



BERBERICH TRAHAN & CO., P.A.

Certified Public Accountants

AUBURN-WASHBURN
UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2011

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2011

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AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2011

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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Auburn-Washburn Unified School District No. 437:

We have audited the financial statements of Auburn-Washburn Unified School District No. 437 (the District) as of and for the year ended June 30, 2011, as listed in the accompanying table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 2, the District has prepared these financial statements using accounting practices prescribed or permitted by 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 each fund of the District as of June 30, 2011, or changes in financial position thereof 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 each fund of Auburn-Washburn Unified School District No. 437 as of June 30, 2011, and their respective cash receipts and cash disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 2.

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 taken as a whole. The schedules listed under supplementary information in the accompanying table of contents, including the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, are presented for purposes of additional analysis, and are not a required part of the financial statements of Auburn-Washburn Unified School District No. 437. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Berberich Trahan & Co., P.A.

February 22, 2012

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH

Year Ended June 30, 2011

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances
General fund	\$ (1,635,874)	\$ 73
Supplemental general	(63,116)	-
Special revenue funds:		
Capital outlay	282,458	-
Driver education	34,188	-
Food service	24,546	-
Special education	3,725,846	-
Vocational education	51,347	-
Professional development	102,065	-
Parent education	39,124	-
KPERS special retirement contribution	(618,453)	-
Summer school	35,236	-
Scholarship	68,178	-
Bilingual	47,453	-
At-Risk fund (4 year old)	27,504	-
At-Risk fund (K-12)	92,256	-
Federal grant funds	(74,389)	-
Textbook rental	2,429,107	-
Pre-K pilot project	(5,171)	-
Other grant funds	11,740	100
Contingency reserve	2,000,000	-
Gate receipts	29,897	-
High school projects	2,191	-
District activity funds	161,123	-
Debt service fund:		
Bond and interest	3,340,200	-
Capital project fund:		
Construction project fund	1,773,030	5,046
Total reporting entity (excluding agency funds)	<u>\$ 11,880,486</u>	<u>\$ 5,219</u>
Composition of cash:		
Checking accounts		
Petty cash funds		
Municipal investment pool		
Certificates of deposit		
Activity funds - checking accounts		
Total cash		
Agency funds per Statement 4		
Total reporting entity (excluding agency funds)		

See accompanying notes to financial statements.

Statement 1

Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
\$ 32,881,051	\$ 32,682,087	\$ -	\$ (1,436,837)	\$ 1,416,604	\$ (20,233)
11,057,244	10,722,130	-	271,998	-	271,998
2,049,041	1,454,700	-	876,799	47,682	924,481
22,617	21,285	-	35,520	388	35,908
2,574,781	2,381,680	-	217,647	104,203	321,850
10,367,048	10,177,940	-	3,914,954	824,754	4,739,708
949,262	903,497	-	97,112	58,111	155,223
20,000	44,317	-	77,748	6,408	84,156
170,228	212,614	-	(3,262)	8,247	4,985
2,817,080	2,198,627	-	-	-	-
5,939	3,594	-	37,581	-	37,581
11,279	2,050	-	77,407	-	77,407
145,000	145,190	-	47,263	24,010	71,273
166,540	149,373	-	44,671	14,250	58,921
2,195,443	2,195,300	-	92,399	281,988	374,387
873,315	752,382	-	46,544	70,142	116,686
407,707	528,899	-	2,307,915	73,545	2,381,460
5,190	22,507	-	(22,488)	568	(21,920)
17,758	34,194	-	(4,596)	1,172	(3,424)
368,527	-	-	2,368,527	-	2,368,527
132,023	140,399	(353)	21,168	-	21,168
1,463	1,514	227	2,367	-	2,367
2,098,093	2,051,438	4,592	212,370	-	212,370
4,706,051	4,270,280	-	3,775,971	-	3,775,971
11,071,115	4,040,525	-	8,808,666	3,392,226	12,200,892
<u>\$ 85,113,795</u>	<u>\$ 75,136,522</u>	<u>\$ 4,466</u>	<u>\$ 21,867,444</u>	<u>\$ 6,324,298</u>	<u>\$ 28,191,742</u>
					\$ 10,005,903
					800
					14,949,134
					3,000,000
					743,143
					<u>28,698,980</u>
					(507,238)
					<u>\$ 28,191,742</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2011

<u>FUNDS</u>	<u>Certified Budget</u>
General fund	\$ 32,720,407
Supplemental general	10,722,130
Special revenue funds:	
Capital outlay	2,649,235
Driver education	54,156
Food service	2,539,975
Special education	13,289,709
Vocational education	992,591
Professional development	126,081
Parent education	244,192
KPERs special retirement contribution	3,322,456
Summer school	32,492
Scholarship	47,780
Bilingual	169,831
At-Risk fund (4 year old)	151,580
At-Risk fund (K-12)	2,257,523
Federal grant funds	1,074,303
Debt service fund:	
Bond and interest	4,275,672
	4,275,672
Totals	\$ 74,670,113

See accompanying notes to financial statements.

<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ (61,023)	\$ 22,703	\$ 32,682,087	\$ 32,682,087	\$ -
-	-	10,722,130	10,722,130	-
-	-	2,649,235	1,454,700	(1,194,535)
-	-	54,156	21,285	(32,871)
-	-	2,539,975	2,381,680	(158,295)
-	-	13,289,709	10,177,940	(3,111,769)
-	-	992,591	903,497	(89,094)
-	-	126,081	44,317	(81,764)
-	-	244,192	212,614	(31,578)
-	-	3,322,456	2,198,627	(1,123,829)
-	-	32,492	3,594	(28,898)
-	-	47,780	2,050	(45,730)
-	-	169,831	145,190	(24,641)
-	-	151,580	149,373	(2,207)
-	-	2,257,523	2,195,300	(62,223)
-	-	1,074,303	752,382	(321,921)
-	-	4,275,672	4,270,280	(5,392)
<u>\$ (61,023)</u>	<u>\$ 22,703</u>	<u>\$ 74,631,793</u>	<u>\$ 68,317,046</u>	

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 242,493	\$ 211,657	\$ (30,836)
Ad valorem current tax	7,522,885	7,757,749	234,864
In lieu of taxes	67,045	68,869	1,824
Ad valorem delinquent tax	89,186	108,434	19,248
State equalization aid	18,876,141	17,838,198	(1,037,943)
State special education fund	5,379,662	5,379,662	-
Federal aid	542,995	1,493,779	950,784
Reimbursed expenses	-	22,703	22,703
	<u>\$ 32,720,407</u>	<u>32,881,051</u>	<u>\$ 160,644</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 10,450,367	10,916,736	\$ 466,369
Support services	2,625,737	2,471,143	(154,594)
Administration	3,596,222	3,616,125	19,903
Operation and maintenance	5,890,433	5,516,015	(374,418)
Other supplemental services	1,851,393	1,465,092	(386,301)
Community service operations	137,089	145,982	8,893
Architectural and engineering services	60,708	-	(60,708)
Transfers to other funds	8,108,458	8,550,994	442,536
Adjustments to comply with legal max	(61,023)		61,023
Adjustment for qualifying budget credits	22,703		(22,703)
	<u>\$ 32,682,087</u>	<u>32,682,087</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		198,964	
Unencumbered cash, beginning		(1,635,874)	
Adjustment to unencumbered cash for prior year canceled encumbrances		<u>73</u>	
Unencumbered cash, ending		<u>\$ (1,436,837) *</u>	

* See Note 9 for statutory basis unencumbered cash balance.

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 227,210	\$ 202,802	\$ (24,408)
Ad valorem current tax	7,168,605	7,557,520	388,915
In lieu of taxes	64,624	62,912	(1,712)
Ad valorem delinquent tax	85,547	102,538	16,991
Motor vehicle tax	854,027	868,865	14,838
Recreational vehicle tax	6,749	6,956	207
Supplemental state aid	1,952,157	2,255,651	303,494
Total cash receipts	<u>\$ 10,358,919</u>	<u>11,057,244</u>	<u>\$ 698,325</u>
Expenditures and transfers:			
Instruction	\$ 6,882,860	6,862,860	\$ (20,000)
Transfer to other funds	3,839,270	3,859,270	20,000
Total expenditures and transfers	<u>\$ 10,722,130</u>	<u>10,722,130</u>	<u>\$ -</u>
Cash receipts over expenditures and transfers		335,114	
Unencumbered cash, beginning		<u>(63,116)</u>	
Unencumbered cash, ending		<u>\$ 271,998</u>	*

* See Note 9 for statutory basis unencumbered cash balance.

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Ad valorem tax in process	\$ 43,281	\$ 38,653	\$ (4,628)
Ad valorem current tax	1,604,447	1,655,457	51,010
In lieu of taxes	14,306	13,781	(525)
Ad valorem delinquent tax	16,305	28,574	12,269
Motor vehicle tax	189,089	193,096	4,007
Recreational vehicle tax	1,494	1,547	53
Interest on idle funds	51,000	10,285	(40,715)
Other	30,000	107,648	77,648
	<u>\$ 1,949,922</u>	<u>2,049,041</u>	<u>\$ 99,119</u>
Expenditures and encumbrances:			
Land acquisition and improvement	\$ 325,000	87,602	\$ (237,398)
Reconstruction, repair and remodeling	256,324	60,822	(195,502)
Equipment	2,067,911	1,306,276	(761,635)
	<u>\$ 2,649,235</u>	<u>1,454,700</u>	<u>\$ (1,194,535)</u>
Cash receipts over expenditures and encumbrances		594,341	
Unencumbered cash, beginning		<u>282,458</u>	
Unencumbered cash, ending		<u>\$ 876,799</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DRIVER EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
State aid	\$ 5,600	\$ 6,142	\$ 542
Reimbursements	18,000	16,475	(1,525)
Transfer from general fund	6,560	-	(6,560)
Total cash receipts and transfers	\$ 30,160	22,617	\$ (7,543)
Expenditures and encumbrances:			
Instruction	\$ 39,156	18,820	\$ (20,336)
Vehicle operation and maintenance	15,000	2,465	(12,535)
Total expenditures and encumbrances	\$ 54,156	21,285	\$ (32,871)
Cash receipts and transfers over expenditures and encumbrances		1,332	
Unencumbered cash, beginning		34,188	
Unencumbered cash, ending		\$ 35,520	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts and transfers:			
State aid	\$ 22,820	\$ 29,833	\$ 7,013
Federal aid	929,967	1,091,022	161,055
Receipts, student	1,020,726	1,023,959	3,233
Nonreimbursed sales	564,580	359,967	(204,613)
Transfer from general fund	-	70,000	70,000
	<u> </u>	<u> </u>	<u> </u>
Total cash receipts and transfers	<u>\$ 2,538,093</u>	<u>2,574,781</u>	<u>\$ 36,688</u>
Expenditures and encumbrances:			
Operation and maintenance	\$ 104,972	53,646	\$ (51,326)
Food service	2,435,003	2,328,034	(106,969)
	<u> </u>	<u> </u>	<u> </u>
Legal budget	2,539,975	2,381,680	(158,295)
Adjustment to budget authority attributable to additional federal funds received			
	<u>161,055</u>	<u> </u>	<u>(161,055)</u>
Total expenditures and encumbrances	<u>\$ 2,701,030</u>	<u>2,381,680</u>	<u>\$ (319,350)</u>
Cash receipts and transfers over expenditures and encumbrances			
		193,101	
Unencumbered cash, beginning			
		<u>24,546</u>	
Unencumbered cash, ending			
		<u>\$ 217,647</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SPECIAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Federal aid	\$ 1,300,000	\$ 1,586,030	\$ 286,030
Medicaid	200,000	225,931	25,931
Local revenues	30,000	69,753	39,753
Transfer from general fund	4,909,750	5,385,334	475,584
Transfer from supplemental general fund	3,100,000	3,100,000	-
Total cash receipts and transfers	\$ 9,539,750	10,367,048	\$ 827,298
Expenditures and encumbrances:			
Instruction	\$ 10,536,120	7,546,285	\$ (2,989,835)
Transportation	894,502	782,341	(112,161)
Operation and maintenance	112,371	37,622	(74,749)
Support services	1,374,656	1,354,937	(19,719)
General administration	252,301	342,341	90,040
School administration	119,759	114,414	(5,345)
Total expenditures and encumbrances	\$ 13,289,709	10,177,940	\$ (3,111,769)
Cash receipts and transfers over expenditures and encumbrances		189,108	
Unencumbered cash, beginning		3,725,846	
Unencumbered cash, ending		\$ 3,914,954	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

VOCATIONAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Federal aid	\$ 35,000	\$ 34,992	\$ (8)
Transfer from general fund	240,730	200,000	(40,730)
Transfer from supplemental general fund	714,270	714,270	-
Total cash receipts and transfers	\$ 990,000	949,262	\$ (40,738)
Expenditures and encumbrances:			
Instruction	\$ 964,591	892,065	\$ (72,526)
Support services	28,000	11,432	(16,568)
Total expenditures and encumbrances	\$ 992,591	903,497	\$ (89,094)
Cash receipts and transfers over expenditures and encumbrances		45,765	
Unencumbered cash, beginning		51,347	
Unencumbered cash, ending		\$ 97,112	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

PROFESSIONAL DEVELOPMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Transfers:			
Transfer from general fund	\$ 30,000	\$ 20,000	\$ (10,000)
Expenditures and encumbrances:			
Support services	\$ 126,081	44,317	\$ (81,764)
Transfers under expenditures and encumbrances		(24,317)	
Unencumbered cash, beginning		102,065	
Unencumbered cash, ending		\$ 77,748	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

PARENT EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
State aid	\$ 111,454	\$ 55,727	\$ (55,727)
Services to other school districts	61,914	59,061	(2,853)
Transfer from general fund	55,440	55,440	-
Total cash receipts and transfers	\$ 228,808	170,228	\$ (58,580)
Expenditures and encumbrances:			
Support services	\$ 244,192	212,614	\$ (31,578)
Cash receipts and transfers under expenditures and encumbrances		(42,386)	
Unencumbered cash, beginning		39,124	
Unencumbered cash, ending		\$ (3,262)	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Cash receipts:			
State aid	\$ 3,322,456	\$ 2,817,080	\$ (505,376)
Expenditures:			
Instruction	\$ 2,251,297	1,444,497	\$ (806,800)
Support services	333,907	226,019	(107,888)
General administration	96,683	59,583	(37,100)
School administration	213,966	151,046	(62,920)
Other supplemental services	91,368	13,192	(78,176)
Operations and maintenance	175,093	118,726	(56,367)
Transportation	66,781	89,484	22,703
Food service	93,361	96,080	2,719
Total expenditures	\$ 3,322,456	2,198,627	\$ (1,123,829)
Cash receipts over expenditures		618,453	
Unencumbered cash, beginning		(618,453)	
Unencumbered cash, ending		\$ -	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMER SCHOOL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Reimbursements	\$ 2,500	\$ 5,939	\$ 3,439
Expenditures:			
Instruction	\$ 32,492	3,594	\$ (28,898)
Cash receipts over expenditures		2,345	
Unencumbered cash, beginning		<u>35,236</u>	
Unencumbered cash, ending		<u>\$ 37,581</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHOLARSHIP FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Interest	\$ -	\$ 479	\$ 479
Contributions	30,000	10,800	(19,200)
Total cash receipts	<u>\$ 30,000</u>	<u>11,279</u>	<u>\$ (18,721)</u>
Expenditures:			
Instruction	\$ -	2,050	\$ 2,050
Support services	47,780	-	(47,780)
Total expenditures	<u>\$ 47,780</u>	<u>2,050</u>	<u>\$ (45,730)</u>
Cash receipts over expenditures		9,229	
Unencumbered cash, beginning		<u>68,178</u>	
Unencumbered cash, ending		<u>\$ 77,407</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Ad valorem tax in process	\$ 120,089	\$ 107,161	\$ (12,928)
Ad valorem current tax	3,883,058	4,005,857	122,799
In lieu of taxes	31,243	33,346	2,103
Ad valorem delinquent tax	45,203	45,984	781
Motor vehicle tax	412,967	419,098	6,131
Recreational vehicle tax	3,264	3,353	89
State aid	103,756	91,252	(12,504)
	<u>\$ 4,599,580</u>	<u>4,706,051</u>	<u>\$ 106,471</u>
Expenditures:			
Principal	\$ 1,430,000	1,425,000	\$ (5,000)
Interest expense	2,845,283	2,845,279	(4)
Miscellaneous	389	1	(388)
	<u>\$ 4,275,672</u>	<u>4,270,280</u>	<u>\$ (5,392)</u>
Cash receipts over expenditures		435,771	
Unencumbered cash, beginning		<u>3,340,200</u>	
Unencumbered cash, ending		<u>\$ 3,775,971</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

BILINGUAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance Over (Under)
Transfers:			
Transfer from general fund	\$ 112,000	\$ 120,000	\$ 8,000
Transfer from supplemental general fund	25,000	25,000	-
Total transfers	\$ 137,000	145,000	\$ 8,000
Expenditures and encumbrances:			
Instruction	\$ 169,831	145,190	\$ (24,641)
Transfers under expenditures and encumbrances		(190)	
Unencumbered cash, beginning		47,453	
Unencumbered cash, ending		\$ 47,263	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

AT-RISK FUND (4 YEAR OLD)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers:			
Transfers from supplemental general fund	\$ -	\$ 20,000	\$ 20,000
Transfers from general fund	<u>126,540</u>	<u>146,540</u>	<u>20,000</u>
Total transfers	<u>\$ 126,540</u>	<u>166,540</u>	<u>\$ 40,000</u>
Expenditures and encumbrances:			
Instruction	\$ 142,780	149,362	\$ 6,582
Other supplemental services	<u>8,800</u>	<u>11</u>	<u>(8,789)</u>
Total expenditures and encumbrances	<u>\$ 151,580</u>	<u>149,373</u>	<u>\$ (2,207)</u>
Transfers over expenditures and encumbrances		17,167	
Unencumbered cash, beginning		<u>27,504</u>	
Unencumbered cash, ending		<u>\$ 44,671</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

AT-RISK FUND (K-12)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts and transfers:			
Local revenues	\$ 15,000	\$ 10,290	\$ (4,710)
Transfers from general fund	<u>2,152,438</u>	<u>2,185,153</u>	<u>32,715</u>
Total cash receipts and transfers	<u>\$ 2,167,438</u>	<u>2,195,443</u>	<u>\$ 28,005</u>
Expenditures and encumbrances:			
Instruction	\$ 2,057,576	2,030,420	\$ (27,156)
Support services	66,270	58,216	(8,054)
Operation and maintenance	<u>133,677</u>	<u>106,664</u>	<u>(27,013)</u>
Total expenditures and encumbrances	<u>\$ 2,257,523</u>	<u>2,195,300</u>	<u>\$ (62,223)</u>
Cash receipts and transfers over expenditures and encumbrances		143	
Unencumbered cash, beginning		<u>92,256</u>	
Unencumbered cash, ending		<u>\$ 92,399</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FEDERAL GRANT FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2011

	<u>Title I 2009-2010</u>	<u>Title I 2010-2011</u>
Cash receipts:		
Federal aid	\$ 97,967	\$ 448,930
Expenditures and encumbrances:		
Instruction	72,992	318,416
Student support services	10,522	45,763
Staff training	-	-
Total expenditures and encumbrances	<u>83,514</u>	<u>364,179</u>
Cash receipts over (under) expenditures and encumbrances	14,453	84,751
Unencumbered cash, beginning	<u>(14,453)</u>	<u>(13,226)</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ 71,525</u>

(Continued)

<u>Technology Literacy Challenge 2009-2010</u>	<u>Technology Literacy Challenge 2010-2011</u>	<u>Drug-Free Schools 2009-2010</u>	<u>Improving Teacher Quality 2009-2010</u>	<u>Improving Teacher Quality 2010-2011</u>
\$ -	\$ 10,207	\$ 12,846	\$ 60,891	\$ 102,185
47	10,207	4,773	7,514	61,528
-	-	-	3,394	53,857
10,311	-	-	-	-
<u>10,358</u>	<u>10,207</u>	<u>4,773</u>	<u>10,908</u>	<u>115,385</u>
(10,358)	-	8,073	49,983	(13,200)
<u>10,602</u>	<u>-</u>	<u>(7,336)</u>	<u>(49,983)</u>	<u>-</u>
<u>\$ 244</u>	<u>\$ -</u>	<u>\$ 737</u>	<u>\$ -</u>	<u>\$ (13,200)</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FEDERAL GRANT FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2011

	<u>Early Childhood 2010-2011</u>	<u>Title III 2010-2011</u>
Cash receipts:		
Federal aid	\$ 84,524	\$ 10,509
Expenditures and encumbrances:		
Instruction	110,039	10,509
Student support services	-	-
Staff training	-	-
Total expenditures and encumbrances	<u>110,039</u>	<u>10,509</u>
Cash receipts over (under) expenditures and encumbrances	(25,515)	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ (25,515)</u>	<u>\$ -</u>

(Continued)

<u>Continuous Improvement 2010-2011</u>	<u>Continuous Improvement 2009-2010</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
<u>\$ 40,066</u>	<u>\$ 5,190</u>	<u>\$ 873,315</u>	<u>\$ 1,130,997</u>	<u>\$ (257,682)</u>
1,425	5,190	602,640	901,483	\$ (298,843)
-	-	113,536	134,820	(21,284)
<u>25,895</u>	<u>-</u>	<u>36,206</u>	<u>38,000</u>	<u>(1,794)</u>
<u>27,320</u>	<u>5,190</u>	<u>752,382</u>	<u>\$ 1,074,303</u>	<u>\$ (321,921)</u>
12,746	-	120,933		
<u>-</u>	<u>7</u>	<u>(74,389)</u>		
<u>\$ 12,746</u>	<u>\$ 7</u>	<u>\$ 46,544</u>		

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

TEXTBOOK RENTAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2011

Cash receipts:	
Fees	\$ 407,707
Expenditures and encumbrances:	
Instruction	<u>528,899</u>
Cash receipts under expenditures and encumbrances	(121,192)
Unencumbered cash, beginning	<u>2,429,107</u>
Unencumbered cash, ending	<u><u>\$ 2,307,915</u></u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

PRE-K PILOT PROJECT

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2011

Cash receipts:	
Local revenues	\$ 5,190
	<hr/>
Expenditures and encumbrances:	
Instruction	3,442
Support services	19,065
	<hr/>
Total expenditures and encumbrances	22,507
	<hr/>
Cash receipts under expenditures and encumbrances	(17,317)
Unencumbered cash, beginning	(5,171)
	<hr/>
Unencumbered cash, ending	\$ (22,488)
	<hr/> <hr/>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

OTHER GRANT FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2011

Cash receipts:	
Other aid	\$ 17,758
	<hr/>
Expenditures and encumbrances:	
Instruction	5,109
Support services	29,085
	<hr/>
Total expenditures and encumbrances	34,194
	<hr/>
Cash receipts under expenditures and encumbrances	(16,436)
Unencumbered cash, beginning	11,740
Adjustment to unencumbered cash for prior year canceled encumbrances	100
	<hr/>
Unencumbered cash, ending	\$ (4,596)
	<hr/> <hr/>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CONTINGENCY RESERVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2011

Transfer from general fund	\$ 368,527
Unencumbered cash, beginning	<u>2,000,000</u>
Unencumbered cash, ending	<u><u>\$ 2,368,527</u></u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GATE RECEIPTS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Gate receipts:					
Washburn Rural High School	\$ 29,897	\$ 132,023	\$ 140,399	\$ (353)	\$ 21,168

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

HIGH SCHOOL PROJECTS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
High school projects:					
Coordinated school health program	\$ 163	\$ 750	\$ 206	\$ -	\$ 707
Library authors	2,028	713	1,308	227	1,660
Total high school projects	<u>\$ 2,191</u>	<u>\$ 1,463</u>	<u>\$ 1,514</u>	<u>\$ 227</u>	<u>\$ 2,367</u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CONSTRUCTION PROJECT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2011

Cash receipts:	
Investment income	\$ 11,581
Federal aid	693,473
State aid	29,011
Bond proceeds	<u>10,337,050</u>
Total cash receipts	<u>11,071,115</u>
Expenditures and encumbrances:	
General administration	172,278
Capital outlay	<u>3,868,247</u>
Total expenditures and encumbrances	<u>4,040,525</u>
Cash receipts over expenditures and encumbrances	7,030,590
Unencumbered cash, beginning	1,773,030
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>5,046</u>
Unencumbered cash, ending	<u><u>\$ 8,808,666</u></u>

See accompanying notes to financial statements.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
10-11 fg advisory pr	\$ -	\$ 500	\$ -	\$ -	\$ 500
10-11 fg contus ed vis	-	1,000	1,000	-	-
10-11 fg dress for fa	-	650	647	-	3
10-11 fg heritage we	-	500	-	(500)	-
10-11 FG Inter resp sy	-	1,695	1,695	-	-
10-11 fg inter smartb	-	698	698	-	-
10-11 FG st your own	-	1,000	487	-	513
10-11 found grant go	-	750	750	-	-
Academic decathlon	500	206	671	-	35
Advisory/mentoring	2,325	-	2,355	-	(30)
Aerobics club	39	-	-	-	39
Alternative education	488	892	934	-	446
American literature	33	-	-	-	33
Art club	855	6,353	5,378	455	2,285
Assistance for students	2,041	-	-	1,441	3,482
AP coordinator	1,877	20,246	20,092	609	2,640
AW Foundation grant	310	-	-	-	310
Band activity	62,294	65,552	55,641	(983)	71,222
Band instrument rental	-	654	582	-	72
Baseball fundraiser	206	3,723	2,106	(2)	1,821
Basketball activity	338	3,266	2,897	(151)	556
Beginning photography	9,219	1,141	10,145	40	255
Blue Streak	13,379	2,815	4,092	(496)	11,606
Blues Café	249	-	-	-	249
Bowling fundraiser	619	1,335	1,441	-	513
Boys golf activity	384	2,701	2,930	-	155
Boys soccer activity	1,078	3,785	1,943	(900)	2,020
Broadway musical	-	1,774	7,475	5,701	-
Car club	831	290	302	-	819
Cheerleaders activity	2,404	37,472	29,767	(608)	9,501
Chess club	1,173	-	-	-	1,173
Chimes	203,170	97,291	120,854	1,594	181,201
CIA	121	-	121	-	-
Circle of friends	157	605	400	-	362
Class of 2007	421	-	-	-	421
Class of 2010	1,422	-	-	(1,422)	-
Subtotal forward	\$ 305,933	\$ 256,894	\$ 275,403	\$ 4,778	\$ 292,202

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
<u>Washburn Rural High:</u>					
Subtotal forward	\$ 305,933	\$ 256,894	\$ 275,403	\$ 4,778	\$ 292,202
Class of 2011	2,093	2,795	4,160	-	728
Class of 2012	4,879	7,401	6,645	(32)	5,603
Class of 2013	2,486	1,409	1,678	(30)	2,187
Class of 2014	-	3,179	1,230	-	1,949
Communications	-	-	-	3,040	3,040
Cross country	2,861	1,449	877	-	3,433
Debate/forensics	8,733	11,310	10,765	-	9,278
DFD	409	-	-	-	409
Drama club	-	231	231	-	-
Drama club HS account	9,944	20,795	6,941	(10,481)	13,317
Flag uniform	51	-	-	-	51
Football activity	14,323	22,078	23,513	(42)	12,846
Foreign language activity	-	140	140	-	-
Foreign language club	364	39	200	-	203
German club	8	466	193	-	281
FBLA	1	370	250	-	121
FCCLA	133	-	-	-	133
FCA	42	-	-	-	42
FFA	2,316	5,604	5,130	(57)	2,733
Girls golf	513	1,046	94	-	1,465
Girls soccer activity	(36)	4,077	4,289	300	52
Girls softball activity	298	-	170	-	128
Girls tennis	213	950	988	(130)	45
Health club	1,287	-	15	-	1,272
Interact	484	1,082	902	-	664
Intramurals	(85)	3,902	1,827	-	1,990
KAFHK	-	1,000	406	(212)	382
Lady Blues	796	3,911	3,989	3	721
Lang arts con enroll	-	1,000	245	6,800	7,555
Leftover lunch	421	-	-	(421)	-
Literary magazine	541	-	-	-	541
Marketplace	418	-	-	-	418
Math club	9,531	594	830	(345)	8,950
Math exponents	269	768	893	345	489
Subtotal forward	<u>\$ 369,226</u>	<u>\$ 352,490</u>	<u>\$ 352,004</u>	<u>\$ 3,516</u>	<u>\$ 373,228</u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 369,226	\$ 352,490	\$ 352,004	\$ 3,516	\$ 373,228
Men's tennis	133	846	640	-	339
MOS certification	-	2,165	2,165	-	-
National Honor Society	629	1,683	1,681	(50)	581
Orchestra activity	1,019	366	159	(25)	1,201
PE uniform	-	891	830	12	73
Pom pon activity	1,303	15,077	13,984	(205)	2,191
Quiz bowl	134	-	-	-	134
Renaissance	12,490	4,290	15,037	(495)	1,248
Robotics	391	340	390	-	341
S.A.D.D.	416	113	-	-	529
Scholar Bowl	44	338	309	-	73
School to career	148	-	-	-	148
Science club	285	120	281	-	124
Science concurrent	-	-	-	80	80
Social committee	1,264	-	-	-	1,264
Softball concessions	1,902	11,508	10,676	(50)	2,684
Spanish club	-	30	-	-	30
Spirit club	1,868	1,679	1,267	-	2,280
Spring play production	-	-	1,822	1,435	(387)
STUCO concessions	13,345	895	3,070	624	11,794
STUCO improvement	11,740	50,845	30,849	(13,363)	18,373
Student council	7,717	12,135	11,543	29	8,338
Supply shack	1,453	10,374	8,322	492	3,997
Swimming activity	223	1,922	2,075	-	70
Swimming - boys	1,891	6,438	5,035	-	3,294
Teacher appreciation	15	-	-	-	15
Thespians	-	3,345	3,642	455	158
Track activity	1,853	1,953	2,637	(3)	1,166
Video production club	1,139	-	-	-	1,139
Vocal music	18,661	54,320	53,417	1,501	21,065
Volleyball	3,005	8,836	6,663	200	5,378
Weight lifting activity	145	-	-	-	145
Winter play production	-	936	2,912	2,869	893
Wood and metal projects	(1)	4,786	4,827	-	(42)
Wrestling fundraiser	1,649	3,280	3,666	-	1,263
WRHS bank	-	1,000	-	-	1,000
WRHS crimestoppers	607	-	20	-	587
Subtotal forward	\$ 454,694	\$ 553,001	\$ 539,923	\$ (2,978)	\$ 464,794

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS

(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 454,694	\$ 553,001	\$ 539,923	\$ (2,978)	\$ 464,794
Young Republicans	11	315	206	-	120
Young Democrats	18	-	-	-	18
YSC - special education fund	167	-	-	(167)	-
Subtotal Washburn Rural High	454,890	553,316	540,129	(3,145)	464,932
Washburn Rural Middle:					
Band activity	373	30,312	31,619	934	-
Boys basketball	-	724	721	-	3
Boys midnight madness activity	1	-	-	-	1
Challenge course	7,505	1,200	-	(1,000)	7,705
Eighth grade activity	65	-	-	-	65
Football	93	2,461	2,443	-	111
Gifted program	28	600	196	-	432
Girls basketball	285	900	1,188	4	1
Integrity counts	325	-	-	-	325
Mass production	2,306	1,741	522	-	3,525
Nature niche	1	205	194	-	12
Orchestra	407	7,478	7,549	(322)	14
Spirit club	35	2,382	2,617	200	-
Spirit squad	566	1,152	1,048	-	670
Student council	2,269	2,252	2,709	71	1,883
Tennis	15	1,141	1,146	-	10
Track	170	5,966	5,942	-	194
Vocal music activity	1	16,827	17,154	326	-
Wrestling	71	884	795	-	160
Yearbook	14,085	22,686	24,132	271	12,910
Volleyball activity	10	1,966	1,900	-	76
Circle of friends	177	-	43	(75)	59
7th girls basketball	-	835	810	-	25
Boys basketball seventh grade	7	1,333	1,336	-	4
Subtotal Washburn Rural Middle	28,795	103,045	104,064	409	28,185
Pauline South Intermediate:					
Angel fund	714	1,670	1,406	(706)	272
Skating parties	674	480	437	(360)	357
Student council	673	435	738	-	370
Sixth grade activity	1,132	3,039	3,749	-	422
Subtotal Pauline South Intermediate	\$ 3,193	\$ 5,624	\$ 6,330	\$ (1,066)	\$ 1,421

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Wanamaker Elementary:					
Fourth grade activity	\$ 114	\$ 964	\$ 968	\$ -	\$ 110
Fifth grade activity	-	613	613	-	-
Sixth grade activity	23	560	590	-	(7)
Friday activity	19	-	-	-	19
PTO	40	-	-	-	40
Student activity	469	3,896	3,652	607	1,320
Student council	474	3,837	3,499	-	812
Subtotal Wanamaker Elementary	1,139	9,870	9,322	607	2,294
Indian Hills Elementary:					
Student council	637	628	819	-	446
Jay Shideler Elementary:					
Student council	1,424	-	136	-	1,288
Snack shack	469	288	80	-	677
Student store activity	619	438	269	-	788
Subtotal Jay Shideler Elementary	2,512	726	485	-	2,753
Auburn Elementary:					
Biz card prizes	69	-	-	-	69
Sixth grade fundraiser	142	-	77	-	65
Student council	1,087	3,153	3,899	-	341
Subtotal Auburn Elementary	1,298	3,153	3,976	-	475
Farley Elementary:					
Social committee	697	1,655	1,777	-	575
Activity fund	2,757	8,738	4,065	-	7,430
Farley t-shirts	-	-	-	(1,273)	(1,273)
Subtotal Farley Elementary	3,454	10,393	5,842	(1,273)	6,732
Total all funds	\$ 495,918	\$ 686,755	\$ 670,967	\$ (4,468)	\$ 507,238

See accompanying notes to financial statements.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Washburn Rural High:								
12 +	\$ 451	\$ -	\$ 211	\$ 639	\$ 167	\$ 190	\$ -	\$ 190
Book damages	-	-	5,810	5,883	145	72	-	72
Business computer	616	-	-	-	-	616	-	616
Business Fees	-	-	1,806	1,757	21	70	-	70
CheckRite	(128)	-	608	450	-	30	-	30
Enrollment fees	-	-	182,096	182,212	2,314	2,198	-	2,198
Fundamentals Class	328	-	865	875	-	318	-	318
Health grant	275	-	210	40	-	445	-	445
Hospitality	6,240	-	3,148	5,532	-	3,856	-	3,856
Other - district money	-	-	1,206	1,076	(115)	15	-	15
Outstanding checks	1,879	-	-	-	-	1,879	-	1,879
Parking permits	6,044	-	33,741	11,551	38	28,272	-	28,272
Petty cash	300	-	-	-	-	300	-	300
Postmaster	(244)	-	8,572	10,898	673	(1,897)	-	(1,897)
Programs	-	-	586	590	-	(4)	-	(4)
Pay to particiapte	-	-	19,341	18,471	63	933	-	933
Summer enrichment program	-	-	1,080	1,020	-	60	-	60
Summer school payments	-	-	3,410	3,260	-	150	-	150
TCF grants	566	-	-	-	-	566	-	566
Testing/guidance	3,879	-	3,355	3,902	20	3,352	-	3,352
Subtotal Washburn Rural High	20,206	-	266,045	248,156	3,326	41,421	-	41,421
Washburn Rural Middle:								
Agenda fees	1	-	31	41	9	-	-	-
Art fees	(1)	-	1,729	1,719	(9)	-	-	-
Athletics	14,035	-	13,901	12,536	(20)	15,380	-	15,380
Book fair	67	-	-	34	-	33	-	33
Book rental fees	-	-	57,496	57,397	(99)	-	-	-
Champions	109	-	1,129	1,422	250	66	-	66
CheckRite	1	-	308	309	-	-	-	-
Citizenship program	1,028	-	-	-	-	1,028	-	1,028
Collections	-	-	150	-	-	150	-	150
Comets	106	-	920	899	62	189	-	189
Concessions	11,749	-	14,769	18,898	(714)	6,906	-	6,906
Subtotal forward	\$ 27,095	\$ -	\$ 90,433	\$ 93,255	\$ (521)	\$ 23,752	\$ -	\$ 23,752

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Subtotal forward	\$ 27,095	\$ -	\$ 90,433	\$ 93,255	\$ (521)	\$ 23,752	\$ -	\$ 23,752
CPR	1,653	-	-	-	(1,653)	-	-	-
Damaged and lost books	-	-	1,283	1,332	49	-	-	-
Donations	290	-	200	70	-	420	-	420
Eclipse	205	-	1,596	1,618	50	233	-	233
Enrollment fees	46	-	(142)	102	198	-	-	-
FACS	1	-	3,563	3,528	(36)	-	-	-
Foreign language fees	-	-	985	981	(4)	-	-	-
Grant programs	20,774	-	975	1,547	(950)	19,252	-	19,252
Gym fees	-	-	7,905	7,867	(38)	-	-	-
Industrial arts	-	-	4,643	4,616	(27)	-	-	-
Instrument rental fees	-	-	4,630	4,615	(15)	-	-	-
Math moves us scholarship	-	-	45	-	-	45	-	45
Odyssey	224	-	2,225	2,478	159	130	-	130
Pictures	544	-	2,000	1,188	(580)	776	-	776
Principal emergency	4,615	-	8,294	7,159	(11)	5,739	-	5,739
PTO special project	3,728	-	15,767	723	(3,421)	15,351	-	15,351
School activities	1,446	-	22,716	23,473	551	1,240	-	1,240
School play	1,119	-	2,924	1,156	(165)	2,722	-	2,722
SFA activities	-	-	4,133	4,119	(14)	-	-	-
Summer school fees	-	-	550	540	(10)	-	-	-
Sunshine	603	-	845	1,255	(60)	133	-	133
Teacher funds	3,941	-	3,192	6,342	4,129	4,920	-	4,920
Team - All Stars	68	-	1,546	1,720	221	115	-	115
Team - Applied Arts	456	-	-	262	400	594	-	594
The News	9	-	1,402	1,510	250	151	-	151
The Wave	59	-	1,292	1,355	26	22	-	22
Therapy dog	303	-	1,950	805	(1,448)	-	-	-
Vending sales	4,375	-	11,808	8,669	-	7,514	-	7,514
Voyagers	238	-	1,369	1,581	18	44	-	44
Learning center	-	-	307	98	-	209	-	209
History speakers	-	-	-	733	733	-	-	-
District other	-	-	2,843	3,214	371	-	-	-
District printing	-	-	-	684	684	-	-	-
District food service	-	-	-	346	346	-	-	-
Subtotal Washburn Rural Middle	\$ 71,792	\$ -	\$ 201,279	\$ 188,941	\$ (768)	\$ 83,362	\$ -	\$ 83,362

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Pauline South Intermediate:								
Assignment	\$ -	\$ -	\$ 10	\$ 10	\$ -	\$ -	\$ -	\$ -
Book fair	2,786	-	2,069	4,761	13	107	-	107
Book rental	-	-	14,295	14,652	357	-	-	-
Box tops	-	-	681	-	-	681	-	681
Discretionary	31	-	-	-	-	31	-	31
General activity	263	-	6,609	6,830	469	511	-	511
Hospitality	132	-	1,924	1,616	106	546	-	546
Instrument rental	-	-	1,875	2,003	140	12	-	12
Lost books	42	-	192	234	-	-	-	-
Miscellaneous	-	-	111	144	33	-	-	-
Pictures	2,129	-	7,976	7,466	(381)	2,258	-	2,258
PTO - principal	10	-	-	-	-	10	-	10
Rebates	-	-	75	75	-	-	-	-
School supplies	1,364	-	3,349	3,648	-	1,065	-	1,065
Wal-Mart grant	80	-	-	75	-	5	-	5
Yearbook	102	-	3,010	3,000	-	112	-	112
Subtotal Pauline South Intermediate	6,939	-	42,176	44,514	737	5,338	-	5,338
Pauline Central Elementary:								
Book fair	4,713	-	970	634	-	5,049	-	5,049
CheckRite	-	-	120	120	-	-	-	-
Committee	141	-	-	94	-	47	-	47
Health room	23	-	-	-	-	23	-	23
Foundation	207	-	1,712	1,733	-	186	-	186
Hospitality	96	-	1,025	1,028	-	93	-	93
Library books	9	-	195	169	(35)	-	-	-
McDonald's	4,425	-	1,500	1,211	-	4,714	-	4,714
Pay to plug	-	-	25	25	-	-	-	-
Pictures	84	-	150	110	-	124	-	124
Principal's discretionary fund	742	-	500	864	-	378	-	378
School activity	460	-	6,982	5,281	-	2,161	-	2,161
Textbook	-	-	17,368	17,368	-	-	-	-
Visiting author	700	-	-	-	-	700	-	700
Water machine	53	-	341	306	-	88	-	88
Yearbook	275	-	3,393	3,406	-	262	-	262
Subtotal Pauline Central Elementary	\$ 11,928	\$ -	\$ 34,281	\$ 32,349	\$ (35)	\$ 13,825	\$ -	\$ 13,825

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Wanamaker Elementary:								
Book fair	\$ 5,262	\$ -	\$ 2,115	\$ 1,592	\$ 2	\$ 5,787	\$ -	\$ 5,787
CheckRite	-	-	83	83	-	-	-	-
Contribution	254	-	1,550	1,349	-	455	-	455
Farley PTO Supply	199	-	-	-	(199)	-	-	-
Instrument rental	-	-	877	877	-	-	-	-
Lost library book	146	-	49	41	-	154	-	154
Pre-school fees	-	-	1,648	1,648	-	-	-	-
PTO	488	-	-	80	(408)	-	-	-
Social	1,335	-	1,345	946	-	1,734	-	1,734
Special services	118	-	-	-	-	118	-	118
Teaching supplies	(43)	-	1,953	20	840	2,730	-	2,730
Teacher foundation	2,497	-	2,933	200	(840)	4,390	-	4,390
Textbook	1	-	28,114	28,115	-	-	-	-
Yearbook	1,020	-	3,158	3,454	-	724	-	724
Subtotal Wanamaker Elementary	11,277	-	43,825	38,405	(605)	16,092	-	16,092
Auburn Elementary:								
Book fair	181	-	7,135	7,113	-	203	-	203
CheckRite	58	-	61	55	-	64	-	64
Discretionary funds	-	-	460	460	-	-	-	-
Instrument rental	-	-	1,235	1,235	-	-	-	-
Library fines	97	-	492	377	75	287	-	287
Outdoor education area	161	-	-	-	-	161	-	161
Pictures	313	-	215	60	-	468	-	468
School activity	1,042	-	17,188	10,673	(75)	7,482	-	7,482
Topeka community	204	-	2,238	2,306	-	136	-	136
Textbook rental	-	-	27,273	27,273	-	-	-	-
Tutor	339	-	-	-	-	339	-	339
Yearbook	(1)	-	3,421	3,420	-	-	-	-
Subtotal Auburn Elementary	2,394	-	59,718	52,972	-	9,140	-	9,140
Indian Hills Elementary:								
FD Money	15	-	-	-	-	15	-	15
Grants and gifts	250	-	2,329	1,386	-	1,193	-	1,193
Hospitality	4	-	-	-	-	4	-	4
Instrument rental	-	-	810	810	-	-	-	-
Library	589	-	12,307	11,904	-	992	-	992
Lost books	601	-	120	47	(414)	260	-	260
School activity	2,804	-	11,357	8,632	414	5,943	-	5,943
Subtotal forward	\$ 4,263	\$ -	\$ 26,923	\$ 22,779	\$ -	\$ 8,407	\$ -	\$ 8,407

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Subtotal forward	\$ 4,263	\$ -	\$ 26,923	\$ 22,779	\$ -	\$ 8,407	\$ -	\$ 8,407
Rebate	-	-	165	165	-	-	-	-
Textbook	-	-	37,710	37,710	-	-	-	-
Sales Tax	36	-	-	-	-	36	-	36
Pictures	991	-	-	-	-	991	-	991
Yearbook	603	-	4,505	4,166	-	942	-	942
Subtotal Indian Hills Elementary	5,893	-	69,303	64,820	-	10,376	-	10,376
Jay Shideler Elementary:								
Author	148	-	-	-	-	148	-	148
Book fair	641	-	7,654	7,763	-	532	-	532
Book rental	-	-	34,621	34,621	-	-	-	-
Collection fees	-	-	68	68	-	-	-	-
Consumables	533	-	584	350	-	767	-	767
Foundation grant money	465	-	995	1,070	-	390	-	390
Hospitality	584	-	1,429	1,593	-	420	-	420
Incentives	152	-	-	-	-	152	-	152
Instrument rental	-	-	1,160	1,160	-	-	-	-
Joint author	6,941	-	1,644	571	-	8,014	-	8,014
K-3 science funds	120	-	-	6	-	114	-	114
Lost books	273	-	149	204	-	218	-	218
Pictures	6,718	-	1,516	3,229	-	5,005	-	5,005
Principal's office	68	-	-	-	-	68	-	68
School activity	6,152	-	5,371	3,250	-	8,273	-	8,273
Student field trips	707	-	4,778	4,597	-	888	-	888
Yearbook	4,623	-	5,451	5,786	-	4,288	-	4,288
Subtotal Jay Shideler Elementary	\$ 28,125	\$ -	\$ 65,420	\$ 64,268	\$ -	\$ 29,277	\$ -	\$ 29,277

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Farley Elementary:								
Early childhood fee	\$ -	\$ -	\$ 2,946	\$ 2,946	\$ -	\$ -	\$ -	\$ -
Instrument rental	-	-	1,115	1,115	-	-	-	-
Lost textbooks	-	-	31	3	(28)	-	-	-
Textbook rental	-	-	36,217	36,217	-	-	-	-
Teaching supplies	1	-	-	1	-	-	-	-
Recoveries	-	-	78	53	(25)	-	-	-
Book fair	910	-	-	210	-	700	-	700
Damaged/lost library books	-	-	331	359	28	-	-	-
Yearbook	-	-	410	-	1,273	1,683	-	1,683
Grants	1,393	-	1,529	1,636	-	1,286	-	1,286
Student field trips	31	-	1,832	1,831	-	32	-	32
Mary Ogle	232	-	-	16	-	216	-	216
Petty cash	-	-	2,096	1,384	-	712	-	712
Subtotal Farley Elementary	2,567	-	46,585	45,771	1,248	4,629	-	4,629
Student deposits for lunches:								
Washburn Rural High	-	-	743,874	744,910	(55)	(1,091)	-	(1,091)
Washburn Rural Middle	1	-	124,572	124,929	357	1	-	1
Pauline South Intermediate	-	-	31,343	31,671	328	-	-	-
Pauline Central Elementary	-	-	35,753	35,788	34	(1)	-	(1)
Wanamaker Elementary	1	-	50,484	50,484	-	1	-	1
Auburn Elementary	-	-	62,775	62,775	-	-	-	-
Indian Hills Elementary	-	-	84,609	84,609	-	-	-	-
Jay Shideler Elementary	-	-	67,109	67,109	-	-	-	-
Farley Elementary	-	-	68,942	68,967	25	-	-	-
Total student deposits for lunches	2	-	1,269,461	1,271,242	689	(1,090)	-	(1,090)
Total all funds	\$ 161,123	\$ -	\$ 2,098,093	\$ 2,051,438	\$ 4,592	\$ 212,370	\$ -	\$ 212,370

See accompanying notes to financial statements.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1 - Reporting Entity

Auburn-Washburn Unified School District No. 437 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

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

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

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources except those required to be accounted for in other funds.

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

Debt Service Fund is used to account for the accumulation of resources for and the payment of interest, principal and related costs on long-term debt.

Capital Project Fund is used to account for resources to be used for the acquisition or construction of major capital facilities.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(a) Fund Descriptions (Continued)

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

(b) Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or 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 is 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 accounting principles generally accepted in the United States of America and allowing the District to use the statutory basis of accounting.

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

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle

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

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

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

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, 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 budget expenditure authority lapses at year-end.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

A legal operating budget is not required for the capital project fund, agency funds and the following special revenue funds:

Textbook Rental, Other Grant Funds, Contingency Reserve, Pre-K Pilot Project, Gate Receipts, High School Projects and District Activity Funds.

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

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

(d) Annual, Personal and Sick Leave Benefits

Under the terms of the District's personnel policy, District employees are granted annual, personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(f) Use of Estimates

The preparation of financial statements in compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statements and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

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

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

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - Deposits and Investments (Continued)

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the District. At June 30, 2011, the District's deposits were exposed to custodial credit risk. The District was undersecured by \$ 152,321.

Investments - At June 30, 2011, the carrying amount of the District's investments was \$ 14,949,134 which consisted of money deposited in the State of Kansas Municipal Investment Pool (MIP). The fair value of the District's position in the MIP is the same as the value of the pool shares. The MIP is rated AAAs/s1+ by Standard & Poor's.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - Long-Term Debt

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

Issue	Interest Rate	Date of Issue	Original 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:										
Series 2001	5.00%	12/01/01	\$ 27,950,000	09/01/11	\$ 9,790,000	\$ -	\$ (8,385,000)	\$	\$ 1,405,000	\$ 463,900
Series 2007	4.00 - 5.00%	12/13/07	15,000,000	09/01/28	14,895,000	-	(90,000)		14,805,000	646,224
Series 2008	2.60 - 5.25%	12/01/09	10,000,000	09/01/29	10,000,000	-	-		10,000,000	461,850
Series 2009	2.50 - 5.25%	04/01/09	20,000,000	09/01/30	20,000,000	-	-		20,000,000	860,538
Series 2010	2.25-5.25%	05/01/10	12,950,000	09/01/31	12,950,000	-	-		12,950,000	412,771
Series 2011	2.25-5.00%	06/07/11	16,465,000	09/01/32	-	16,465,000	-		16,465,000	-
Capital Leases:										
Soccer field turf	4.40%	08/06/03	433,125	09/01/11	92,458	-	(60,966)		31,492	3,405
Computer equipment	4.14%	05/23/07	2,279,089	09/01/12	1,211,090	-	(469,601)		741,489	45,329
Total contractual indebtedness					68,938,548	16,465,000	(9,005,567)		76,397,981	2,894,017
Early retirement benefits					847,066			47,850	894,916	
Total long-term debt					<u>\$ 69,785,614</u>	<u>\$ 16,465,000</u>	<u>\$ (9,005,567)</u>	<u>\$ 47,850</u>	<u>\$ 77,292,897</u>	<u>\$ 2,894,017</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - Long-Term Debt (Continued)

Principal and interest maturities of the District's general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest
2012	\$ 1,710,000	\$ 3,209,668
2013	2,215,000	3,156,164
2014	2,900,000	3,079,739
2015	2,705,000	2,982,520
2016	2,890,000	2,879,308
2017-2021	18,280,000	12,373,200
2022-2026	19,670,000	8,296,085
2027-2031	21,515,000	3,043,464
2032-2036	3,740,000	93,690
	<u>\$ 75,625,000</u>	<u>\$ 39,113,838</u>

Defeased Debt

In the current year, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The District advance refunded these bond issues to achieve interest cost savings. The trust account assets and the liability for the defeased bonds are not included in the District's changes in long-term debt. At June 30, 2011, outstanding bonds in the amount of \$ 7,050,000 are considered defeased. The transaction resulted in an economic gain of approximately \$ 600,000 and a reduction of approximately \$ 640,000 in future debt service payments.

Bond Indebtedness Limitation

The District is subject to K.S.A. 72-6761 which restricts the level of the authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District.

At June 30, 2011, based upon the assessed valuation of \$ 433,916,021, the general obligation limit was \$ 60,748,243. The District's bonded indebtedness totaled \$ 75,625,000 less \$ 3,775,971 available in the bond and interest fund, leaving a general obligation debt margin deficit of \$ (11,100,786).

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - Defined Benefit Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 established the KPERS member-employee contribution rate at 4% of covered salary for all employees hired prior to July 1, 2009. KSA 74-49,210 establishes the KPERS member-employee contribution rate at 6% of covered salary for all employees hired after July 1, 2009. Member-employees' contributions are withheld by the District 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 for July 1, 2010 to March 31, 2011 and 8.17% of covered payroll for April 1, 2011 to June 30, 2011. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$ 253,834,044, \$ 248,468,186 and \$ 242,277,363, respectively, equal to the statutory required contributions for each year.

6 - Early Retirement Benefits

The District has a plan which covers certified personnel who voluntarily take early retirement. A certified employee is eligible for early retirement if such employee is a full-time employee of the District, is not less than 55 years of age and not more than 67 years of age, and has 10 or more continuous years of service with the District. The benefits from this plan are computed using a formula based on salary, age, years of service, and are payable monthly.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

7 - Leases

Capital Leases

The District has financing leases for soccer field turf and computer equipment upgrades. Principal and interest maturities are as follows:

Year Ended June 30,	Principal	Interest
2012	\$ 772,981	\$ 33,600

Operating Leases

The District has operating leases for buses. As of June 30, 2011, future annual minimum lease payments are as follows:

Year Ended June 30,	
2012	\$ 96,546
2013	38,796
2014	38,796
2015	38,796
2016	3,233

Lease expense for the current year was \$ 47,113.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

8 - Interfund Transfers

The District made the following interfund transfers during fiscal year 2011. The transfers were approved by the Board of Education.

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Food Service	K.S.A. 72-6428	\$ 70,000
General Fund	Special Education	K.S.A. 72-6428	5,385,334
General Fund	Vocational Education	K.S.A. 72-6428	200,000
General Fund	Professional Development	K.S.A. 72-6428	20,000
General Fund	Parent Education	K.S.A. 72-6428	55,440
General Fund	Bilingual	K.S.A. 72-6428	120,000
General Fund	At-Risk (4 Year old)	K.S.A. 72-6428	146,540
General Fund	At-Risk K-12	K.S.A. 72-6428	2,185,153
General Fund	Contingency Reserve	K.S.A. 72-6428	368,527
Supp. General Fund	Special Education	K.S.A. 72-6433	3,100,000
Supp. General Fund	Vocational Education	K.S.A. 72-6433	714,270
Supp. General Fund	Bilingual	K.S.A. 72-6433	25,000
Supp. General Fund	At-Risk (4 Year old)	K.S.A. 72-6433	20,000

9 - Statutory Compliance

The District expended monies in excess of available cash in the General and the Supplemental General Funds. This was a result of K.S.A. 72-6417(d) and K.S.A. 72-6434(d) which require the 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 District after June 30 as a receipt for the year ending on June 30. The monies due the District from the State were received in July 2011.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

9 - Statutory Compliance (Continued)

The following shows the statutory revenues and expenditures compared to budget as required by these Statutes for the year ended June 30, 2011:

	General Fund		
	Budget	Statutory Transactions	Variance Over (Under)
Statutory revenues			
Ad valorem tax in process	\$ 242,493	\$ 211,657	\$ (30,836)
Ad valorem current tax	7,522,885	7,757,749	234,864
In lieu of taxes	67,045	68,869	1,824
Ad valorem delinquent tax	89,186	108,434	19,248
State equalization aid	18,876,141	17,639,234	(1,236,907)
State special education fund	5,379,662	5,379,662	-
Federal aid	542,995	1,493,779	950,784
Reimbursed expenses	-	22,703	22,703
	<u>\$ 32,720,407</u>	<u>32,682,087</u>	<u>\$ (38,320)</u>
Expenditures			
Instruction	\$ 10,450,367	10,916,736	\$ 466,369
Support services	2,625,737	2,471,143	(154,594)
Administration	3,596,222	3,616,125	19,903
Operation and maintenance	5,890,433	5,516,015	(374,418)
Other supplemental services	1,851,393	1,465,092	(386,301)
Community service operations	137,089	145,982	8,893
Architectural and engineering services	60,708	-	(60,708)
Transfers to other funds	8,108,458	8,550,994	442,536
Adjustments to comply with legal max	(61,023)	-	61,023
Adjustment for qualifying budget credits	22,703	-	(22,703)
	<u>\$ 32,682,087</u>	<u>32,682,087</u>	<u>\$ -</u>
Statutory revenues over expenditures		-	
Modified unencumbered cash, July 1, 2010		-	
Modified unencumbered cash, June 30, 2011		<u>\$ -</u>	

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

9 - Statutory Compliance (Continued)

	Supplemental General Fund		
	Budget	Statutory Transactions	Variance Over (Under)
Statutory revenues			
Ad valorem tax in process	\$ 227,210	\$ 202,802	\$ (24,408)
Ad valorem current tax	7,168,605	7,557,520	388,915
In lieu of taxes	64,624	62,912	(1,712)
Ad valorem delinquent tax	85,547	102,538	16,991
Motor vehicle tax	854,027	868,865	14,838
Recreational vehicle tax	6,749	6,956	207
Supplemental state aid	1,952,157	1,945,791	(6,366)
Total statutory revenues	\$ 10,358,919	10,747,384	\$ 388,465
Expenditures			
Instruction	\$ 6,882,860	6,862,860	\$ (20,000)
Transfers to other funds	3,839,270	3,859,270	20,000
Total expenditures	\$ 10,722,130	10,722,130	\$ -
Statutory revenues over expenditures		25,254	
Modified unencumbered cash, July 1, 2010		362,348	
Modified unencumbered cash, June 30, 2011		\$ 387,602	

Certain funds had negative cash balances at June 30, 2011 resulting from expenditures being incurred that have not yet been reimbursed by granting agencies.

10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There has not been significant reductions in coverage from prior years.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - Commitments

The District is involved in certain facilities improvement projects funded in part by general obligation bonds issued. Projects contracted as of June 30, 2011 are as follows:

	Total Contract	Paid Through June 30, 2011	Encumbered as of June 30, 2011
Construction at Wanamaker Elementary	\$ 1,497,581	\$ 1,208,234	\$ 289,347
Construction at WRHS Gymnasium	9,934,125	8,986,720	947,405
Construction at Auburn Elementary	749,142	357,569	391,573
Construction at Jay Shideler Elementary	784,328	46,860	737,468
Small projects	1,026,433	-	1,026,433
Total	\$ 13,991,609	\$ 10,599,383	\$ 3,392,226

SUPPLEMENTARY INFORMATION

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number
<u>United States Department of Education:</u>	
Passed through Kansas State Department of Education:	
Title I Cluster:	
Title I, financial assistance to meet special educational needs of disadvantaged children, 2010 - 2011	84.010
Title I, ARRA financial assistance to meet special educational needs of disadvantaged children, 2010 - 2011	84.389
Title I, financial assistance to meet special educational needs of disadvantaged children, 2009 - 2010	84.010
Total Title I Cluster	
Special Education Cluster:	
Early childhood, 2009 - 2011	84.173
Early childhood, ARRA, 2010 - 2011	84.392
Continuous Improvement, 2009 - 2010	84.027
Title VI-B, assistance to state for education of handicapped children, 2009-2010	84.027
Title VI-B, ARRA, assistance to state for education of handicapped children, 2009 - 2011	84.391
Title VI-B, IDEA	84.027
Total Special Education Cluster	
Educational Technology State Grants Cluster:	
Title II Technology literacy challenge, 2010 - 2011	84.318
State Fiscal Stabilization Fund Cluster:	
State Fiscal Stabilization Fund, Recovery Act	84.394
Grants not clustered:	
Title II, improving teacher quality, 2010 - 2011	84.367
Title II, improving teacher quality, 2009 - 2010	84.367
Title II, technology literacy challenge, ARRA	84.386
Education Jobs Fund	84.410
Drug-free schools, 2009 - 2010	84.186
Title III, English language acquisition, 2010 - 2011	84.365
Carl Perkins Improvement	84.048
Total grants not clustered	
Total United States Department of Education	
<u>United States Department of Agriculture:</u>	
Passed through Kansas State Department of Education:	
Child Nutrition Cluster:	
School Breakfast program	10.553
National School Lunch program	10.555
Total Child Nutrition Cluster	
Team Nutrition Training	10.574
Total United States Department of Agriculture	
<u>United States Department of Health and Human Services:</u>	
Passed through Kansas State Department of Education:	
Youth Risk Behavior Survey	93.938
<u>United States Department of Homeland Security:</u>	
Passed through Kansas State Adjutant General's Department:	
Hazard Mitigation Grant	97.039
Total federal awards	

See accompanying notes to schedule of expenditures of federal awards.

Amount of Grant Awards	Unencumbered Cash Balance July 1, 2010	Amount Received	Disbursements, Accounts Payable, and Encumbrances	Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2011
\$ 456,127	\$ -	\$ 288,569	\$ 217,044	\$ -	\$ -	\$ 71,525
323,948	(13,226)	160,361	147,135	-	-	-
449,048	(14,453)	97,967	83,514	-	-	-
	(27,679)	546,897	447,693	-	-	71,525
41,394	-	41,394	66,909	-	-	(25,515)
47,130	-	43,130	43,130	-	-	-
45,256	7	45,256	32,510	-	-	12,753
1,026,526	-	1,026,526	1,026,526	-	-	-
1,119,008	-	559,504	559,504	-	-	-
85	-	85	85	-	-	-
	7	1,715,895	1,728,664	-	-	(12,762)
4,150	10,602	-	10,358	-	-	244
542,995	-	542,995	542,995	-	-	-
133,217	-	102,185	115,385	-	-	(13,200)
134,257	(49,983)	60,891	10,908	-	-	-
10,207	-	10,207	10,207	-	-	-
950,784	-	950,784	950,784	-	-	-
12,846	(7,336)	12,846	4,773	-	-	737
10,509	-	10,509	10,509	-	-	-
34,992	-	34,992	34,992	-	-	-
	(57,319)	1,182,414	1,137,558	-	-	(12,463)
	(74,389)	3,988,201	3,867,268	-	-	46,544
177,765	-	177,765	177,765	-	-	-
912,508	-	912,508	912,508	-	-	-
	-	1,090,273	1,090,273	-	-	-
750	-	750	750	-	-	-
	-	1,091,023	1,091,023	-	-	-
750	-	750	750	-	-	-
1,108,219	(157,190)	693,473	611,821	-	-	(75,538)
	\$ (231,579)	\$ 5,773,447	\$ 5,570,862	\$ -	\$ -	\$ (28,994)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

June 30, 2011

1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of Auburn-Washburn Unified School District No. 437. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the cash basis of accounting for revenues and the modified accrual basis of accounting for expenditures, which is described in Note 2 to the District's financial statements.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.553, 10.555	Child Nutrition Cluster
84.394	State Fiscal Stabilization Fund Cluster - ARRA
84.027, 84.173, 84.391 (ARRA), 84.392 (ARRA)	Special Education Cluster, including ARRA
84.010, 84.389 (ARRA)	Title I Grants to Local Educational Agencies Cluster, including ARRA
84.410	Education Jobs Fund
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between type A and type B programs	\$ 300,000
Auditee qualified as a low-risk auditee	No

II. Financial Statement Findings

Significant Deficiency 2009-1

Condition – There are inadequate segregation of duties over the cash receipts, cash disbursements, and payroll cycles. Additionally, there are inadequate access controls within the District’s computerized accounting system.

Cause – Financial duties have not been properly segregated and access limitations have not been integrated into the computerized accounting system.

Criteria – Well designed segregation of duties should properly segregate incompatible custody, recording, and authorization duties. Computerized accounting system should help support the segregation of duties put in place by the District’s internal control design by placing limitations on which employees can access certain modules within the accounting system.

Effect – Inadequate segregation of duties increases the opportunities for potential financial statement misstatements due to either fraud or error. Internal controls may be bypassed by inadequate controls within the computerized accounting system increasing the necessity for mitigating controls.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation –We recommend that additional mitigating controls be developed to reduce the increased likelihood of misstatements due to error or fraud that results from inadequate segregation of duties and access controls within the District’s accounting system.

Management’s Response/Corrective Action Plan (Unaudited) – Management is aware of the segregation of duties and is taking steps to address the concern. Due to the small number of staff, the Business Office management is developing procedures to reduce the possibility of misstatement. Certain duties have been divided between staff to create better segregation duties. Additionally, certain controls have been put into place requiring a review and signature of certain transactions and reconciliations.

III. Findings and Questioned Costs for Federal Awards

Finding No. 2011-1 - Significant Deficiency

Federal Programs – Child Nutrition Cluster (CFDA No. 10.553, 10.555), United States Department of Agriculture passed through the Kansas State Department of Education, All Open Grant Awards; Title I Cluster (CFDA Nos. 84.010 and 84.389 (ARRA)), United States Department of Education passed through the Kansas State Department of Education, All Open Grant Awards; Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 (ARRA) and 84.392 (ARRA)), United States Department of Education passed through the Kansas State Department of Education, All Open Grant Awards.

Compliance Requirement – Allowable Costs/Cost Principles

Condition – As indicated in the following breakout by federal award, there was no evidence of approval of timesheets for those employees who use a swipe card to enter their hours in the payroll system.

- Child Nutrition Cluster – 24 of the 28 payroll items selected for testing
- Title I Cluster – 7 of the 37 payroll items selected for testing
- Special Education Cluster – 35 of the 51 payroll items selected for testing

Criteria – Proper approval of key controls over the allocation of payroll to a federal award is essential. Salaries and related expenditures are routine costs for these three federal awards.

Cause – The use of swipe cards in the federal award payroll process is relatively new to the District and the District has not implemented adequate controls over this process yet.

Effect – Without proper approval of the timesheets for employees using a swipe card, unallowed payroll costs could be allocated to the District.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs – Unknown.

Recommendation – The District should implement controls to ensure all time allocated to the federal awards for employees who use a swipe card is properly approved prior to the allocation to a federal award and to maintain the necessary documentation to support the allocation.

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the need to have adequate controls in place to provide for supervisor approval of time reported by employees. The electronic system was put in place recently in recent years, and procedures were not put into place for approvals when the system was implemented. Management will develop and implement procedures for timekeeping approvals.

Finding 2010-1 - Significant Deficiency

Federal Program – Child Nutrition Cluster (CFDA No. 10.553, 10.555) United States Department of Agriculture passed through the Kansas State Department of Education; Hazard Mitigation Grant (CFDA No. 97.039) United States Department of Homeland Security passed through Kansas State Adjutant General's Department

Compliance Requirement – Procurement, suspension and debarment

Condition – During the District's procurement process, the District did not verify that vendors awarded contracts were not on the Excluded Parties List System.

Criteria – In accordance with OMB Circular A-102, the District is required to ensure that vendors are not suspended or debarred.

Cause – The District was aware of the requirement but had not developed a process to verify if school nutrition vendors were suspended or debarred parties.

Effect – The District could enter into a contract or vendor relationship with a suspended or debarred party.

Questioned Costs – Unknown

Recommendation – The District should verify all vendors awarded bids are not on the Excluded Parties List System and should include language in their bid contracts to obligate vendors to disclose their status concerning eligibility to receive contracts for federal funds.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the situation and will implement procedures to ensure that all contracts in excess of \$ 25,000 are verified to guarantee the vendor awarded the contract is not on the Excluded Parties List System.

Finding 2010-2 - Significant Deficiency

Federal Program – Title I Cluster (CFDA Nos. 84.010, 84.389 (ARRA)) United States Department of Education passed through the Kansas State Department of Education, All open awards; Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 (ARRA), 84.392 (ARRA)) United States Department of Education passed through the Kansas State Department of Education All open grant awards.

Compliance Requirement – Cash management

Condition – During the District's reporting process, the District did not maintain readily available supporting documentation for the reports submitted for drawdowns of federal funds.

Cause – The District did not have the support for the reports in an accessible system or supporting report that could be recalled at a later date.

Criteria – In accordance with OMB Circular A-110, the District is required to maintain supporting documentation for the financial reports that are submitted for reimbursement.

Effect – The District could request funds for expenditures that have already been claimed for reimbursement.

Questioned Costs – Unknown

Recommendation – The District should maintain records of the reports used to prepare all financial reports for federal programs.

Management's Response/Corrective Action Plan (Unaudited) – Management has implemented procedures to retain supporting documentation for reports submitted for drawdown of federal funds.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

Significant Deficiency 2009-1

Condition – There are inadequate segregation of duties over the cash receipts, cash disbursements, and payroll cycles. Additionally, there are inadequate access controls within the District’s computerized accounting system.

Cause – Financial duties have not been properly segregated and access limitations have not been integrated into the computerized accounting system.

Criteria – Well designed segregation of duties should properly segregate incompatible custody, recording, and authorization duties. Computerized accounting system should help support the segregation of duties put in place by the District’s internal control design by placing limitations on which employees can access certain modules within the accounting system.

Effect – Inadequate segregation of duties increases the opportunities for potential financial statement misstatements due to either fraud or error. Internal controls may be bypassed by inadequate controls within the computerized accounting system increasing the necessity for mitigating controls.

Recommendation – We recommend that additional mitigating controls be developed to reduce the increased likelihood of misstatements due to error or fraud that results from inadequate segregation of duties and access controls within the District’s accounting system.

Management’s Response/Corrective Action Plan (Unaudited) – Management is aware of the segregation of duties issues being raised and due to the small number of staff in the Business Office management has set procedures in place to reduce the possible misstatements. Management has looked at additional controls in the accounting system to help reduce any misstatements and will continue to review staffing and job duties to reduce any potential errors.

Follow-up – This comment will be repeated in the current year.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)

Finding 2010-1 - Significant Deficiency

Federal Program – Child Nutrition Cluster (CFDA No. 10.553, 10.555) United States Department of Agriculture passed through the Kansas State Department of Education

Condition – During the District's procurement process, the District did not verify that vendors awarded contracts were not on the Excluded Parties List System.

Criteria – In accordance with OMB Circular A-102, the District is required to ensure that vendors are not suspended or debarred.

Cause – Until March 2010, the District was not aware of the requirement to verify if school nutrition vendors were suspended or debarred parties.

Effect – The District could enter into a contract or vendor relationship with a suspended or debarred party.

Questioned Costs – Unknown

Recommendation – The District should verify all vendors awarded bids are not on the Excluded Parties List System and should include language in their bid contracts to obligate vendors to disclose their status concerning eligibility to receive contracts for federal funds.

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the situation that happened during the past year and will implement procedures to ensure that all contracts in excess of \$25,000 are verified to guarantee the vendor awarded the contract is not on the Excluded Parties List System.

Follow-up – This comment will be repeated in the current year.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)

Finding 2010-2 - Significant Deficiency

Federal Program – Title I Cluster (CFDA Nos. 84.010, 84.389) United State Department of Education passed through the Kansas State Department of Education; Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391, 84.392) United States Department of Education passed through the Kansas State Department of Education; State Fiscal Stabilization Fund Cluster (CFDA No. 84.394) United States Department of Education passed through the Kansas State Department of Education

Condition – During the District’s reporting process, the District did not maintain readily available supporting documentation for the reports submitted for drawdowns of federal funds.

Cause – The District did not have the support for the reports in an accessible system or supporting report that could be recalled at a later date.

Criteria – In accordance with OMB Circular A-110, the District is required to maintain supporting documentation for the financial reports that are submitted for reimbursement.

Effect – The District could request funds for expenditures that have already been claimed for reimbursement.

Questioned Costs – Unknown

Recommendation – The District should maintain records of the reports used to prepare all financial reports for federal programs.

Management’s Response/Corrective Action Plan (Unaudited) – Management is aware of the situation that happened during the past year and will implement procedures to ensure that documentation and support will be retained for all drawdowns of federal funds.

Follow-up – This comment will be repeated in the current year.



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

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

Board of Education
Auburn-Washburn Unified School District No. 437:

We have audited the financial statements of Auburn-Washburn Unified School District No. 437 (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated February 22, 2012. Our report contained an adverse opinion because the financial statements were presented using accounting practices prescribed or permitted by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding No. 2009-1 that we consider to be a significant deficiency in internal control over financial reporting. *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 February 22, 2012.

The District's response to the finding 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 the Board of Education, management and federal awarding agencies and pass-thru entities and is not intended to be and should not be used by anyone other than those specified parties.

Berberich Trahan & Co., P.A.

February 22, 2012



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

**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
Auburn-Washburn Unified School District No. 437:

Compliance

We have audited the compliance of Auburn-Washburn Unified School District No. 437 (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of 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 that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that 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 Finding No. 2011-1, Finding No. 2010-1 and Finding No. 2010-2.

Internal Control Over Compliance

The management of the District 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as Finding Nos. 2011-1, 2010-1 and 2010-2. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's responses to the findings identified in our report are 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 them.

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

Berberich Trahan & Co., P.A.

February 22, 2012