Ending	<u>\$ 76,579</u>	<u>\$ 97,395</u>

Unified School District Number 400  
Lindsborg, Kansas

TITLE I

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Receipts:		
Federal grant	\$ 81,036	\$ 71,828
Expenditures:		
Teachers' salaries	62,311	67,730
Insurance	10,007	114
Employee benefits	4,014	-
Social Security	4,704	3,626
Supplies	-	358
Total Expenditures	<u>81,036</u>	<u>71,828</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 400  
Lindsborg, Kansas

TITLE I - ARRA

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Receipts:		
Federal grant - ARRA	\$ 17,075	\$ 32,294
Expenditures:		
Non-certified salaries	13,712	13,591
Insurance	70	10,291
Employee benefits	2,147	6,181
Social Security	1,049	2,328
Total Expenditures	<u>16,978</u>	<u>32,391</u>
Receipts Over (Under) Expenditures	97	(97)
Unencumbered Cash, Beginning	<u>-</u>	<u>97</u>
Unencumbered Cash, Ending	<u>\$ 97</u>	<u>\$ -</u>

Unified School District Number 400  
Lindsborg, Kansas

TITLE II-A TEACHER QUALITY

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal grant	\$ 24,725	\$ 25,334
Expenditures:		
Salaries	23,920	23,590
Insurance	805	1,744
Total Expenditures	<u>24,725</u>	<u>25,334</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 400  
Lindsborg, Kansas

TITLE II-D TECH LITERACY

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal grant	\$ 700	\$ 321
Expenditures:		
Purchased professional services	246	-
Other purchased services	-	160
Property and equipment	<u>454</u>	<u>161</u>
Total Expenditures	<u>700</u>	<u>321</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 400  
Lindsborg, Kansas**

**TITLE II-D TECH LITERACY - ARRA**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**

**For the Year Ended June 30, 2011**

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal grant - ARRA	\$ 500	\$ 1,223
Expenditures:		
Property and equipment	<u>434</u>	<u>1,289</u>
Receipts Over (Under) Expenditures	66	(66)
Unencumbered Cash, Beginning	<u>-</u>	<u>66</u>
Unencumbered Cash, Ending	<u>\$ 66</u>	<u>\$ -</u>

Unified School District Number 400  
Lindsborg, Kansas

TITLE IV - DRUG FREE SCHOOLS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal grant	\$ 2,402	\$ -
Expenditures:		
Purchased professional services	<u>2,402</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 400  
Lindsborg, Kansas

VIRTUAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Miscellaneous revenue	\$ -	\$ 574	\$ 2,500	\$ (1,926)
Transfer from General Fund	135,761	131,407	126,771	4,636
Transfer from Supplemental General Fund	-	32,000	15,000	17,000
<b>Total Cash Receipts</b>	<b>135,761</b>	<b>163,981</b>	<b>\$ 144,271</b>	<b>\$ 19,710</b>
<b>Expenditures:</b>				
<b>Instruction -</b>				
Certified salaries	28,188	38,901	\$ 37,500	\$ (1,401)
Insurance	48	191	5,381	5,190
Social Security	2,191	2,976	2,875	(101)
Other employee benefits	115	150	189	39
Purchased professional services	13,300	319	15,000	14,681
Other purchased services	-	345	500	155
Supplies	-	716	1,250	534
Property and Equipment	29,605	28,717	21,750	(6,967)
<b>Instructional Support Staff -</b>				
Other purchased services	123	-	-	-
Supplies	265	224	-	(224)
<b>School Administration -</b>				
Certified salaries	30,066	24,805	32,000	7,195
Non-certified salaries	9,406	17,412	18,000	588
Insurance	6,902	7,321	8,085	764
Social Security	2,845	3,072	3,825	753
Other employee benefits	161	162	250	88
Purchased professional services	1,356	-	2,500	2,500
Supplies	374	2,562	1,000	(1,562)
Property and Equipment	2,448	-	750	750
<b>Operations and Maintenance -</b>				
Property and Equipment	-	151	-	(151)
Other	73	-	-	-
<b>Total Expenditures</b>	<b>127,467</b>	<b>128,024</b>	<b>\$ 150,855</b>	<b>\$ 22,831</b>
Receipts Over (Under) Expenditures	8,294	35,957		
Unencumbered Cash, Beginning	35,000	43,294		
Unencumbered Cash, Ending	<b>\$ 43,294</b>	<b>\$ 79,251</b>		

Unified School District Number 400  
Lindsborg, Kansas

C.H.U.M.S.

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

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Donations	\$ 26,000	\$ 28,378
Expenditures:		
Salaries	10,200	8,803
Insurance	10	18
Social security	762	654
Supplies	2,348	3,287
Miscellaneous	159	-
Other	7,822	21,764
Total Expenditures	<u>21,301</u>	<u>34,526</u>
Receipts Over (Under) Expenditures	4,699	(6,148)
Unencumbered Cash, Beginning	<u>10,178</u>	<u>14,877</u>
Unencumbered Cash, Ending	<u>\$ 14,877</u>	<u>\$ 8,729</u>

Unified School District Number 400  
Lindsborg, Kansas

DISSEMINATION GRANT

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Receipts:		
Federal grant	\$ -	\$ 56,965
Expenditures:		
Certified salaries	-	27,630
Insurance	-	138
Social Security	-	2,051
Purchased professional services	-	26,876
Other	-	270
Total Expenditures	<u>-</u>	<u>56,965</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 400  
Lindsborg, Kansas

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)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Donations and memorials	\$ 10,631	\$ 9,633
Expenditures	<u>6,696</u>	<u>18,297</u>
Receipts Over (Under) Expenditures	3,935	(8,664)
Unencumbered Cash, Beginning	<u>20,270</u>	<u>24,205</u>
Unencumbered Cash, Ending	<u>\$ 24,205</u>	<u>\$ 15,541</u>

Unified School District Number 400  
Lindsborg, Kansas

BOND AND INTEREST

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Taxes and Shared Revenue - Ad valorem property				
Prior year	\$ 32,184	\$ 21,200	\$ 23,441	\$ (2,241)
Current year	541,950	481,969	476,905	5,064
Delinquent tax	12,774	13,984	8,748	5,236
Transfer from Bond Construction	18,130	1	-	1
Motor vehicle tax	87,275	87,670	86,041	1,629
Recreational vehicle tax	2,040	1,971	1,915	56
State aid	297,239	281,757	281,757	-
<b>Total Cash Receipts</b>	<b>991,592</b>	<b>888,552</b>	<b>\$ 878,807</b>	<b>\$ 9,745</b>
<b>Expenditures:</b>				
Principal	700,000	735,000	\$ 735,000	\$ -
Interest	258,835	236,574	236,576	2
Commission and postage	-	-	100	100
<b>Total Expenditures</b>	<b>958,835</b>	<b>971,574</b>	<b>\$ 971,676</b>	<b>\$ 102</b>
Receipts Over (Under) Expenditures	32,757	(83,022)		
Unencumbered Cash, Beginning	1,689,133	1,721,890		
Unencumbered Cash, Ending	\$ 1,721,890	\$ 1,638,868		

**Unified School District Number 400  
Lindsborg, Kansas**

**BOND CONSTRUCTION**

**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>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Interest on bond proceeds	\$ 13	\$ 1
Expenditures:		
Transfer to Bond & Interest	<u>18,130</u>	<u>1</u>
Total Expenditures	<u>18,130</u>	<u>1</u>
Receipts Over (Under) Expenditures	(18,117)	-
Unencumbered Cash, Beginning	<u>18,117</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 400  
Lindsborg, Kansas**

**DISCRETELY PRESENTED COMPONENT UNIT**

**SMOKY VALLEY EDUCATION FOUNDATION**

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Receipts:		
Donations	\$ 93,850	\$ 30,162
Interest	7,642	254
	<u>101,491</u>	<u>30,416</u>
Total Receipts		
Expenditures:		
Advertising	144	198
Cost of goods	276	3,631
Athletic cost of goods	2,351	92
Bank charges	12	-
Awards	5,537	299
Services	890	355
Scholarships	6,000	-
SVEF benefit auction costs	1,349	1,456
SVHS tennis program costs	223,225	5,333
Wrestling building costs	1,320	102,614
Transfer to Foundation	700,000	-
	<u>941,103</u>	<u>113,978</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(839,612)	(83,562)
Unencumbered Cash, Beginning	<u>1,163,062</u>	<u>323,450</u>
Unencumbered Cash, Ending	<u>\$ 323,450</u>	<u>\$ 239,888</u>

**Unified School District Number 400  
Lindsborg, Kansas**

**AGENCY FUNDS**

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

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organizations:				
Smoky Valley High School:				
Band	\$ 2,091	\$ 4,179	\$ 5,410	\$ 860
Music Trip	14,706	24,179	38,776	109
Business Professionals of America	-	2,727	2,671	56
Cheerleading	1,836	4,787	6,076	547
Choir	277			277
Accrued Seniors	-	2,810	2,810	-
Class of 2011	4,876	25	1,852	3,049
Class of 2012	9,172	5,639	8,403	6,408
Class of 2013	2,479	11,599	5,755	8,323
Class of 2014	2,810	3,259	4,342	1,727
Dance Team	340	7,908	7,533	715
Fellowship of Christian Athletes	639	145	200	584
Foreign Language Club	158	3	-	161
Family, Career & Comm Leaders	820	3,363	3,869	314
Info Tech	6	-	-	6
Tek Club	-	1,079	478	601
KAYS	197	2,865	2,548	514
Madrigals	646	1,189	1,053	782
National Honor Society	248	447	421	274
Pep Club	836	350	310	876
Student Activity	945	3,695	1,818	2,822
Student Council	10,691	16,219	15,699	11,211
Thespians	1,839	2,782	2,655	1,966
Viking Club	3,517	1,800	2,240	3,077
Subtotal Smoky Valley High School	<u>59,129</u>	<u>101,049</u>	<u>114,919</u>	<u>45,259</u>
Lindsborg Middle School:				
Student Action Core	<u>3,792</u>	<u>3,624</u>	<u>3,881</u>	<u>3,535</u>
Soderstrom Elementary School:				
Pep Club	<u>767</u>	<u>460</u>	<u>309</u>	<u>918</u>
Marquette Elementary School:				
Pep Club	232			232
K.I.C.	557	703	669	591
Fellowship of Christian Athletes	70	-	-	70
Subtotal Marquette Elementary	<u>859</u>	<u>703</u>	<u>669</u>	<u>893</u>
Total Student Organization Funds	64,547	105,836	119,778	50,605
Payroll Clearing	11,722		897	10,825
Sales Tax	-	11,489	11,489	-
Total Agency Funds	<u>\$ 76,269</u>	<u>\$ 117,325</u>	<u>\$ 132,164</u>	<u>\$ 61,430</u>

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

**Unified School District Number 400  
Lindsborg, Kansas**

**DISTRICT ACTIVITY FUNDS**

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

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Gate Receipts:				
Athletics:				
Smoky Valley High School	\$ -	\$ 31,609	\$ 31,609	\$ -
Lindsborg Middle School	-	6,240	6,240	-
Marquette Elementary School	-	2,550	2,550	-
	<u>-</u>	<u>40,399</u>	<u>40,399</u>	<u>-</u>
Total Gate Receipts	<u>\$ -</u>	<u>\$ 40,399</u>	<u>\$ 40,399</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT NUMBER 400**

**LINDSBORG, KANSAS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***(a) Reporting Entity***

Unified School District Number 400, Lindsborg, Kansas, is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 400, the primary government.

*Discretely Presented Component Unit.* The component unit section of the financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. The governing body of this component unit is not appointed by the District.

Smoky Valley Education Foundation. The District is the sole beneficiary of the funds of the Smoky Valley Education Foundation. The foundation operates as a separate governing body. Financial information may be obtained from the District office at 126 South Main, Lindsborg, Kansas.

***(b) Reimbursed Expenses***

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements to revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2011, in the amount of \$111,807 and \$368,076 are classified as reimbursed expenses in the General Fund and Capital Outlay Fund, respectively. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

***(c) Basis of Presentation - Fund Accounting***

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

**GOVERNMENTAL FUND TYPES**

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

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

Debt Service Funds - Debt Service Funds are used to account for the servicing of general long-term debt such as general obligation bonds.

Capital Project Funds - Capital Project Funds are used to account for the source of funds and the use of those funds to be expended on the particular capital project.

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

## FIDUCIARY FUND TYPES

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

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

### ***(d) Statutory Basis of Accounting***

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of 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 account principles and allowing the District to use the statutory basis of accounting.

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

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

### ***(f) Budget and Tax Cycle***

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and Enterprise Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

### (f) Budget and Tax Cycle (cont.)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for this year.

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

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 Fiduciary Funds and Permanent Funds, Capital Project Funds and the following Special Revenue Funds: Contingency Reserve, Textbook/Student Material Revolving, Title I, Title I-ARRA, Title II-A Teacher Quality, Title II-D Tech Literacy, Title II-D Tech Literacy-ARRA, Title IV-Drug Free Schools, C.H.U.M.S., Dissemination Grant, Trust Fund, and Gate Receipts.

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

## 2. DEPOSITS AND INVESTMENTS

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

K.S.A. 12-1675 limits the District's investment 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 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. At June 30, 2011, the District held 100% of their investments in the Kansas Municipal Investment Pool.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2011.

## 2. DEPOSITS AND INVESTMENTS (cont.)

### (a) Deposits

At June 30, 2011, the carrying amount of the District's deposits, including certificates of deposit, was \$1,200,137 and the bank balance was \$1,963,637. The bank balance was held by three banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$502,448 was covered by federal depository insurance and \$1,461,189 was covered by collateral held by third-party banks in the District's name. The third party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: The District, the pledging bank, and the independent third-party bank holding the pledged securities.

### (b) Investments

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2011, the District had invested in funds in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. All investments were held at the Kansas Municipal Investment Pool.

As of June 30, 2011, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than 1 Year</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 4,172,879</u>	<u>\$ 4,172,879</u>	S&P AAAF/SLT

## 3. CAPITAL PROJECTS

At year end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Expenditures to Date</u>	<u>Project Authorization</u>
School Improvements	<u>\$ 11,452,177</u>	<u>\$ 11,694,000</u>

#### 4. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 Year Old)	K.S.A. 72-6428	\$ 25,000
General Fund	At Risk (K-12)	K.S.A. 72-6428	370,472
General Fund	Food Service	K.S.A. 72-6428	5,000
General Fund	Special Education	K.S.A. 72-6428	1,017,639
General Fund	Vocational Education	K.S.A. 72-6428	120,842
General Fund	Virtual Education	K.S.A. 72-6428	131,407
Supplemental General Fund	Food Service	K.S.A. 72-6433	28,000
Supplemental General Fund	Special Education	K.S.A. 72-6433	409,026
Supplemental General Fund	Vocational Education	K.S.A. 72-6433	89,000
Supplemental General Fund	Virtual Education	K.S.A. 72-6433	32,000
Supplemental General Fund	At Risk (K-12)	K.S.A. 72-6433	27,028

#### 5. 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
General Obligation Bonds:										
School Building - 2002 Series	2.2% to 5.00%	10/15/02	\$ 9,000,000	09/01/16	\$ 6,075,000	\$ -	\$ 735,000	\$ (735,000)	\$ 5,340,000	\$ 236,574
Compensated Absences	N/A	N/A	N/A	N/A	42,994	-	21,226	(21,226)	21,768	-
Total Long-Term Debt					<u>\$6,117,994</u>	<u>\$ -</u>	<u>\$ 756,226</u>	<u>\$ (756,226)</u>	<u>\$ 5,361,768</u>	<u>\$ 236,574</u>

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

	Year							Total
	2012	2013	2014	2015	2016	2017		
Principal:								
General obligation bonds - 2002 Series	\$ 775,000	\$ 830,000	\$ 890,000	\$ 945,000	\$ 1,000,000	\$ 900,000	\$ 5,340,000	
Interest:								
General obligation bonds - 2002 Series	<u>205,440</u>	<u>165,315</u>	<u>126,765</u>	<u>91,483</u>	<u>55,000</u>	<u>18,000</u>	<u>662,003</u>	
Total Principal and Interest	<u>\$ 980,440</u>	<u>\$ 995,315</u>	<u>\$ 1,016,765</u>	<u>\$ 1,036,483</u>	<u>\$ 1,055,000</u>	<u>\$ 918,000</u>	<u>\$ 6,002,003</u>	

## 6. DEFINED BENEFIT PENSION PLAN

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

**Funding Policy.** K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009 were \$188,864,352 received as of June 30, 2011, (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), \$140,318,395 received as of June 30, 2010, (with the remaining balance due from the state of \$108,149,792, received by July 9, 2010), and \$242,277,363, respectively, equal to the statutory required contributions for each year.

## 7. LEAVE POLICIES

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

Sick leave benefits and other compensated absences for Governmental Funds are not accrued in the financial statements because they do not vest. When an employee leaves the District they do not receive any compensation for unused sick leave, unless they are a certified employee retiring, in which case they receive \$10.00 per day up to 88 days.

## 8. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of September 29, 2011, grant expenditures have not been audited, but the District believes disallowed expenditures or overpayments, if any, will not have a material effect on individual governmental funds or the overall financial position of the District.

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

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 has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2010 to 2011, and there were no settlements that exceeded insurance coverage in the past three years.

## 9. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

## 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.

### STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET For the Year Ended June 30, 2011

#### GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Statutory Revenues</b>			
General Property Taxes -			
Ad valorem property			
Prior year	\$ 32,455	\$ 31,391	\$ 1,064
Current year	891,266	878,081	13,185
Delinquent yax	19,333	14,288	5,045
Mineral production tax	1,245	500	745
State aid	4,395,616	4,752,959	(357,343)
Special education state aid	1,017,639	948,457	69,182
Federal aid - ARRA	116,891	116,891	-
Federal aid -Ed Jobs	204,676	-	204,676
Miscellaneous Reimbursements	111,807	-	111,807
Total Statutory Revenues	<u>6,790,928</u>	<u>\$ 6,742,567</u>	<u>\$ 48,361</u>
<b>Expenditures</b>			
Instruction	3,043,597	2,941,930	(101,667)
Student Support Services	130,529	135,080	4,551
Instructional Support Staff	392,278	376,550	(15,728)
General Administration	221,637	224,550	2,913
School Administration	543,748	552,317	8,569
Operations & Maintenance	370,079	396,885	26,806
Other Support Services	125,927	128,545	2,618
Transportation - Vehicle Operating Services	200,194	200,395	201
Transportation - Supervision	36,263	37,860	1,597
Transportation - Vehicle & Maintenance Services	48,137	50,285	2,148
Other Student Transportation Services	8,179	10,000	1,821
Outgoing Transfers	1,670,360	1,688,170	17,810
Adjustment to Comply with Legal Max	-	(63,446)	(63,446)
Legal General Fund Budget	<u>6,790,928</u>	<u>6,679,121</u>	<u>(111,807)</u>
Adjustment for qualifying budget credits	<u>-</u>	<u>111,807</u>	<u>111,807</u>
Total Expenditures	<u>6,790,928</u>	<u>\$ 6,790,928</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	-		
Modified Unencumbered Cash, June 30, 2010	<u>-</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ -</u>		

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

## STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2011

### SUPPLEMENTAL GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Statutory Revenues</b>			
General Property Taxes			
Ad valorem property			
Prior year	\$ 36,332	\$ 39,602	\$ (3,270)
Current year	1,046,391	1,004,910	41,481
Delinquent tax	22,226	14,985	7,241
Motor vehicle tax	136,058	134,226	1,832
Recreational vehicle tax	3,076	2,988	88
State aid	<u>925,752</u>	<u>932,273</u>	<u>(6,521)</u>
Total Statutory Revenues	<u>2,169,835</u>	<u>\$ 2,128,984</u>	<u>\$ 40,851</u>
<b>Expenditures</b>			
Instruction	586,094	\$ 711,380	\$ 125,286
Student Support Services	10,632	10,632	-
Instructional Support Staff	34,901	47,844	12,943
General Administration	10,509	26,132	15,623
School Administration	51,529	58,476	6,947
Operations & Maintenance	673,527	828,923	155,396
Transportation	229,999	354,240	124,241
Other Supplemental Services	10,509	15,948	5,439
Outgoing Transfers	<u>585,054</u>	<u>139,179</u>	<u>(445,875)</u>
Total Expenditures	<u>2,192,754</u>	<u>\$ 2,192,754</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	(22,919)		
Modified Unencumbered Cash, June 30, 2010	<u>72,016</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 49,097</u>		

## 11. EARLY RETIREMENT INCENTIVE

The District provides an early retirement program for certain eligible employees. Employees are eligible if (a) they are a professional employee of the District; (b) will be at least sixty (60) years of age and not more than sixty-four (64) years of age on or before August 31 of the calendar year in which the professional employee intends to retire or anyone who meets the KPERS 85 point early retirement plan; (c) has a minimum of twenty (20) years of employment in a public school system; (d) has a minimum of ten (10) years in the district to receive full early retirement benefits. Reduced benefits are eligible for employees that have been employed in the district for five (5) to nine (9) years.

The annual individual early retirement benefit shall be an amount as shown in the table below.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
60 years of age	\$ 11,000	\$ 11,000	\$ 8,000	\$ 7,000	\$ 6,000	\$ 43,000
61 years of age	11,000	8,000	7,000	6,000		32,000
62 years of age	8,000	7,000	6,000			21,000
63 years of age	7,000	6,000				13,000
64 years of age	6,000					6,000

Payments to retired employees under this plan were \$64,160 for the year ended June 30, 2011.

## 12. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through September 29, 2011 which is the date at which the financial statements were available to be issued.

**UNIFIED SCHOOL DISTRICT NUMBER 400  
LINDSBORG, KANSAS**

**OTHER SUPPLEMENTAL INFORMATION**

**FISCAL YEAR ENDED JUNE 30, 2011**

**Unified School District Number 400**  
**Lindsborg, Kansas**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2011**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture - Cluster</u>			
Passed Through State Department of Education			
School Breakfast Program	10.553	D0400	\$ 25,295
National School Lunch Program	10.555	D0400	<u>148,096</u>
Total U.S. Department of Agriculture			<u>173,391</u>
<u>U.S. Department of Education</u>			
Passed Through State Department of Education			
Title I Grants to Local Educational Agencies	84.010	D0400	71,828
Title I ARRA	84.389	D0400	32,391
Title II-A Improving Teacher Quality State Grants	84.367	D0400	25,334
Title II-D Education Technology State Grants	84.318	D0400	321
Title II-D ARRA	84.386	D0400	1,289
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	D0400	116,891
Education Jobs Fund	84.410	D0400	204,676
Charter Schools	84.282	D0400	56,965
Passed Through ESSDACK			
Carl Perkins	84.048		<u>3,500</u>
Total U.S. Department of Education			<u>513,195</u>
Total Expenditures of Federal Awards			<u>\$ 686,586</u>

Note 1 - Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of Unified School District Number 400, Lindsborg, Kansas, and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule.

**UNIFIED SCHOOL DISTRICT NUMBER 400  
LINDSBORG, KANSAS**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2011**

There were no reportable findings for the year ended June 30, 2010.

UNIFIED SCHOOL DISTRICT NUMBER 400  
LINDSBORG, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Unified School District Number 400.
2. Significant deficiencies relating to the audit of the financial statements are 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 Unified School District Number 400, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are 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 auditor's report on compliance for the major federal award programs expressed an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs include:

	<u>CFDA No.</u>
ARRA - State Fiscal Stabilization Fund – Education State Grants, Recovery Act	84.394
Title I, Part A Cluster - Title I, Part A	84.010
ARRA – Title I, Part A	84.389
Education Jobs Fund	84.010

8. The threshold for distinguishing Types A and B program was \$300,000.
9. Unified School District Number 400 was not a low-risk auditee.

**B. FINDINGS--FINANCIAL STATEMENTS AUDIT**

**SIGNIFICANT DEFICIENCY**

**Number 11-01            Lack of Segregation of Duties**

Condition:            Appropriate segregation of duties is achieved when one or more employees or functions acts as a check and balance on the activities of another so that no employee should be in a position to both commit an irregularity and conceal it. Due to resource constraints, these conflicting phases of transactions potentially

**Number 11-01      Lack of Segregation of Duties (cont.)**

occur throughout your entity at various times throughout the fiscal year. We considered this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

**Criteria:**      The segregation of incompatible duties means that no employee should be in a position to both commit an irregularity and conceal it. An Elected Official's Guide to Internal Controls and Fraud Prevention states that "ideally, no single individual should be able to:

- a)      *authorize* a transaction;
- b)      *record* the transaction in the books of account; and
- c)      ensure custody of the asset resulting from the transaction."

In a smaller entity setting, it is very difficult to maintain ideal segregation of duties. We consider this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

**Effect:**      Lack of segregation of duties aids in the possibility that errors and irregularities whether caused by fraud or human error will not be detected.

**Cause:**      Due to the limited staff in the District, segregation of duties has not been possible as required in an ideal internal control structure. At this time, we feel it would be cost prohibitive to increase staff in the District offices sufficiently to rectify this situation. Current office staff and the Board should however, continually review the opportunity to implement segregation of duties that will enhance the internal control structure at a minimal cost to the District.

**Recommendation:**      We recommend that the office staff continually review their procedures for opportunities to increase the segregation of duties in the office as well as the overall internal controls and oversight over the accounting functions in the office. We recommend the Board be aware of the importance of segregating the office duties in order to maintain a good internal control structure that will aid in the prevention and detection of errors and irregularities whether caused by fraud or human error.

Within the constraints of available resources, management should attempt to logically segregate duties among people or processes to mitigate risks and meet their financial reporting objectives.

**Number 11-02      Financial Statement Reporting**

**Condition:**      Our firm has been asked to prepare the financial statements for the District; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statements.

**Criteria:**      The District prepares its financial statements in accordance 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, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide (KMAG)*.

**Number 11-02      Financial Statement Reporting (cont.)**

**Effect:** We consider this condition related to external financial statement and other supplemental information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

**Cause:** District personnel do have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. However, the District either has no documented policy or procedures related to the preparation of the external financial statements and other supplemental information and/or the policies and procedures are not implemented and adequately followed to ensure the accuracy and completeness of the external financial statements and other supplemental information.

**Recommendation:** To strengthen internal control over financial statement preparation, we recommend:

- a) Obtain a current copy of the Kansas Municipal Audit Guide (KMAG);
- b) Obtain a report check list for KMAG financial statements;
- c) Participate in a training session on financial statement preparation and review; and
- d) Adopt a policy that annual financial statements will be reviewed prior to being subjected to audit.

**C. FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT**

## U.S. DEPARTMENT OF EDUCATION

ARRA – State Stabilization Fund – Education State Grants, Recovery Act – CFDA Number 84.394

NONE

Title I Low Income Program – CFDA Number 84.010

ARRA – Title I, Part A Cluster – CFDA Number 84.389

**Number 11-03      Compliance Issue – Allowable Costs/Cost Principles**

**Condition:** A Title I employee was paid entirely with Title I funds, but performed services other than Title I and therefore should not have been paid entirely with Title I funds.

**Criteria:** Per OMB Circular A-87, “where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) or other substitute system.” Employees with split time should document time and effort and their salaries should be paid with the appropriate funds related to their work assignments.

**Questioned costs:** Not applicable

**Number 11-03                      Compliance Issue – Allowable Costs/Cost Principles (cont.)**

**Effect:**                                      The district will not be in compliance with the allowable costs/cost principles compliance requirement when a portion of the employee's salary should not have been paid with Title I funds.

**Cause:**                                        Miscommunication between the local consolidated plan coordinator and the principal in charge at the school in which this particular employee received its work assignments was the cause of this condition. The employee was to have worked solely with Title I, but the work assignments did not reflect this.

**Recommendation:**                      The district should correct the local consolidated plan application budget to correctly allocate payroll expenditures for Title I employees with work assignments other than Title I and whose salaries are paid with funds other than Title I funds.

**Response by Management:**                      Management agrees with this finding. The district is in the process of correcting the next year's local consolidated plan application budget to correctly allocate payroll expenditures based on employees' work assignments related only to Title I.

Education Jobs Fund – CFDA Number 84.410

NONE