

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

Statutory Basis Financial Statements and  
Independent Auditors' Reports with  
Federal Compliance Section

For the Fiscal Year Ended June 30, 2011

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

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**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

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**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Unified School District #445  
Coffeyville, Kansas

We have audited the accompanying financial statements of the Unified School District #445, Coffeyville, Kansas, as of and for the fiscal year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Unified School District #445's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2010 financial statements and, in our report dated December 30, 2010, we expressed an unqualified opinion on the financial statements of the Unified School District #445, Coffeyville, Kansas, prepared in accordance with the statutory basis of accounting.

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

As described more fully in Note 1, the District has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The 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.

The financial statements, referred to above, do not include financial data of the Coffeyville Public Schools Foundation, a component unit, which should be included in order to conform with accounting principles generally accepted in the United States of America. The effect on the financial statements for the omission of the component unit, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District #445, Coffeyville, Kansas, as of June 30, 2011, the changes in its financial position, or where applicable, its cash flows for the fiscal year then ended.

Also, in our opinion, except for the July 2011 receipt of the final state aid payment for the fiscal year ended June 30, 2011, being recorded in June 2011, the financial statements referred above present fairly, in all material respects, the cash and unencumbered cash balances of the District, as of June 30, 2011, and its cash receipts and expenditures, and budget to actual comparisons for the fiscal year then ended, taken as a whole, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our reports dated September 23, 2011, on our consideration of the Unified School District #445, Coffeyville, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 23, 2011  
Chanute, Kansas

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Fiscal Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30, 2010
					Encumbrances and Accounts Payable	2011	
<b>GOVERNMENTAL TYPE FUNDS</b>							
General	\$ -	\$ 12,074,097.34	\$ 12,074,097.34	\$ -	\$ 1,697,519.24	\$ 1,697,519.24	\$ 1,470,673.54
Supplemental General	1,784,765.13	3,518,158.73	3,962,230.00	1,340,693.86	641,121.24	1,981,815.10	2,390,197.11
Special Revenue Funds							
4 Year Old At-Risk	47,767.65	123,000.00	114,006.95	56,760.70	15,761.68	72,522.38	78,193.28
K-12 At-Risk	214,547.51	2,441,619.07	2,435,690.32	220,476.26	230,513.46	450,989.72	434,671.85
Bilingual Education	10,993.55	9,000.00	8,200.00	11,793.55	-	11,793.55	10,993.55
Vocational Education	133,480.06	740,536.00	743,459.84	130,556.22	74,878.76	205,434.98	205,658.68
Special Education	365,570.22	2,273,610.42	2,275,013.55	364,167.09	144,472.69	508,639.78	395,570.22
Parent Education	65,600.52	154,001.00	153,822.00	65,779.52	3,246.48	69,026.00	74,579.32
Title IX Indian Education	-	103,291.00	103,291.00	-	7,542.18	7,542.18	2,167.74
Driver Training	20,181.27	25,149.00	11,977.92	33,352.35	-	33,352.35	22,031.27
Food Service	187,384.11	1,117,281.95	1,066,196.74	238,469.32	103,255.76	341,725.08	313,584.98
Capital Outlay	1,299,124.53	1,060,273.60	546,987.95	1,812,410.18	104,127.29	1,916,537.47	1,696,831.30
Professional Development	24,547.96	14,000.00	12,896.12	25,651.84	1,347.18	26,999.02	26,821.46
Contingency Reserve	509,020.33	-	-	509,020.33	-	509,020.33	509,020.33
Text Book Rental	14,155.65	29,399.76	7,756.38	35,799.03	149.94	35,948.97	73,371.79
KPERS Special Retirement Contributions	-	576,683.18	576,683.18	-	-	-	-
Johnson O'Malley	-	8,100.00	8,100.00	-	-	-	-
Recreation Commission	-	832,687.18	818,184.00	14,503.18	-	14,503.18	-
Recreation Commission Employee Benefits and Special Liability	-	53,570.91	45,000.00	8,570.91	-	8,570.91	-
Title I	-	549,731.00	549,731.00	-	88,363.43	88,363.43	46,330.81
Title I ARRA	-	58,570.00	58,570.00	-	-	-	34,981.53
Title II-A	-	156,456.00	156,456.00	-	56,870.00	56,870.00	35,150.16
Title II-D	-	1,766.00	1,766.00	-	-	-	825.00
FKHS Community Pool	8,387.64	6,000.00	2,600.00	11,787.64	-	11,787.64	8,387.64

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Fiscal Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30, 2010
					Encumbrances and Accounts Payable	2011	
Special Revenue Funds (Continued)							
DLC Early Childhood	\$ (76,878.00)	\$ 215,809.00	\$ 187,100.00	\$ (48,169.00)	\$ 18,645.44	\$ (29,523.56)	\$ (70,221.01)
Math and Science Grant	-	173,413.00	173,413.00	-	1,350.59	1,350.59	-
Miscellaneous Grants	9,404.14	222,504.00	230,619.65	1,288.49	28,048.82	29,337.31	9,404.14
Gate Receipts	27,230.48	186,648.23	175,817.59	38,061.12	-	38,061.12	27,230.48
Debt Service Fund							
Bond and Interest	653,537.45	1,931,540.70	1,431,332.50	1,153,745.65	-	1,153,745.65	653,537.45
Capital Projects Funds							
Qualified Zone Academic Bond Project	115,867.28	1,000,057.04	257,815.12	858,109.20	168,189.92	1,026,299.12	115,867.28
Total Reporting Entity	\$ 5,414,687.48	\$ 29,656,954.11	\$ 28,188,814.15	\$ 6,882,827.44	\$ 3,385,404.10	\$ 10,268,231.54	\$ 8,565,859.90
Composition of Cash							
Checking and Money Market Account.....						\$ 9,258,462.45	\$ 8,327,762.13
Activity Checking Accounts.....						91,637.53	102,611.15
Certificates of Deposit.....						95,000.00	95,000.01
QZAB Escrow Account.....						980,043.06	115,867.28
Total Cash						10,425,143.04	8,641,240.57
Less Agency Funds per Statement 4						(156,911.50)	(75,380.67)
Total Reporting Entity.....						\$ 10,268,231.54	\$ 8,565,859.90

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

**UNIFIED SCHOOL DISTRICT #445**  
 Coffeyville, Kansas  
 (Budgeted Funds Only)  
 Summary of Expenditures - Actual and Budget  
 For the Fiscal Year Ended June 30, 2011

Funds	Certified Budget	Adjustments to Comply with Legal Maximum	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
					Charged to Current Year Budget	Over (Under)	
<b>GOVERNMENTAL TYPE FUNDS</b>							
General	\$ 12,297,181.00	\$ (464,134.00)	\$ 241,050.25	\$ 12,074,097.25	\$ 12,074,097.34	\$	0.09
Supplemental General	4,008,245.00	-	-	4,008,245.00	3,962,230.00		(46,015.00)
Special Revenue Funds							
4 Year Old At-Risk	119,000.00	-	-	119,000.00	114,006.95		(4,993.05)
K-12 At-Risk	2,673,000.00	-	-	2,673,000.00	2,435,690.32		(237,309.68)
Bilingual Education	10,000.00	-	-	10,000.00	8,200.00		(1,800.00)
Vocational Education	978,100.00	-	-	978,100.00	743,459.84		(234,640.16)
Special Education	2,338,919.00	-	-	2,338,919.00	2,275,013.55		(63,905.45)
Parent Education	165,000.00	-	-	165,000.00	153,822.00		(11,178.00)
Driver Training	12,000.00	-	-	12,000.00	11,977.92		(22.08)
Food Service	1,200,000.00	-	-	1,200,000.00	1,066,196.74		(133,803.26)
Capital Outlay	2,003,201.00	-	-	2,003,201.00	546,987.95		(1,456,213.05)
Professional Development	30,000.00	-	-	30,000.00	12,896.12		(17,103.88)
KPERS Special Retirement Contributions	849,901.00	-	-	849,901.00	-		(849,901.00)
Recreation Commission	818,184.00	-	-	818,184.00	818,184.00		-
Recreation Commission Employee Benefits and Special Liability	45,000.00	-	-	45,000.00	45,000.00		-
Debt Service Fund	1,431,332.00	-	-	1,431,332.00	1,431,332.50		0.50
Bond and Interest							

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**GENERAL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Local Sources</b>				
Ad Valorem Tax	\$ 3,093,043.29	\$ 3,662,879.95	\$ 2,403,818.00	\$ 1,259,061.95
Delinquent Tax	36,379.99	48,313.07	9,927.00	38,386.07
Other	217,623.68	241,050.25	-	241,050.25
<b>County Sources</b>				
In Lieu of Taxes IRBs	44,003.98	19,860.85	-	19,860.85
<b>State Sources</b>				
General State Aid	6,863,981.00	6,036,321.00	8,063,932.00	(2,027,611.00)
Mineral Production Tax	2,958.88	1,344.22	-	1,344.22
Special Education Aid	1,381,629.00	1,478,842.00	1,606,677.00	(127,835.00)
<b>Federal Sources</b>				
ARRA Stabilization	561,847.00	212,827.00	212,827.00	-
Education Jobs Grant	-	372,659.00	-	372,659.00
<b>Total Cash Receipts</b>	<u>12,201,466.82</u>	<u>12,074,097.34</u>	<u>\$ 12,297,181.00</u>	<u>\$ (223,083.66)</u>
<b>Expenditures</b>				
<b>Instruction</b>	2,937,144.51	3,679,742.23	\$ 3,026,351.00	\$ 653,391.23
<b>Support Services</b>				
Student Support	782,964.13	650,227.58	809,504.00	(159,276.42)
Instructional Support	284,514.26	284,132.67	293,155.00	(9,022.33)
General Administration	443,572.28	405,359.83	457,044.00	(51,684.17)
School Administration	801,490.15	821,971.95	828,660.00	(6,688.05)
Other Supplemental Services	219,662.76	238,698.67	226,337.00	12,361.67
Operations and Maintenance	1,296,133.33	1,245,365.42	1,335,498.00	(90,132.58)
<b>Student Transportation Services</b>				
Vehicle Operating Services	496,867.04	529,702.57	511,955.00	17,747.57
<b>Operating Transfers to:</b>				
Special Education Fund	1,393,518.36	1,488,896.42	1,606,677.00	(117,780.58)
Food Service Fund	118,000.00	50,000.00	120,000.00	(70,000.00)
Professional Development Fund	9,000.00	-	12,000.00	(12,000.00)

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**GENERAL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Parent Education Fund	\$ 49,600.00	\$ 46,000.00	\$ 50,000.00	\$ (4,000.00)
4 Year Old At-Risk Fund	129,000.00	10,000.00	66,000.00	(56,000.00)
K-12 At-Risk Fund	2,548,000.00	2,042,000.00	2,225,000.00	(183,000.00)
Contingency Reserve Fund	20,000.00	-	-	-
Vocational Education Fund	667,000.00	573,000.00	720,000.00	(147,000.00)
Bilingual Education Fund	5,000.00	9,000.00	9,000.00	-
Total Certified Budget			12,297,181.00	(223,083.66)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(464,134.00)	464,134.00
Adjustment for Qualifying Budget Credits			241,050.25	(241,050.25)
Total Expenditures	<u>12,201,466.82</u>	<u>12,074,097.34</u>	<u>\$ 12,074,097.25</u>	<u>\$ 0.09</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**SUPPLEMENTAL GENERAL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 2,628,372.75	\$ 3,108,540.10	\$ 3,331,927.00	\$ (223,386.90)
Delinquent Tax	61,243.67	65,800.71	8,516.00	57,284.71
County Sources				
Motor Vehicle Tax	227,986.92	207,776.85	196,831.00	10,945.85
Recreational Vehicle Tax	3,362.23	2,742.74	2,205.00	537.74
In Lieu of Taxes IRBs	35,088.76	15,940.33	-	15,940.33
State Sources				
Supplemental State Aid	229,393.00	117,358.00	119,109.00	(1,751.00)
Federal Sources				
ARRA Stabilization	77,939.00	-	-	-
<b>Total Cash Receipts</b>	<b>3,263,386.33</b>	<b>3,518,158.73</b>	<b>\$ 3,658,588.00</b>	<b>\$ (140,429.27)</b>
Expenditures				
Instruction	2,016,917.13	1,904,950.45	\$ 1,846,458.00	\$ 58,492.45
Support Services				
General Administration	11,284.26	7,033.77	10,330.00	(3,296.23)
Operations and Maintenance	789,150.61	473,066.34	722,457.00	(249,390.66)
Student Transportation Services				
Vehicle Operating Services	-	45,465.44	-	45,465.44
Operating Transfers to:				
4 Year Old At-Risk Fund	-	113,000.00	53,000.00	60,000.00
K-12 At-Risk Fund	-	388,000.00	388,000.00	-
Vocational Education Fund	120,000.00	137,000.00	142,000.00	(5,000.00)
Special Education Fund	856,048.00	784,714.00	733,000.00	51,714.00
Parent Education Fund	15,000.00	15,000.00	15,000.00	-

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**SUPPLEMENTAL GENERAL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Driver Training Fund	\$ -	\$ 15,000.00	\$ -	\$ 15,000.00
Food Service Fund	80,000.00	65,000.00	80,000.00	(15,000.00)
Professional Development Fund	8,000.00	14,000.00	18,000.00	(4,000.00)
Total Expenditures	<u>3,896,400.00</u>	<u>3,962,230.00</u>	<u>\$ 4,008,245.00</u>	<u>\$ (46,015.00)</u>
Receipts Over (Under) Expenditures	(633,013.67)	(444,071.27)		
Unencumbered Cash, Beginning	<u>2,417,778.80</u>	<u>1,784,765.13</u>		
Unencumbered Cash, Ending	<u>\$ 1,784,765.13</u>	<u>\$ 1,340,693.86</u>		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**4 YEAR OLD AT-RISK FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers from:				
General Fund	\$ 129,000.00	\$ 10,000.00	\$ 66,000.00	\$ (56,000.00)
Supplemental General Fund	-	113,000.00	53,000.00	60,000.00
<b>Total Cash Receipts</b>	<b>129,000.00</b>	<b>123,000.00</b>	<b>\$ 119,000.00</b>	<b>\$ 4,000.00</b>
Expenditures				
Instruction	112,656.24	108,006.95	\$ 119,000.00	\$ (10,993.05)
Support Services				
School Administration	-	6,000.00	-	6,000.00
<b>Total Expenditures</b>	<b>112,656.24</b>	<b>114,006.95</b>	<b>\$ 119,000.00</b>	<b>\$ (4,993.05)</b>
Receipts Over (Under) Expenditures	16,343.76	8,993.05		
Unencumbered Cash, Beginning	31,423.89	47,767.65		
Unencumbered Cash, Ending	<b>\$ 47,767.65</b>	<b>\$ 56,760.70</b>		

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**K-12 AT-RISK FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 53.00	\$ (53.00)
Other	-	11,619.07	-	11,619.07
Operating Transfers from:				
General Fund	2,548,000.00	2,042,000.00	2,225,000.00	(183,000.00)
Supplemental General Fund	-	388,000.00	388,000.00	-
<b>Total Cash Receipts</b>	<b>2,548,000.00</b>	<b>2,441,619.07</b>	<b>\$ 2,613,053.00</b>	<b>\$ (171,433.93)</b>
Expenditures				
Instruction	2,422,669.37	2,435,690.32	\$ 2,602,631.00	\$ (166,940.68)
Support Services				
Student Support Services	65,502.61	-	70,369.00	(70,369.00)
<b>Total Expenditures</b>	<b>2,488,171.98</b>	<b>2,435,690.32</b>	<b>\$ 2,673,000.00</b>	<b>\$ (237,309.68)</b>
Receipts Over (Under) Expenditures	59,828.02	5,928.75		
Unencumbered Cash, Beginning	154,719.49	214,547.51		
Unencumbered Cash, Ending	<u>\$ 214,547.51</u>	<u>\$ 220,476.26</u>		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**BILINGUAL EDUCATION FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 6.00	\$ (6.00)
Operating Transfer from:				
General Fund	5,000.00	9,000.00	9,000.00	-
Total Cash Receipts	5,000.00	9,000.00	\$ 9,006.00	\$ (6.00)
Expenditures				
Instruction	6,100.00	8,200.00	\$ 10,000.00	\$ (1,800.00)
Total Expenditures	6,100.00	8,200.00	\$ 10,000.00	\$ (1,800.00)
Receipts Over (Under) Expenditures	(1,100.00)	800.00		
Unencumbered Cash, Beginning	12,093.55	10,993.55		
Unencumbered Cash, Ending	\$ 10,993.55	\$ 11,793.55		

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**VOCATIONAL EDUCATION FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 83.00	\$ (83.00)
Federal Sources				
Program Improvement	41,934.00	30,536.00	39,537.00	(9,001.00)
Operating Transfers from:				
General Fund	667,000.00	573,000.00	720,000.00	(147,000.00)
Supplemental General Fund	120,000.00	137,000.00	142,000.00	(5,000.00)
<b>Total Cash Receipts</b>	<b>828,934.00</b>	<b>740,536.00</b>	<b>\$ 901,620.00</b>	<b>\$ (161,084.00)</b>
Expenditures				
Instruction	704,836.24	676,738.46	\$ 874,123.00	\$ (197,384.54)
Support Services				
School Administration	78,877.83	66,721.38	97,823.00	(31,101.62)
Operations & Maintenance	4,963.07	-	6,154.00	(6,154.00)
<b>Total Expenditures</b>	<b>788,677.14</b>	<b>743,459.84</b>	<b>\$ 978,100.00</b>	<b>\$ (234,640.16)</b>
Receipts Over (Under) Expenditures	40,256.86	(2,923.84)		
Unencumbered Cash, Beginning	93,223.20	133,480.06		
Unencumbered Cash, Ending	<b>\$ 133,480.06</b>	<b>\$ 130,556.22</b>		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**SPECIAL EDUCATION FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers from:				
General Fund	\$ 1,393,518.36	\$ 1,488,896.42	\$ 1,606,677.00	\$ (117,780.58)
Supplemental General Fund	856,048.00	784,714.00	733,000.00	51,714.00
<b>Total Cash Receipts</b>	<b>2,249,566.36</b>	<b>2,273,610.42</b>	<b>\$ 2,339,677.00</b>	<b>\$ (66,066.58)</b>
Expenditures				
Instruction	1,810,971.18	1,999,400.67	\$ 2,058,919.00	\$ (59,518.33)
Student Transportation Services				
Vehicle Operating Services	236,953.09	275,612.88	280,000.00	(4,387.12)
<b>Total Expenditures</b>	<b>2,047,924.27</b>	<b>2,275,013.55</b>	<b>\$ 2,338,919.00</b>	<b>\$ (63,905.45)</b>
Receipts Over (Under) Expenditures	201,642.09	(1,403.13)		
Unencumbered Cash, Beginning	163,928.13	365,570.22		
Unencumbered Cash, Ending	<b>\$ 365,570.22</b>	<b>\$ 364,167.09</b>		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**PARENT EDUCATION FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources				
Parent Education Aid	\$ 87,685.00	\$ 86,857.00	\$ 87,685.00	\$ (828.00)
PAT Block Grant	7,732.00	6,144.00	9,000.00	(2,856.00)
Operating Transfers from:				
General Fund	49,600.00	46,000.00	50,000.00	(4,000.00)
Supplemental General Fund	15,000.00	15,000.00	15,000.00	-
<b>Total Cash Receipts</b>	<b>160,017.00</b>	<b>154,001.00</b>	<b>\$ 161,685.00</b>	<b>\$ (7,684.00)</b>
Expenditures				
Support Serviced				
Student Support Services	156,588.42	153,822.00	\$ 165,000.00	\$ (11,178.00)
<b>Total Expenditures</b>	<b>156,588.42</b>	<b>153,822.00</b>	<b>\$ 165,000.00</b>	<b>\$ (11,178.00)</b>
Receipts Over (Under) Expenditures	3,428.58	179.00		
Unencumbered Cash, Beginning	62,171.94	65,600.52		
Unencumbered Cash, Ending	<b>\$ 65,600.52</b>	<b>\$ 65,779.52</b>		

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**TITLE IX INDIAN EDUCATION FUND**  
Statement of Cash Receipts and Expenditures - Actual  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Special Project Aid	\$ 98,503.00	\$ 103,291.00
Total Cash Receipts	98,503.00	103,291.00
Expenditures		
Instruction	45,570.00	47,282.00
Support Services		
School Administration	52,933.00	56,009.00
Total Expenditures	98,503.00	103,291.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**DRIVER TRAINING FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Student Receipts	\$ 6,350.00	\$ 6,745.00	\$ 5,958.00	\$ 787.00
State Sources				
State Aid	2,050.00	3,404.00	5,600.00	(2,196.00)
Operating Transfer from:				
Supplemental General Fund	-	15,000.00	-	15,000.00
<b>Total Cash Receipts</b>	<b>8,400.00</b>	<b>25,149.00</b>	<b>\$ 11,558.00</b>	<b>\$ 13,591.00</b>
Expenditures				
Instruction	16,698.93	11,424.82	\$ 9,640.00	\$ 1,784.82
Support Services				
Operations & Maintenance	4,294.93	553.10	2,360.00	(1,806.90)
<b>Total Expenditures</b>	<b>20,993.86</b>	<b>11,977.92</b>	<b>\$ 12,000.00</b>	<b>\$ (22.08)</b>
Receipts Over (Under) Expenditures	(12,593.86)	13,171.08		
Unencumbered Cash, Beginning	32,775.13	20,181.27		
Unencumbered Cash, Ending	<b>\$ 20,181.27</b>	<b>\$ 33,352.35</b>		

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**FOOD SERVICE FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Food Service Sales	\$ 249,066.96	\$ 221,225.80	\$ 198,135.00	\$ 23,090.80
Other	9,870.83	12,060.23	43,000.00	(30,939.77)
State Sources				
Food Service Aid	10,451.18	10,097.72	8,446.00	1,651.72
Federal Sources				
Child Nutrition Aid	714,784.38	758,898.20	658,757.00	100,141.20
ARRA Equipment Grant	11,400.00	-	-	-
Operating Transfers from:				
General Fund	118,000.00	50,000.00	120,000.00	(70,000.00)
Supplemental General Fund	80,000.00	65,000.00	80,000.00	(15,000.00)
<b>Total Cash Receipts</b>	<b>1,193,573.35</b>	<b>1,117,281.95</b>	<b>\$ 1,108,338.00</b>	<b>\$ 8,943.95</b>
Expenditures				
Support Services				
Operations and Maintenance	31,824.82	37,274.58	\$ 33,142.00	\$ 4,132.58
Operation of Non- Instructional Services				
Food Service Operations	1,120,515.06	1,028,922.16	1,166,858.00	(137,935.84)
<b>Total Expenditures</b>	<b>1,152,339.88</b>	<b>1,066,196.74</b>	<b>\$ 1,200,000.00</b>	<b>\$ (133,803.26)</b>
Receipts Over (Under) Expenditures	41,233.47	51,085.21		
Unencumbered Cash, Beginning	146,150.64	187,384.11		
Unencumbered Cash, Ending	<u>\$ 187,384.11</u>	<u>\$ 238,469.32</u>		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**CAPITAL OUTLAY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 848,178.59	\$ 963,165.85	\$ 631,677.00	\$ 331,488.85
Delinquent Tax	10,072.84	15,745.63	2,728.00	13,017.63
Interest on Idle Funds	13,368.95	12,717.77	28.00	12,689.77
Sale of Property & Materials	65.00	10,110.00	-	10,110.00
Other	26,719.77	10,500.00	27,968.00	(17,468.00)
County Sources				
Motor Vehicle Tax	38,714.19	42,549.66	41,214.00	1,335.66
Recreational Vehicle Tax	570.91	548.26	461.00	87.26
In Lieu of Taxes IRBs	11,247.42	4,936.43	-	4,936.43
<b>Total Cash Receipts</b>	<b>948,937.67</b>	<b>1,060,273.60</b>	<b>\$ 704,076.00</b>	<b>\$ 356,197.60</b>
Expenditures				
Instruction	30,027.53	37,543.26	\$ 51,684.00	\$ (14,140.74)
Support Services				
Operations and Maintenance	465,844.31	36,432.54	892,341.00	(855,908.46)
Facility Acquisition and Construction Services				
Architectural and Engineering Services	55,511.00	33,468.50	94,253.00	(60,784.50)
Site Improvement	-	-	1,291.00	(1,291.00)
Building Improvement	274,913.90	439,543.65	963,632.00	(524,088.35)
<b>Total Expenditures</b>	<b>826,296.74</b>	<b>546,987.95</b>	<b>\$ 2,003,201.00</b>	<b>\$ (1,456,213.05)</b>
Receipts Over (Under) Expenditures	122,640.93	513,285.65		
Unencumbered Cash, Beginning	1,176,483.60	1,299,124.53		
Unencumbered Cash, Ending	<b>\$ 1,299,124.53</b>	<b>\$ 1,812,410.18</b>		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**PROFESSIONAL DEVELOPMENT FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers from:				
General Fund	\$ 9,000.00	\$ -	\$ 12,000.00	\$ (12,000.00)
Supplemental General Fund	8,000.00	14,000.00	18,000.00	(4,000.00)
Total Cash Receipts	<u>17,000.00</u>	<u>14,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ (16,000.00)</u>
Expenditures				
Support Services				
Instructional Support	14,486.25	12,584.42	\$ 26,057.00	\$ (13,472.58)
Operations & Maintenance	2,191.80	311.70	3,943.00	(3,631.30)
Total Expenditures	<u>16,678.05</u>	<u>12,896.12</u>	<u>\$ 30,000.00</u>	<u>\$ (17,103.88)</u>
Receipts Over (Under) Expenditures	321.95	1,103.88		
Unencumbered Cash, Beginning	<u>24,226.01</u>	<u>24,547.96</u>		
Unencumbered Cash, Ending	<u>\$ 24,547.96</u>	<u>\$ 25,651.84</u>		

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**CONTINGENCY RESERVE FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers from:		
General Fund	\$ 20,000.00	\$ -
<b>Total Cash Receipts</b>	<b>20,000.00</b>	<b>-</b>
Expenditures		
Support Services		
Operations and Maintenance	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>
Receipts Over (Under) Expenditures	20,000.00	-
Unencumbered Cash, Beginning	489,020.33	509,020.33
Unencumbered Cash, Ending	\$ 509,020.33	\$ 509,020.33

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**TEXT BOOK RENTAL FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Book Rental Charges	\$ 26,006.14	\$ 29,399.76
 Total Cash Receipts	26,006.14	29,399.76
 Expenditures		
Instruction	68,461.21	7,756.38
 Total Expenditures	68,461.21	7,756.38
 Receipts Over (Under) Expenditures	(42,455.07)	21,643.38
 Unencumbered Cash, Beginning	56,610.72	14,155.65
 Unencumbered Cash, Ending	\$ 14,155.65	\$ 35,799.03

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources				
KPERS Contributions	\$ 663,984.65	\$ 576,683.18	\$ 849,901.00	\$ (273,217.82)
Total Cash Receipts	<u>663,984.65</u>	<u>576,683.18</u>	<u>\$ 849,901.00</u>	<u>\$ (273,217.82)</u>
Expenditures				
Instruction	450,447.19	391,221.87	\$ 576,574.00	(185,352.13)
Support Services				
Student Support	32,468.84	28,199.81	41,560.00	(13,360.19)
Instructional Support	10,822.96	9,399.94	13,853.00	(4,453.06)
General Administration	39,175.10	34,024.30	50,144.00	(16,119.70)
School Administration	57,833.06	50,229.10	74,026.00	(23,796.90)
Operations and Maintenance	41,565.44	36,100.36	14,533.00	21,567.36
Other Supplemental Services	11,354.14	9,861.28	53,204.00	(43,342.72)
Student Transportation Services	199.18	173.01	255.00	(81.99)
Food Service	20,118.74	17,473.51	25,752.00	(8,278.49)
Total Expenditures	<u>663,984.65</u>	<u>576,683.18</u>	<u>\$ 849,901.00</u>	<u>\$ (273,217.82)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**JOHNSON O'MALLEY FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	<u>Prior</u> <u>Year</u> <u>Actual</u>	<u>Current</u> <u>Year</u> <u>Actual</u>
Cash Receipts		
Local Sources		
Community Gifts	\$ 8,050.00	\$ 8,100.00
Total Cash Receipts	<u>8,050.00</u>	<u>8,100.00</u>
Expenditures		
Support Services		
Student Services	<u>8,050.00</u>	<u>8,100.00</u>
Total Expenditures	<u>8,050.00</u>	<u>8,100.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**RECREATION COMMISSION FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 673,499.60	\$ 770,530.11	\$ 512,699.00	\$ 257,831.11
Delinquent Tax	11,674.17	14,593.32	2,182.00	12,411.32
Other	-	-	261,655.00	(261,655.00)
County Sources				
Motor Vehicle Tax	43,663.66	43,051.78	41,186.00	1,865.78
Recreational Vehicle Tax	643.94	562.63	462.00	100.63
In Lieu of Taxes IRBs	8,996.63	3,949.34	-	3,949.34
<b>Total Cash Receipts</b>	<b>738,478.00</b>	<b>832,687.18</b>	<b>\$ 818,184.00</b>	<b>\$ 14,503.18</b>
Expenditures				
Community Service Operations	738,478.00	818,184.00	\$ 818,184.00	\$ -
<b>Total Expenditures</b>	<b>738,478.00</b>	<b>818,184.00</b>	<b>\$ 818,184.00</b>	<b>\$ -</b>
Receipts Over (Under) Expenditures	-	14,503.18		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 14,503.18		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**RECREATION COMMISSION EMPLOYEE BENEFITS AND SPECIAL LIABILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 45,802.61	\$ 42,551.48	\$ 27,765.00	\$ 14,786.48
Delinquent Tax	2,931.66	2,244.39	153.00	2,091.39
Other Revenue	-	-	9,185.00	(9,185.00)
County Sources				
Motor Vehicle Tax	11,064.89	8,443.54	7,809.00	634.54
Recreational Vehicle Tax	163.17	114.04	88.00	26.04
In Lieu of Taxes IRBs	631.46	217.46	-	217.46
<b>Total Cash Receipts</b>	<b>60,593.79</b>	<b>53,570.91</b>	<b>\$ 45,000.00</b>	<b>\$ 8,570.91</b>
Expenditures				
Community Service Operations	60,593.79	45,000.00	\$ 45,000.00	\$ -
<b>Total Expenditures</b>	<b>60,593.79</b>	<b>45,000.00</b>	<b>\$ 45,000.00</b>	<b>\$ -</b>
Receipts Over (Under) Expenditures	-	8,570.91		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 8,570.91		

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**TITLE I FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ 537,333.00	\$ 549,731.00
Total Cash Receipts	<u>537,333.00</u>	<u>549,731.00</u>
Expenditures		
Instruction	592,557.51	532,870.87
Support Services		
Student Support	5,802.00	5,238.13
General Administration	10,028.00	8,622.00
School Administration	<u>3,000.00</u>	<u>3,000.00</u>
Total Expenditures	<u>611,387.51</u>	<u>549,731.00</u>
Receipts Over (Under) Expenditures	(74,054.51)	-
Unencumbered Cash, Beginning	<u>74,054.51</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**TITLE I ARRA FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ 301,427.00	\$ 58,570.00
Total Cash Receipts	301,427.00	58,570.00
Expenditures		
Instruction	263,014.96	58,570.00
Support Services		
General Administration	6,226.00	-
Operation of Non Instructional Services		
Parent Involvement	32,186.04	-
Total Expenditures	301,427.00	58,570.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**TITLE II-A FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ 151,935.00	\$ 156,456.00
Total Cash Receipts	151,935.00	156,456.00
Expenditures		
Instruction	190,106.07	151,646.00
Support Services		
Instructional Support	1,867.00	2,023.00
General Administration	2,960.00	2,787.00
Total Expenditures	194,933.07	156,456.00
Receipts Over (Under) Expenditures	(42,998.07)	-
Unencumbered Cash, Beginning	42,998.07	-
Unencumbered Cash, Ending	\$ -	\$ -

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**TITLE II-D FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ 5,048.00	\$ 1,766.00
Total Cash Receipts	5,048.00	1,766.00
Expenditures		
Instruction	2,340.00	1,324.00
Support Services		
Instructional Support	2,708.00	442.00
Total Expenditures	5,048.00	1,766.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**TITLE II-D ARRA FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ 12,414.00	\$ -
Total Cash Receipts	12,414.00	-
Expenditures		
Instruction	9,095.00	-
Support Services		
Instructional Support	3,104.00	-
General Administration	215.00	-
Total Expenditures	12,414.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**FKHS COMMUNITY POOL FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Community Support Payments	\$ 12,000.00	\$ 6,000.00
Total Cash Receipts	<u>12,000.00</u>	<u>6,000.00</u>
Expenditures		
Support Services		
General Administration	4,800.00	2,600.00
Operations and Maintenance	1,067.00	-
Total Expenditures	<u>5,867.00</u>	<u>2,600.00</u>
Receipts Over (Under) Expenditures	6,133.00	3,400.00
Unencumbered Cash, Beginning	<u>2,254.64</u>	<u>8,387.64</u>
Unencumbered Cash, Ending	<u>\$ 8,387.64</u>	<u>\$ 11,787.64</u>

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**DLC EARLY CHILDHOOD FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grants	\$ 110,222.00	\$ 215,809.00
 Total Cash Receipts	110,222.00	215,809.00
 Expenditures		
Instruction	174,561.00	177,305.00
Support Services		
General Administration	9,539.00	6,795.00
School Administration	3,000.00	3,000.00
 Total Expenditures	187,100.00	187,100.00
 Receipts Over (Under) Expenditures	(76,878.00)	28,709.00
 Unencumbered Cash, Beginning	-	(76,878.00)
 Unencumbered Cash, Ending	\$ (76,878.00)	\$ (48,169.00)

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**MATH AND SCIENCE GRANT FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Grants		
Federal Aid	\$ -	\$ 173,413.00
Total Cash Receipts	-	173,413.00
Expenditures		
Instruction	-	170,414.00
Support Services		
Other Supplemental Services	-	2,999.00
Total Expenditures	-	173,413.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**MISCELLANEOUS GRANTS FUND**

Statement of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ -	\$ 222,504.00
Local Sources		
Grants	162,129.20	-
Total Cash Receipts	162,129.20	222,504.00
Expenditures		
Instruction	165,542.45	225,109.65
Support Services		
Instructional Support	-	3,000.00
Facility Acquisition and Construction Services		
Site Improvement	-	2,510.00
Total Expenditures	165,542.45	230,619.65
Receipts Over (Under) Expenditures	(3,413.25)	(8,115.65)
Unencumbered Cash, Beginning	12,817.39	9,404.14
Unencumbered Cash, Ending	\$ 9,404.14	\$ 1,288.49

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

**BOND AND INTEREST FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 642,651.72	\$ 732,102.58	\$ 496,258.00	\$ 235,844.58
Delinquent Tax	2,337.35	7,437.73	2,072.00	5,365.73
City Sales Tax	1,146,181.00	1,175,811.00	273,000.00	902,811.00
County Sources				
Motor Vehicle Tax	-	12,296.70	13,113.00	(816.30)
Recreational Vehicle Tax	-	140.97	147.00	(6.03)
In Lieu of Taxes IRBs	8,547.79	3,751.72	-	3,751.72
<b>Total Cash Receipts</b>	<b>1,799,717.86</b>	<b>1,931,540.70</b>	<b>\$ 784,590.00</b>	<b>\$ 1,146,950.70</b>
Expenditures				
Debt Service				
Principal	600,000.00	855,000.00	\$ 855,000.00	\$ -
Interest	846,181.26	576,332.50	576,332.00	0.50
<b>Total Expenditures</b>	<b>1,446,181.26</b>	<b>1,431,332.50</b>	<b>\$ 1,431,332.00</b>	<b>\$ 0.50</b>
Receipts Over (Under) Expenditures	353,536.60	500,208.20		
Unencumbered Cash, Beginning	300,000.85	653,537.45		
Unencumbered Cash, Ending	<u>\$ 653,537.45</u>	<u>\$ 1,153,745.65</u>		

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas  
**QUALIFIED ZONE ACADEMIC BOND PROJECT FUND**  
Statement of Cash Receipts and Expenditures - Actual  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Interest on Idle Funds	\$ 10.91	\$ 57.04
Use of Money and Property		
Bond Proceeds	-	1,000,000.00
	10.91	1,000,057.04
Total Cash Receipts		
Expenditures		
Instruction	-	52,745.00
Facility Acquisition and Construction Services		
Architectural and Engineering Services	680.22	185,070.12
Debt Service		
Bond Issuance Costs	-	20,000.00
	680.22	257,815.12
Total Expenditures		
Receipts Over (Under) Expenditures	(669.31)	742,241.92
Unencumbered Cash, Beginning	116,536.59	115,867.28
Unencumbered Cash, Ending	\$ 115,867.28	\$ 858,109.20

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

## UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

## AGENCY FUNDS

## Statement of Cash Receipts and Cash Disbursements

For the Fiscal Year Ended June 30, 2011

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
District Programs				
Boys and Girls Club	\$ 25,606.86	\$ 135,452.51	\$ 57,724.28	\$ 103,335.09
Student Organizations				
Community Elementary School				
Building Fund	94.55	1,995.63	2,075.93	14.25
Wal-Mart for Equipment	828.61	300.00	1,055.84	72.77
Library/Book Fees	289.54	384.35	-	673.89
Reading Program	840.73	-	123.85	716.88
Memorial	200.00	-	219.37	(19.37)
Kindergarten Tree	258.15	-	-	258.15
Lost ID Money	30.78	-	-	30.78
Bingo Money	843.04	1,850.20	2,241.83	451.41
Kindergarten Earth Day	457.04	-	-	457.04
3rd Grade Field Trip	2.22	-	-	2.22
Music/Band Money	303.12	7,791.00	5,542.29	2,551.83
Family Reading	100.00	-	-	100.00
Marcy Mitchell Donation	100.00	-	-	100.00
Cookout Fund	112.00	73.75	42.81	142.94
MC Teacher Night	-	607.00	-	607.00
5th Multicultural	-	607.96	320.00	287.96
High School				
Principal	2,558.84	3,262.72	5,145.46	676.10
ID Badges	10.40	13.00	-	23.40
Fall/Spring Plays	1,383.09	4,129.48	2,552.17	2,960.40
Art Club	1,451.07	45.00	217.95	1,278.12
Class Plaques	726.54	-	-	726.54
Drama Club	85.74	-	-	85.74
ACTS Ads	40.62	-	-	40.62
Chess Club	25.84	-	-	25.84
Band	1,352.18	5,443.11	4,649.07	2,146.22
Juniors' Prom	1,699.09	5,484.24	4,997.72	2,185.61
Native American	981.87	500.00	686.88	794.99
NFL	5,660.57	7,253.99	11,206.00	1,708.56

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**AGENCY FUNDS**

Statement of Cash Receipts and Cash Disbursements

For the Fiscal Year Ended June 30, 2011

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
High School (Continued)				
French/German	\$ 458.79	\$ 3,619.26	\$ 4,035.05	\$ 43.00
FCA	69.81	-	-	69.81
DECA	458.65	2,800.34	2,359.90	899.09
FACS	80.84	34.54	-	115.38
Leadership #1	10.33	137.88	-	148.21
Leadership #2	42.88	-	42.88	-
NHS	1,236.27	2,020.85	2,570.10	687.02
Dance Team	9.75	-	9.75	-
Sales Tax	207.26	4,578.87	3,505.36	1,280.77
Spanish Club	474.24	4,207.47	4,328.27	353.44
Heritage Club	-	256.63	246.26	10.37
STUCO	632.50	3,254.01	3,467.75	418.76
Tornado Times	615.58	-	-	615.58
Student Vending	205.39	300.00	505.39	-
Yearbook	6,542.96	3,106.01	-	9,648.97
Photography	375.41	-	-	375.41
Vocal Music	189.93	2,411.50	2,511.84	89.59
Program Train	55.40	1,490.40	1,545.80	-
Tri Co Crafts	237.13	-	237.13	-
Biology	406.80	-	406.80	-
Key Club	450.88	151.00	200.00	401.88
SADD	119.00	20.00	20.00	119.00
Library Acct	665.37	477.41	389.13	753.65
VICA	244.98	-	244.98	-
Foods	641.53	1,533.79	631.43	1,543.89
Nor fleet	21.86	-	21.86	-
Health Occupation	55.00	175.00	136.00	94.00
Class of '39	32.81	-	32.81	-
FKHS Grants	389.46	-	389.46	-
FBLA	701.63	-	640.00	61.63
NADO Learning Center	171.03	-	171.03	-
School Store	647.68	133.11	67.00	713.79
Central Store	41.14	-	-	41.14
Safe School AMB	131.11	-	52.45	78.66

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

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**AGENCY FUNDS**

Statement of Cash Receipts and Cash Disbursements

For the Fiscal Year Ended June 30, 2011

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
High School (Continued)				
P E Activities	\$ 508.42	\$ -	\$ 36.00	\$ 472.42
FFA	2,181.39	36,767.70	35,283.82	3,665.27
FCCLA	102.26	1,926.14	1,766.38	262.02
Marketing Club	18.63	-	18.63	-
FKHS Textbooks	-	400.00	400.00	-
FKHS Instruction	-	142.00	142.00	-
RMS Building Fee	-	21.10	21.10	-
Middle School				
CJ Crane	1,107.80	-	-	1,107.80
Spirit Squad	329.59	-	-	329.59
Sales Tax	338.10	1,257.42	1,575.50	20.02
Yearbook	-	2,251.31	2,039.04	212.27
Pre Voc. Ed	575.29	12.00	-	587.29
St. Vending	287.17	75.89	5.00	358.06
STUCO	24.06	529.00	457.57	95.49
Booster	1,752.55	748.61	-	2,501.16
Football	-	69.72	-	69.72
Functional Class	-	723.59	302.55	421.04
Band	405.58	-	-	405.58
Track and Field	-	105.95	-	105.95
Sewing Club	0.08	-	-	0.08
Gentlemen's Club	356.23	394.69	599.21	151.71
Science Club	60.01	116.10	4.95	171.16
Student Tech	264.25	279.96	-	544.21
Library	283.37	207.05	221.45	268.97
Pride	3,797.80	3,608.78	3,605.00	3,801.58
Vocal Music	5.00	282.00	280.50	6.50
Ladies Club	317.20	510.51	472.12	355.59
RMS Textbooks	-	40.00	40.00	-
RMS Instruction	-	10.00	10.00	-
Totals	<u>\$ 75,380.67</u>	<u>\$ 256,381.53</u>	<u>\$ 174,850.70</u>	<u>\$ 156,911.50</u>

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

**UNIFIED SCHOOL DISTRICT #445**  
 Coffeyville, Kansas  
**DISTRICT ACTIVITY FUNDS**  
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
 For the Fiscal Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30,
					Encumbrances and Accounts Payable	2011	
Gate Receipts							
High School	\$ 24,235.39	\$ 172,394.43	\$ 162,245.55	\$ 34,384.27	\$ -	\$ 34,384.27	\$ 24,235.39
Middle School	2,995.09	14,253.80	13,572.04	3,676.85	-	3,676.85	2,995.09
Total District Activity Funds	\$ 27,230.48	\$ 186,648.23	\$ 175,817.59	\$ 38,061.12	\$ -	\$ 38,061.12	\$ 27,230.48

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

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Unified School District #445 (the 'District'), Coffeyville, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. These financial statements present USD #445 (the primary government) and its component unit. The component unit is included in the USD's reporting entity because of the significance of its operational and financial relationship with the USD.

*Jointly Governed Component Unit.* The financial statements include the following financial data of a jointly governed component unit. Two members of the governing body of this component unit are appointed by the USD. Other members of the governing body include two members appointed by the City of Coffeyville and one at-large member.

Recreation Commission - USD #445 Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission must be approved by the USD. The USD levies taxes for the recreation commission. Bond issuances must be approved by the USD. The Recreation Commission funds in these financial statements only include tax levy money collected by the USD and distributed to the Commission. Financial statements are available at the Commission.

*Discretely Presented Component Units:* Component units should be included in the district's reporting entity because of the significance of their operational or financial relationships with the City. These component units should be reported separately to emphasize that they are legally separate from the city. Based upon the application of this criterion, the following is a brief review of potential component units:

Coffeyville Public Schools Foundation - The economic resources received or held by the component unit are held almost entirely for the direct benefit of the District. The Coffeyville Public Schools Foundation was formed to promote and foster the educational purposes of the District, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the District. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the District. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. The Foundation's financial statements should be included with the District's financial statements. Separate financial statements are not prepared. The Foundation is considered a component unit.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation - Fund Accounting

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 Unified School District #445:

**GOVERNMENTAL FUNDS**

General Fund – The General Fund is the principal fund of the District which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the District, other than proprietary fund activities, are financed through revenues received by the General Fund.

Special Revenue Funds – These funds are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are designated to finance particular functions or activities of the District.

Debt Service Fund – The Bond and Interest Fund is used to account for payment of principal and interest on the District’s general obligation bonds which are recorded in the general long-term debt group of accounts. Revenues for this purpose include ad valorem property taxes, special assessment taxes, and investment interest income.

Capital Project Funds – The Capital Project Funds account for capital improvements (except for those financed by proprietary funds) which are financed from the District’s general obligation bond issues, special assessments, certain federal grants and other specific receipts.

**FIDUCIARY FUNDS**

Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Expendable Trust Funds – These funds account for funds held in trust for others. The funds are accounted for in essentially the same manner as governmental funds.

Basis of Presentation – Statutory Basis of Accounting

The statutory basis of accounting, as used in preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year’s accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund, and an expenditure would be charged in the fund from which the transfer is made. The District has chosen to follow K.S.A. 72-6417 and K.S.A. 72-6434, which requires 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 school district after June 30, as a receipt for the school year ending June 30, 2011.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation – Statutory Basis of Accounting (Continued)

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

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

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparisons presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The District's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no such amendments during the year, however, the General Fund budget was decreased to the legal maximum budget based upon final enrollment numbers lower than originally budgeted.

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 cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments of the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and certain special revenue 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.

### Compliance with Kansas Statutes

Statements 1 and 2 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the District was in apparent violation of K.S.A. 10-1,113. The District has obligated expenditures in excess of available monies in the DLC Early Childhood Fund, however, K.S.A 10-1,116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. The DLC Early Childhood Fund met the criteria under the statutes and therefore, is not deemed to be in violation of the Kansas cash basis laws. As shown in Statement 2, the City was in apparent compliance with Kansas budget laws.

### **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 branch 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 bank provides 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.

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

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

At year-end, the District's carrying amount of deposits was \$10,425,134.04 and the bank balance was \$10,698,413.03. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$1,040,583.22 was covered by FDIC insurance, \$8,677,786.75 was collateralized with securities held by the pledging financial institutions' agents in the District's name, and the remaining \$980,043.06 was considered self-securing at year end.

### **4. CAPITAL LEASE OBLIGATIONS**

The District has entered into a capital lease agreement in order to finance the renovation, repair, and improvement to existing school facilities under the Federal Qualified Academy Zone Bonds program. The District has partnered with Learn.com, which has agreed to make the required private nongovernmental match of 10%, or \$100,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) instead of an interest check under the capital lease agreement. Payments are made of \$92,563.00 annually, into a bank trust account and will be used to pay off the principal amount of \$1,000,000.00, upon maturity. Final maturity of the lease is January 28, 2015. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2012	\$ 92,563.00
2013	92,563.00
2014	92,563.00
2015	<u>92,563.00</u>
Total Payments from District	370,252.00
Less: Current Maturities	<u>(92,563.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 277,689.00</u>

**4. CAPITAL LEASE OBLIGATIONS** (Continued)

The District has entered into a capital lease agreement in order to finance the renovation, repair, and improvement to existing school facilities and equipment under the Federal Qualified Academy Zone Bonds program. The District has partnered with US Bank National Association, which has agreed to make the required private nongovernmental match of 10%, or \$45,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) instead of an interest check under the capital lease agreement. Payments are made of \$40,615.70 annually, into a bank trust account and will be used to pay off the principal amount of \$450,000.00, upon maturity. Final maturity of the lease is January 24, 2017. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2012	\$ 40,615.70
2013	40,615.70
2014	40,615.70
2015	40,615.70
2016	40,615.70
2017	<u>40,615.70</u>
Total Payments from District	243,694.20
Less: Current Maturities	<u>(40,615.70)</u>
 Long-Term Capital Lease Obligations	 <u>\$ 203,078.50</u>

The District has entered into a capital lease agreement in order to finance the equipping, repairing, and improving to existing school facilities under the Federal Qualified Academy Zone Bonds program. The District has partnered with LaSalle Bank National Association, which has agreed to make the required private nongovernmental match of 10%, or \$80,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) for 6.10% of the interest due, with the district paying a supplemental interest rate of 1.63%. Payments are made into a bank trust account and will be used to pay off the principal amount of \$800,000.00, upon maturity. Final maturity of the lease is July 16, 2017. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2012	\$ 87,824.00
2013	86,520.00
2014	85,216.00
2015	83,912.00
2016	82,608.00
2017-2018	<u>81,304.00</u>
Total Payments from District	507,384.00
Less: Imputed Interest	<u>(27,384.00)</u>
Net Present Value of Capital Lease	480,000.00
Less: Current Maturities	<u>(80,000.00)</u>
 Long-Term Capital Lease Obligations	 <u>\$ 400,000.00</u>

**4. CAPITAL LEASE OBLIGATIONS** (Continued)

The District has entered into a capital lease agreement in order to finance the equipping, repairing, and improving to existing school facilities under the Federal Qualified Academy Zone Bonds program. The District has partnered with Bank of Kansas City, N.A., which has agreed to make the required private nongovernmental match of 10%, or \$100,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) instead of an interest check under the capital lease agreement. Payments are made of \$100,000.00 annually, into a bank trust account and will be used to pay off the principal amount of \$1,000,000.00, upon maturity. Final maturity of the lease is December 1, 2020. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2012	\$ 100,000.00
2013	100,000.00
2014	100,000.00
2015	100,000.00
2016	100,000.00
2017-2021	<u>500,000.00</u>
Total Payments from District	1,000,000.00
Less: Current Maturities	<u>(100,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 900,000.00</u>

**5. OPERATING LEASES**

As of June 30, 2011 the District has entered into a number of operating leases for various pieces of office equipment. Total payments for the year ended June 30, 2011 was \$39,299.40. Under the current lease agreements, the future minimum lease rentals are as follows:

2012	\$ 32,390.68
2013	4,284.00
2014	4,284.00
2015	4,284.00
2016	4,284.00

**6. REFUNDING BONDS**

On April 4, 2010, the District issued General Obligation Refunding Bonds, Series 2010, in the amount of \$16,365,000 to defease in substance the outstanding General Obligation Bonds, Series 2002. The net cash flow difference between the debt service requirements of the old debt compared to the debt service requirements of the new debt was \$408,247.54. The present value of the savings on refunding the bonds was \$308,805.38. The proceeds of the bond issue were irrevocably placed in a trust account and used to purchase United States Government Securities for the purpose of paying the debt requirements of the refunded bonds as they come due. The following schedule lists the refunding bond issues and the principal outstanding of refunded debt as of June 30, 2011.

General Obligation Bonds, Series 2002	\$ 16,195,000.00
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## 7. LONG-TERM LIABILITIES

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Net Change	Balances	
									End of Year	Interest Paid
General Obligation Bonds										
Series 2010	2.00% - 3.80%	04/01/2010	16,620,000.00	04/01/2024	\$ 16,620,000.00	\$ -	\$ 220,000.00		\$ 16,400,000.00	\$ 484,370.00
Capital Leases										
Elementary Building Project										
Qualified Zone Academy	5.63%	10/25/2006	500,000.00	1/1/2011	69,418.00	-	69,418.00		370,252.00	1,968.00
Bonds Lease - Series 2005	None	01/28/2005	1,000,000.00	01/28/2015	462,815.00	-	92,563.00			-
Bonds Lease - Series 2006	None	01/24/2007	450,000.00	01/24/2017	284,309.90	-	40,615.70		243,694.20	-
Qualified Zone Academy	1.63%	07/1/2007	800,000.00	07/19/2017	560,000.00	-	80,000.00		480,000.00	9,128.00
Bonds Lease - Series 2010	None	12/1/2010	1,000,000.00	12/1/2020	-	1,000,000.00	-		1,000,000.00	-
Qualified Zone Academy					17,996,542.90	1,000,000.00	502,596.70		18,493,946.20	495,466.00
Total Scheduled Long-Term Contractual Indebtedness										
Other Long-Term Liabilities										
General Accrued Compensated Absences	N/A	N/A	N/A	N/A	54,846.70			\$ (14,066.53)	40,780.17	N/A
Vacation Pay					\$ 18,051,389.60	\$ 1,000,000.00	\$ 502,596.70	\$ (14,066.53)	\$ 18,534,726.37	\$ 495,466.00
Total Long-Term Liabilities										

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

Issue	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017-2021	June 30, 2022-2024	Totals
Principal								
General Obligation Bonds								
Paid with Tax Levies								
Series 2010	\$ 220,000.00	\$ 1,350,000.00	\$ 1,385,000.00	\$ 1,430,000.00	\$ 1,465,000.00	\$ 8,130,000.00	\$ 2,420,000.00	\$ 16,400,000.00
Capital Leases								
Qualified Zone Academy								
Bonds Leases:								
Series 2005	92,563.00	92,563.00	92,563.00	92,563.00	-	-	-	370,252.00
Series 2006	40,615.70	40,615.70	40,615.70	40,615.70	40,615.70	40,615.70	-	243,694.20
Series 2007	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	-	480,000.00
Series 2010B	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	500,000.00	-	1,000,000.00
Total Principal	533,178.70	1,663,178.70	1,698,178.70	1,743,178.70	1,685,615.70	8,750,615.70	2,420,000.00	18,493,946.20
Interest								
General Obligation Bonds								
Paid with Tax Levies								
Series 2010	479,970.00	475,570.00	448,570.00	420,870.00	388,695.00	1,288,475.00	159,432.50	3,661,582.50
Capital Leases								
Qualified Zone Academy								
Bonds Leases:								
Series 2005	-	-	-	-	-	-	-	-
Series 2006	-	-	-	-	-	-	-	-
Series 2007	7,824.00	6,520.00	5,216.00	3,912.00	2,608.00	1,304.00	-	27,384.00
Series 2010	-	-	-	-	-	-	-	-
Total Interest	487,794.00	482,090.00	453,786.00	424,782.00	391,303.00	1,289,779.00	159,432.50	3,688,966.50
Total Principal and Interest	\$ 1,020,972.70	\$ 2,145,268.70	\$ 2,151,964.70	\$ 2,167,960.70	\$ 2,076,918.70	\$ 10,040,394.70	\$ 2,579,432.50	\$ 22,182,912.70

**8. DEFINED BENEFIT PENSION PLAN**

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

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the employer contribution rates. As of June 30, 2011, the State of Kansas contributes 9.17% of covered payroll. Kansas' contributions to KPERS for school municipality 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.

**9. COMPENSATED ABSENCES**

Vacation

Only twelve month employees are eligible for the vacation fringe benefit. Earned vacation days are awarded every July 1. Employees with one year of employment will be awarded 5 days vacation on July 1. The following July, they will be awarded 10 days of vacation for the next 9 consecutive years. After 9 consecutive years of vacation being awarded at 10 days per year, the employee shall be entitled to 15 days of vacation each July 1. Employees may carryover one-half of the awarded vacation days, however, amounts must be used by December 31.

Sick Leave

Each classified employee shall be entitled to sick leave with full pay to be accumulated at a rate of one day per month of employment. Sick leave may accumulate to 80 days maximum. If, at the end of June in the fiscal year, an employee has accumulated an excess of seventy sick days, certified staff will be paid at the teachers' negotiated rate; all other employees will be paid \$30.00 for every sick day over seventy days. Sick leave is lost upon termination.

The District accrues a liability for compensated absences which meet the following criteria:

- 1) The District's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
- 2) The obligation relates to rights that vest or accumulate.
- 3) Payment of the compensation is probable.
- 4) The amount can be reasonably estimated.

In accordance with the above criteria, the District has accrued a liability for vacation benefits in footnote 7, and not accrued a liability for sick pay which has been earned, but not taken by District employees, inasmuch as the amount cannot be reasonably estimated.

**10. OTHER POST EMPLOYMENT BENEFITS**

Certified Employees

Certified staff of the District may retire from the District prior to age 65. Retirement prior to age 65 is voluntary for the employee. As an incentive to early retirement the District shall pay early retirement benefits to qualified employees.

Qualification for early retirement is that the certified employee be a full-time employee; not less than age 57 and not more than age 65, or has met Kansas Public Retirement System unreduced retirement benefits of age plus service is equal to or greater than 85; and have completed 10 consecutive years of employment with the District including the year of application. For employees retiring, the early retirement payments are a maximum of 15% annually of the last negotiated salary, for a maximum retirement benefit of 120%.

Other Employees

Employees of the District may retire from the District prior to age 62. Retirement prior to age 62 is voluntary for the employee. As an incentive to early retirement the District shall pay early retirement benefits to qualified employees. Qualification for early retirement is that the employee be a full-time employee, not less than age 53 and not more than age 62, and has completed 15 consecutive years of employment with the District including the year of application. For employees retiring, the early retirement payments are one-third of the total of the most previous twelve months' gross salary, up to a maximum benefit of \$10,000.00.

Early retirement incentive payments included in expenditures for the year ended June 30, 2011, were \$148,012.11. As of June 30, 2011 the future early retirement incentive payments are expected to be as follows:

<u>Year Ending June 30</u>	<u>Amount</u>	<u>Number of Participants</u>
2012	\$ 146,936.16	21
2013	124,285.42	20
2014	100,376.72	16
2015	67,289.00	12
2016	54,118.00	9
2017-2021	124,365.01	Various

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

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

**11. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies.

**12. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**13. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Special Education	K.S.A. 72-6428	\$ 1,488,896.42
General	Food Service	K.S.A. 72-6428	50,000.00
General	Parent Education	K.S.A. 72-6428	46,000.00
General	4 Year Old At-Risk	K.S.A. 72-6428	10,000.00
General	K-12 At-Risk	K.S.A. 72-6428	2,042,000.00
General	Vocational Education	K.S.A. 72-6428	573,000.00
General	Bilingual Education	K.S.A. 72-6428	9,000.00
Supplemental General	4 Year Old At-Risk	K.S.A. 72-6428	113,000.00
Supplemental General	K-12 At-Risk	K.S.A. 72-6428	388,000.00
Supplemental General	Vocational Education	K.S.A. 72-6428	137,000.00
Supplemental General	Special Education	K.S.A. 72-6428	784,714.00
Supplemental General	Parent Education	K.S.A. 72-6428	15,000.00
Supplemental General	Driver Training	K.S.A. 72-6428	15,000.00
Supplemental General	Food Service	K.S.A. 72-6428	65,000.00
Supplemental General	Professional Development	K.S.A. 72-6428	14,000.00

**14. SUBSEQUENT EVENTS**

During the year ended June 30, 2008, a major taxpayer filed an appeal over their assessed valuation. If this appeal is won, the District would be required to return collected taxes to the county for their share of the appeal. The District has estimated the amount of payback due to the appeal to be \$10,231,864.00 through June 30, 2011 of which \$4,570,000.00 is from the General Fund, which by state statute is required to be spent out each year. Since the General Fund is spent out based on current statutes, the District is working with the state on a solution. To date, the Kansas Board of Tax Appeals has not set a date for the appeal.

## **FEDERAL COMPLIANCE SECTION**

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Direct Grant				
Title IX Indian Education	N/A	84.060	\$ 103,291.00	\$ 103,291.00
Passed through the Kansas Department of Education				
Title I - Part A Cluster				
Title I Grant to Local Educational Agencies	DO445-09	84.010	42,906.00	42,906.00
Title I Grant to Local Educational Agencies	DO445-10	84.010	506,825.00	506,825.00
Title I Grant to Local Educational Agencies - School Improvement	DO445	84.010	202,000.00	202,000.00
Title I Grant to Local Educational Agencies - School Improvement	DO445-Mini	84.010	3,000.00	3,000.00
	Total 84.010		754,731.00	754,731.00
Title I Grant to Local Educational Agencies - ARRA	DO445	84.389	58,570.00	58,570.00
	Total Title I - Part A Cluster (M)		813,301.00	813,301.00
Vocational Education - Basic Grants to States - Program Imp.	DO445	84.048	24,813.00	24,813.00
Vocational Education - Basic Grants to States - Reserve Fund	DO445	84.048	5,723.00	5,432.00
	Total 84.048		30,536.00	30,245.00
Technology Literacy Challenge Fund Grant	DO445	84.318	1,766.00	1,766.00
Advance Placement Program	DO445	84.330	11,469.00	13,109.65
Mathematics and Science Partnerships Grant	DO445	84.366	173,413.00	173,413.00
Improving Teacher Quality State Grants	DO445-09	84.367	137,274.00	137,274.00
Improving Teacher Quality State Grants	DO445-10	84.367	19,182.00	19,182.00
	Total 84.367		156,456.00	156,456.00
State Fiscal Stabilization Funds - ARRA	DO445	84.394	212,827.00	212,827.00
Education Jobs Fund - ARRA	DO445	84.410 (M)	372,659.00	372,659.00
	Total U.S. Department of Education		1,875,718.00	1,877,067.65
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
Passed through the Boys and Girls Club of America				
Job Creation/Preservation Grant - ARRA	ARRA 2009-18495	16.808	59,000.00	16,500.00
	Total U.S. Department of Justice		59,000.00	16,500.00

**UNIFIED SCHOOL DISTRICT #445**

Coffeyville, Kansas

**Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through		Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures
	Entity Identifying Number	Number			
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
Passed through the Kansas Department of Education					
Child USDA Nutrition Cluster:					
National School Lunch Program	DO445	10.555	\$	548,167.44	\$ 548,167.44
School Breakfast Program	DO445	10.553		141,695.10	141,695.10
Summer Food Service Program for Children	DO445	10.559		31,721.29	31,721.29
	Total Child USDA Nutrition Cluster: (M)			721,583.83	721,583.83
State Administrative Expenses for Child Nutrition					
Fresh Fruits and Vegetables	DO445	10.560		50.00	50.00
	DO445	10.582		37,314.37	37,314.37
	Total U.S. Department of Agriculture			758,948.20	758,948.20
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>					
Passed through the Kansas Department of Education					
Learn and Serve America School and Community Based Program	DO445	94.004		6,035.00	9,919.92
	Total Corporation for National and Community Service			6,035.00	9,919.92
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 2,699,701.20</b>	<b>\$ 2,662,435.77</b>

Note to the Schedule of Expenditures of Federal Awards:  
 Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.  
 (M) = Major Program

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education  
Unified School District #445  
Coffeyville, Kansas

We have audited the financial statements of the Unified School District #445, Coffeyville, Kansas, as of and for the year ended June 30, 2011, which collectively comprise the Unified School District #445, Coffeyville, Kansas' basic financial statements and have issued our report thereon dated September 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District #445, Coffeyville, Kansas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District #445, Coffeyville, Kansas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #445, Coffeyville, Kansas' internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District #445, Coffeyville, Kansas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*Jarred, Gilmore & Phillips, PA*

JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 23, 2011  
Chanute, Kansas

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education  
Unified School District #445  
Coffeyville, Kansas

Compliance

We have audited Unified School District #445, Coffeyville, Kansas' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Unified School District #445, Coffeyville, Kansas' major federal programs for the year ended June 30, 2011. Unified School District #445, Coffeyville, Kansas' 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 Unified School District #445, Coffeyville, Kansas' management. Our responsibility is to express an opinion on Unified School District #445, Coffeyville, Kansas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District #445, Coffeyville, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Unified School District #445, Coffeyville, Kansas' compliance with those requirements.

In our opinion, Unified School District #445, Coffeyville, Kansas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of Unified School District #445, Coffeyville, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District #445, Coffeyville, Kansas' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District #445, Coffeyville, Kansas' internal control over compliance.

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

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

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



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 23, 2011  
Chanute, Kansas

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011

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

**Financial Statements:**

The auditors' report expresses a qualified opinion on the basis financial statements of Unified School District #445, Coffeyville, Kansas.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	_____ <u>X</u> _____	No
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	_____ <u>X</u> _____	No

The auditors' report on compliance for the major federal award programs for Unified School District #445, Coffeyville, Kansas expresses an unqualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

**U.S. DEPARTMENT OF EDUCATION**

Title I – Part A Cluster:	
Title I Grants to Local Educational Agencies	CFDA No. 84.010
Title I Grants to Local Educational Agencies – ARRA	CFDA No. 84.389
Education Jobs Fund – ARRA	CFDA No. 84.410

**U.S. DEPARTMENT OF AGRICULTURE**

Child USDA Nutrition Cluster:	
National School Lunch Program	CFDA No. 10.555
School Breakfast Program	CFDA No. 10.553
Summer Food Service Program for Children	CFDA No. 10.559

The threshold for distinguishing Types A and B programs was \$300,000.00.

Auditee qualified as a low risk auditee?	_____ <u>X</u> _____	Yes	_____	No
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**II. FINDINGS – FINANCIAL STATEMENT AUDIT**

NONE

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

Schedule of Findings and Questioned Costs  
(Continued)  
For the Year Ended June 30, 2011

**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE

	<u>Questioned Costs</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>	
Title I – Part A Cluster:	
Title I Grants to Local Educational Agencies – CFDA No. 84.010	None
Title I Grants to Local Educational Agencies – ARRA – CFDA No. 84.389	None
Job Education Fund – ARRA – CFDA No. 84.410	None
<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
Child USDA Nutrition Cluster:	
National School Lunch Program – CFDA No. 10.555	None
School Breakfast Program – CFDA No. 10.553	None
Summer Food Service Program for Children – CFDA No. 10.559	None

**UNIFIED SCHOOL DISTRICT #445**  
Coffeyville, Kansas

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2011

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None