

**UNIFIED SCHOOL DISTRICT NUMBER 490
EL DORADO, KANSAS**

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2011

**Unified School District Number 490
El Dorado, Kansas**

Fiscal Year Ended June 30, 2011

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**Unified School District Number 490
El Dorado, Kansas**

**Fiscal Year Ended June 30, 2011
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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Unified School District Number 490
El Dorado, KS 67042

We have audited the accompanying financial statements of Unified School District Number 490, El Dorado, Kansas, as of and for the year ended June 30, 2011. These financial statements are the responsibility of Unified School District Number 490's management. Our responsibility is to express an opinion on these special financial statements based on our audit. The prior year partial (and summarized) comparative information has been derived from the District's 2010 financial statements and, in our report dated October 22, 2010, we express an unqualified opinion on the financial statements taken as a whole.

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

As described in Note 1, Unified School District Number 490, El Dorado, Kansas, prepares its financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 490, El Dorado, Kansas, as of June 30, 2011, or changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District Number 490, El Dorado, Kansas, as of June 30, 2011, and its cash receipts and expenditures, and budgetary comparisons for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011, on our consideration of the Unified School District Number 490's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Unified School District Number 490, El Dorado, Kansas' financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements of Unified School District Number 490, El Dorado, Kansas. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC

October 24, 2011



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

The Board of Education
Unified School District Number 490
El Dorado, Kansas 67042

We have audited the financial statements of the Unified School District Number 490 as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Auditing Guide*.

Internal Control Over Financial Reporting

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

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (11-01 and 11-02). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District, in a separate letter dated October 24, 2011.

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

October 24, 2011



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

The Board of Education
Unified School District Number 490
El Dorado, Kansas 67042

Compliance

We have audited the compliance of the Unified School District Number 490 with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

Management of the Unified School District Number 490 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

October 24, 2011

**Unified School District Number 490
El Dorado, Kansas**

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

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance 07-01-10</u>	<u>Prior Year Canceled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance 06-30-11</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance 06-30-11</u>
GOVERNMENTAL TYPE FUNDS:							
GENERAL OPERATING FUNDS							
General Fund	\$ (877,963)	\$ 284	\$ 12,216,753	\$ 11,867,043	\$ (527,969)	\$ 267,994	\$ (259,975)
Supplemental General Fund	(225,847)	-	4,427,108	4,019,410	181,851	356,868	538,719
SPECIAL REVENUE FUNDS							
At Risk (4 Year Old) Fund	10,427	-	63,659	59,086	15,000	-	15,000
At Risk (K-12) Fund	49,439	-	2,020,268	1,757,707	312,000	4,800	316,800
Bilingual Education Fund	7,109	-	4,000	2,810	8,299	-	8,299
Capital Outlay Fund	3,535,444	-	936,698	278,958	4,193,184	11,942	4,205,126
Driver Training Fund	31,978	-	23,643	14,544	41,077	-	41,077
Food Service Fund	101,177	-	1,052,465	967,699	185,943	-	185,943
Professional Development Fund	93,977	-	77,000	46,287	124,690	580	125,270
Special Education Fund	728,478	-	2,081,126	1,964,827	844,777	-	844,777
Special Education Cooperative Fund	3,275,736	38	17,587,404	16,665,967	4,197,211	69,897	4,267,108
Summer School Fund	44,894	-	2,485	3,251	44,128	245	44,373
Textbook/Student Material Revolving Fund	241,073	221	50,236	14,911	276,619	-	276,619
Vocational Education Fund	70,000	98	273,218	243,316	100,000	24,184	124,184
Virtual Education Fund	-	-	18,504	18,504	-	-	-
KPERS Special Retirement Contribution Fund	(868,925)	-	2,315,214	1,446,289	-	-	-
Contingency Reserve Fund	1,245,024	-	-	222,159	1,022,865	-	1,022,865
Title I Fund	-	-	281,065	281,065	-	-	-
Title I School Improvement Fund	-	-	-	-	-	-	-
Title I Fund - ARRA	-	-	139,146	139,146	-	-	-
Title II-A Teacher Quality Fund	-	-	97,293	97,293	-	2,200	2,200
Title II-D Education Technology Fund	-	-	1,394	1,394	-	-	-
Title II-D Education Technology Fund - ARRA	-	-	4,322	4,322	-	-	-
Title IV School Preparedness Fund	-	-	-	-	-	-	-
Title IV Drug Free Schools Fund	-	-	6,181	6,181	-	-	-
Title V Innovative Programs Fund	-	-	4,000	2,380	1,620	2,380	4,000
Gifts and Grants Fund	104,239	26	151,671	123,658	132,278	4,935	137,213
Project Connect Fund	13	-	244,365	230,010	14,368	5,810	20,178
Project Extend Fund	-	-	-	-	-	-	-
Gate Receipts Funds	26,724	-	112,350	99,723	39,351	-	39,351
School Project Funds	23,706	-	67,518	71,208	20,016	-	20,016
DEBT SERVICE FUND							
Bond and Interest Fund	1,419,904	-	1,266,810	1,151,951	1,534,763	-	1,534,763
CAPITAL PROJECTS							
Capital Improvement Fund	-	-	3,391,431	17,092	3,374,339	-	3,374,339
Capital Improvement Fund - Middle School	-	-	20,425,371	474,776	19,950,595	-	19,950,595
Capital Improvement Fund - Skelly	-	-	12,500,402	645,013	11,855,389	-	11,855,389
FIDUCIARY TYPE FUNDS:							
NON-EXPENDABLE TRUST FUNDS							
	49,500	-	767	1,396	48,871	-	48,871
Total Reporting Entity	\$ 9,086,107	\$ 667	\$ 81,843,867	\$ 42,939,376	\$ 47,991,265	\$ 751,835	\$ 48,743,100

COMPOSITION OF CASH:

Intrust Bank - Checking and savings	\$ 16,845,580
The Commerce Trust Company - Middle School Project & Costs	19,950,595
The Commerce Trust Company - Skelly Project & Costs	11,855,389
Petty cash accounts	4,500
Commerce Bank - Activity funds (High School)	28,615
Commerce Bank - Activity funds (Middle School)	36,931
Commerce Bank - Certificate of deposit - High school activity fund	40,000
Commerce Bank - Trust accounts	22,154
Bank of the West - Trust accounts	26,717
Total Cash	48,810,481
Agency Funds per Statement 4	(67,381)
Total (Excluding Agency Funds)	\$ 48,743,100

**Unified School District Number 490
El Dorado, Kansas**

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

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply With Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ 11,987,455	\$ (169,368)	\$ 48,956	\$ 11,867,043	\$ 11,867,043	\$ -
Supplemental General Fund	4,016,909	-	2,501	4,019,410	4,019,410	-
SPECIAL REVENUE FUNDS						
At Risk (4 Yr Old) Fund	70,608	-	-	70,608	59,086	11,522
At Risk (K-12) Fund	1,800,000	-	-	1,800,000	1,757,707	42,293
Bilingual Education Fund	11,109	-	-	11,109	2,810	8,299
Capital Outlay Fund	2,500,000	-	-	2,500,000	278,958	2,221,042
Driver Training Fund	39,725	-	-	39,725	14,544	25,181
Food Service Fund	1,283,350	-	-	1,283,350	967,699	315,651
Professional Development Fund	78,977	-	-	78,977	46,287	32,690
Special Education Fund	2,236,656	-	-	2,236,656	1,964,827	271,829
Special Education Cooperative Fund	19,891,393	-	-	19,891,393	16,665,967	3,225,426
Summer School Fund	33,315	-	-	33,315	3,251	30,064
Vocational Education Fund	248,800	-	-	248,800	243,316	5,484
Virtual Education Fund	19,000	-	-	19,000	18,504	496
KPERS Special Retirement Contribution Fund	1,923,358	-	-	1,923,358	1,446,289	477,069
DEBT SERVICE FUND						
Bond and Interest Fund	1,158,850	-	-	1,158,850	1,151,951	6,899
Total	\$ 47,299,505	\$ (169,368)	\$ 51,457	\$ 47,181,594	\$ 40,507,649	\$ 6,673,945

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

**Unified School District Number 490
El Dorado, Kansas**

GENERAL OPERATING FUND

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2011			
	2010 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 26,144	\$ 35,738	\$ 61,678	\$ (25,940)
Current year	2,726,042	2,850,478	2,694,465	156,013
Delinquent tax	53,221	75,751	25,138	50,613
In lieu of taxes - industrial revenue bonds	4,407	1,868	-	1,868
Mineral production tax	933	2,779	-	2,779
General state aid	8,497,284	7,050,540	7,319,027	(268,487)
Special Education aid	1,399,539	1,539,944	1,495,742	44,202
Federal aid - ARRA	600,550	221,992	221,992	-
Federal aid - Jobs Grant	-	388,707	-	388,707
Miscellaneous reimbursements	34,630	48,956	-	48,956
Total Cash Receipts	13,342,750	12,216,753	\$ 11,818,042	\$ 398,711
Expenditures:				
Instruction -				
Certified salaries	4,184,228	3,905,853	\$ 4,576,860	\$ 671,007
Certified salaries - ARRA	425,387	-	-	-
Certified salaries - Jobs Grant	-	234,781	-	(234,781)
Non-certified salaries	183,746	183,775	187,450	3,675
Insurance	199,314	362,328	256,504	(105,824)
Insurance - ARRA	27,681	-	-	-
Social Security	319,238	383,382	399,792	16,410
Social Security - ARRA	32,391	-	-	-
Other employee benefits	179,626	106,249	180,500	74,251
Purchased professional and technical services	5,289	13,250	5,000	(8,250)
Other purchased services	57,556	6,713	25,000	18,287
General supplemental teaching supplies	50,121	43,523	50,600	7,077
Technology related supplies	-	3,209	-	(3,209)
Miscellaneous supplies	567	345	300	(45)
Property and equipment	108,279	265,301	-	(265,301)
Other	9,623	-	-	-
Student Support Services -				
Certified salaries - ARRA	23,966	-	-	-
Instruction Support Staff -				
Non-certified salaries	2,498	2,523	2,550	27
Social Security	191	193	195	2
Other employee benefits	22	20	25	5

**Unified School District Number 490
El Dorado, Kansas**

GENERAL OPERATING FUND

GENERAL FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2011			
	2010 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures: (cont.)				
Certified salaries	\$ 641,728	\$ 451,656	\$ 704,140	\$ 252,484
Certified salaries - ARRA	58,411	130,451	-	(130,451)
Certified salaries - Jobs Grant	-	116,171	-	(116,171)
Non-certified salaries	155,796	143,016	184,500	41,484
Non-certified salaries - ARRA	17,894	-	-	-
Non-certified salaries - Jobs Grant	-	37,755	-	(37,755)
Insurance	40,679	53,339	50,400	(2,939)
Insurance - ARRA	3,775	3,998	-	(3,998)
Social Security	59,376	65,392	66,590	1,198
Social Security - ARRA	5,650	-	-	-
Other employee benefits	15,255	11,259	15,725	4,466
Communications	20,959	7,781	28,500	20,719
Other purchased services	677	1,747	3,820	2,073
Operations & Maintenance -				
Non-certified salaries	858,537	718,554	870,245	151,691
Non-certified salaries - ARRA	5,394	87,543	-	(87,543)
Insurance	88,795	105,838	100,500	(5,338)
Social Security	63,998	59,554	80,145	20,591
Other employee benefits	73,446	55,053	74,500	19,447
Water/sewer	65,363	66,262	74,000	7,738
Insurance	7,355	3,847	7,500	3,653
Other	1,091	(20)	1,200	1,220
Heating	121,115	98,372	180,000	81,628
Electricity	238,406	248,455	250,000	1,545
Outgoing transfers -				
Bilingual Education	10,200	4,000	4,000	-
Capital Outlay	622,000	-	-	-
Food Service	30,000	-	-	-
Special Education	1,198,172	1,539,944	1,495,742	(44,202)
Vocational Education	222,444	255,703	104,800	(150,903)
Virtual Education	4,413	18,504	18,504	-
Contingency Reserve	279,000	-	-	-
At Risk (4 Year Old)	67,138	54,616	59,055	4,439
At Risk (K-12)	1,705,902	2,016,808	1,928,813	(87,995)
Adjustment for Legal Max	-	-	(169,368)	(169,368)
Legal General Fund Budget	12,492,692	11,867,043	11,818,087	(48,956)
Adjustment for Qualifying Budget Credits	-	-	48,956	48,956
Total Expenditures	12,492,692	11,867,043	\$ 11,867,043	\$ -
Receipts Over (Under) Expenditures	850,058	349,710		
Unencumbered Cash, Beginning	(1,728,454)	(877,963)		
Prior Year Canceled Encumbrances	433	284		
Unencumbered Cash, Ending	\$ (877,963)	\$ (527,969)	*	

* See Note 9 (Statutory Presentation)

**Unified School District Number 490
El Dorado, Kansas**

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 32,381	\$ 42,585	\$ 78,723	\$ (36,138)
Current year	2,786,836	2,961,330	2,750,373	210,957
Delinquent tax	55,770	84,793	25,828	58,965
Motor vehicle tax	203,203	224,979	226,490	(1,511)
Recreational vehicle tax	3,335	3,717	3,678	39
Rental excise tax	488	346	-	346
In lieu of taxes - industrial revenue bonds	4,198	1,813	-	1,813
Supplemental state aid	662,744	1,105,044	842,217	262,827
Federal aid - ARRA	170,783	-	-	-
Reimbursements	3,431	2,501	-	2,501
Total Cash Receipts	3,923,169	4,427,108	\$ 3,927,309	\$ 499,799
Expenditures:				
Instruction -				
Certified salaries	13,398	20,239	\$ 216,500	\$ 196,261
Non-certified salaries	74,123	73,683	82,600	8,917
Insurance	-	-	21,300	21,300
Social Security	6,160	7,000	15,100	8,100
Purchased professional services	38,704	22,068	38,000	15,932
Other employee benefits	906	979	3,000	2,021
Purchased property services	8,243	3,279	8,600	5,321
Other purchased services	20,457	4,579	1,500	(3,079)
General supplemental teaching supplies	151,713	90,263	164,669	74,406
Miscellaneous supplies	113,163	368,241	85,331	(282,910)
Property and equipment	470,867	81,482	-	(81,482)
Other	-	-	33,484	33,484
Student Support Services -				
Certified salaries	235,663	385,275	276,500	(108,775)
Certified salaries - ARRA	23,566	-	-	-
Non-certified salaries	123,826	106,792	142,350	35,558
Non-certified salaries - ARRA	12,792	-	-	-
Insurance	18,288	29,419	25,665	(3,754)
Social Security	31,366	36,750	33,350	(3,400)
Other employee benefits	6,379	6,172	6,970	798
Purchased professional services	17,154	18,844	19,000	156
Other purchased services	880	570	-	(570)
Supplies	28,451	32,557	34,555	1,998
Instructional Support -				
Certified salaries	300,350	351,296	386,770	35,474
Certified salaries - ARRA	59,230	-	-	-
Non-certified salaries	108,738	130,644	154,460	23,816
Non-certified salaries - ARRA	23,093	-	-	-
Insurance	29,592	31,852	36,430	4,578
Social Security	36,568	35,962	39,300	3,338
Other employee benefits	16,397	14,796	19,375	4,579
Purchased professional and technical services	6,539	17,414	16,500	(914)
Purchased property services	9,935	5,226	10,000	4,774
Other purchased services	7,153	5,633	8,000	2,367

Unified School District Number 490
El Dorado, Kansas

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Expenditures: (cont.)				
Books	\$ 21,557	\$ 19,611	\$ 19,845	\$ 234
Technology supplies	15,377	24,168	18,000	(6,168)
Miscellaneous supplies	20,349	27,743	18,000	(9,743)
Property and equipment	379	2,857	5,000	2,143
General Administration -				
Certified salaries	99,709	115,516	124,500	8,984
Certified salaries - ARRA	19,062	-	-	-
Non-certified salaries	81,625	93,506	104,900	11,394
Non-certified salaries - ARRA	15,445	-	-	-
Insurance	9,733	8,537	11,700	3,163
Social Security	15,784	14,958	16,830	1,872
Other employee benefits	3,030	2,839	3,500	661
Purchased professional and technical services	29,272	23,004	25,000	1,996
Purchased property services	-	1,330	-	(1,330)
Other purchased services	33,435	23,439	40,500	17,061
Supplies	6,935	11,464	15,000	3,536
Property and equipment	1,807	-	2,000	2,000
Other	23,145	23,760	15,000	(8,760)
School Administration -				
Social Security	945	853	-	(853)
Other employee benefits	12,938	11,612	10,000	(1,612)
Supplies	5,513	3,417	4,800	1,383
Property and equipment	5,381	8,880	-	(8,880)
Operations & Maintenance -				
Purchased professional and technical services	106,932	37,381	107,000	69,619
Purchased property services	155,479	120,584	246,100	125,516
Other purchased services	123,946	83,644	125,900	42,256
General supplies	220,030	180,951	205,000	24,049
Motor fuel	19,288	24,028	28,000	3,972
Property and equipment	9,065	6,860	5,000	(1,860)
Other	1,050	-	-	-
Student Transportation Services -				
Non-certified salaries	153,894	156,367	160,750	4,383
Insurance	3,502	3,965	4,150	185
Social Security	11,612	11,756	12,175	419
Other employee benefits	12,549	9,689	14,450	4,761
Purchased professional and technical services	1,920	1,952	3,700	1,748
Purchased property services	4,472	1,610	10,600	8,990
Other purchased services	18,778	7,256	19,750	12,494
General supplies	18,355	20,883	13,500	(7,383)
Motor fuel	36,583	55,741	43,500	(12,241)
Property and equipment	633	3,835	-	(3,835)
Other	158	158	-	(158)

Unified School District Number 490
El Dorado, Kansas

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Other Supplemental Services -				
Non-certified salaries	\$ 101,301	\$ 103,549	\$ 124,250	\$ 20,701
Non-certified salaries - ARRA	17,594	-	-	-
Insurance	9,585	8,016	10,100	2,084
Social Security	18,734	17,799	21,100	3,301
Other employee benefits	134,912	136,250	149,000	12,750
Purchased professional and technical services	1,503	1,243	4,500	3,257
Purchased property services	4,173	3,491	4,000	509
Other purchased services	5,104	4,113	4,000	(113)
Supplies	4,679	40,106	6,500	(33,606)
Property and equipment	9,386	-	-	-
Outgoing Transfers -				
Food Service	-	75,000	-	(75,000)
Professional Development	45,152	75,000	20,000	(55,000)
Special Education	450,000	520,631	300,000	(220,631)
Vocational Education	30,000	-	60,000	60,000
At Risk (4 year old)	-	9,043	-	(9,043)
Legal Supplemental General Fund Budget	4,145,484	4,019,410	4,016,909	(2,501)
Adjustment for Qualifying Budget Credits	-	-	2,501	2,501
Total Expenditures	4,145,484	4,019,410	\$ 4,019,410	\$ -
Receipts Over (Under) Expenditures	(222,315)	407,698		
Unencumbered Cash, Beginning	(5,858)	(225,847)		
Prior Year Canceled Encumbrances	2,326	-		
Unencumbered Cash, Ending	\$ (225,847)	\$ 181,851	*	

* See Note 9 (Statutory Presentation)

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

AT RISK (4 YEAR OLD) FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 67,138	\$ 54,616	\$ 60,180	\$ (5,564)
Transfer from Supplemental General Fund	-	9,043	-	9,043
Total Receipts	<u>67,138</u>	<u>63,659</u>	<u>\$ 60,180</u>	<u>\$ 3,479</u>
Expenditures:				
Instruction -				
Certified salaries	53,047	47,624	\$ 54,110	\$ 6,486
Non-certified salaries	-	6,200	-	(6,200)
Insurance	1,573	-	1,800	1,800
Social security	4,026	2,454	4,225	1,771
Other employee benefits	1,050	985	1,100	115
Purchased professional services	-	-	7,873	7,873
General supplemental teaching supplies	432	163	300	137
Miscellaneous supplies	1,340	1,660	1,200	(460)
Total Expenditures	<u>61,468</u>	<u>59,086</u>	<u>\$ 70,608</u>	<u>\$ 11,522</u>
Receipts Over (Under) Expenditures	5,670	4,573		
Unencumbered Cash, Beginning	<u>4,757</u>	<u>10,427</u>		
Unencumbered Cash, Ending	<u>\$ 10,427</u>	<u>\$ 15,000</u>		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

AT RISK (K-12) FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

			<u>2011</u>		
	<u>2010</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>				<u>Favorable</u>
					<u>(Unfavorable)</u>
Cash Receipts:					
Miscellaneous revenue	\$ 6,917	\$ 3,460	\$ -		\$ 3,460
Transfer from General Fund	<u>1,705,902</u>	<u>2,016,808</u>	<u>1,700,000</u>		<u>316,808</u>
Total Receipts	<u>1,712,819</u>	<u>2,020,268</u>	<u>\$ 1,700,000</u>		<u>\$ 320,268</u>
Expenditures:					
Instruction -					
Certified salaries	1,176,667	1,343,182	\$ 1,251,061		\$ (92,121)
Non-certified salaries	76,827	44,178	78,500		34,322
Insurance	38,691	42,357	43,725		1,368
Social security	93,339	39,356	95,250		55,894
Other employee benefits	13,849	21,459	14,265		(7,194)
Other purchased services	261,835	215,827	280,000		64,173
General supplemental teaching supplies	10,547	6,160	12,000		5,840
Textbooks	-	85	-		(85)
Technology related supplies	6,457	4,800	6,750		1,950
Miscellaneous supplies	6,630	3,590	449		(3,141)
Property and equipment	1,600	-	-		-
Student Support Services -					
Purchased professional and technical services	-	1,549	-		(1,549)
Instructional Support Staff -					
Certified salaries	3,000	3,000	5,000		2,000
Non-certified salaries	9,990	10,090	10,600		510
Social security	985	996	1,500		504
Other employee benefits	129	104	150		46
Purchased professional and technical services	4,691	473	750		277
Other purchased services	437	8	-		(8)
School Administration -					
Certified salaries	683	13,781	-		(13,781)
Insurance	-	1,024	-		(1,024)
Other employee benefits	-	277	-		(277)
Other purchased services	-	12	-		(12)
Operations and Maintenance -					
Water and sewer	-	382	-		(382)
Supplies	-	15	-		(15)
Heating	-	2,159	-		(2,159)
Electricity	<u>272</u>	<u>2,843</u>	<u>-</u>		<u>(2,843)</u>
Total Expenditures	<u>1,706,629</u>	<u>1,757,707</u>	<u>\$ 1,800,000</u>		<u>\$ 42,293</u>
Receipts Over (Under) Expenditures	6,190	262,561			
Unencumbered Cash, Beginning	<u>43,249</u>	<u>49,439</u>			
Unencumbered Cash, Ending	<u>\$ 49,439</u>	<u>\$ 312,000</u>			

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

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

BILINGUAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 10,200	\$ 4,000	\$ 4,000	\$ -
Expenditures:				
Instruction -				
Non-certified salaries	7,351	2,760	\$ 8,334	\$ 5,574
Social Security	607	-	625	625
Other employee benefits	133	50	150	100
General teaching supplies	-	-	2,000	2,000
Total Expenditures	8,091	2,810	\$ 11,109	\$ 8,299
Receipts Over (Under) Expenditures	2,109	1,190		
Unencumbered Cash, Beginning	5,000	7,109		
Unencumbered Cash, Ending	\$ 7,109	\$ 8,299		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	<u>2011</u>			Variance Favorable (Unfavorable)
	<u>2010 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 8,447	\$ 11,176	\$ 20,702	\$ (9,526)
Current year	731,375	757,802	724,871	32,931
Delinquent tax	16,891	23,010	6,779	16,231
Motor vehicle tax	57,265	58,826	59,217	(391)
Recreational vehicle tax	937	972	962	10
Rental excise tax	144	90	-	90
In lieu of taxes - industrial revenue bonds	1,102	464	-	464
Interest on idle funds	47,920	53,901	-	53,901
Miscellaneous income	60,700	30,457	-	30,457
Transfer from General Fund	622,000	-	-	-
Total Cash Receipts	<u>1,546,781</u>	<u>936,698</u>	<u>\$ 812,531.00</u>	<u>\$ 124,167.00</u>
Expenditures:				
Property and Equipment -				
Instruction	57,527	56,683	\$ 990,000	\$ 933,317
Student Support Services	-	-	225,000	225,000
Instructional Support Staff	-	-	225,000	225,000
General Administration	19,631	32,006	75,000	42,994
School Administration	36,658	32,701	100,000	67,299
Central Services	6,205	-	120,000	120,000
Operations & Maintenance	38,462	14,854	75,000	60,146
Transportation	12,505	122,610	150,000	27,390
Other Support Services	-	-	25,000	25,000
Facilities Acquisition & Construction Services -				
Land Acquisition	-	-	125,000	125,000
Land Improvement	139,360	-	-	-
Architectural & engineering services	4,774	256	40,000	39,744
New building acquisition	922	-	-	-
Building Improvements -				
Outside contractors	399,727	19,848	350,000	330,152
Repairs	1,204	-	-	-
Total Expenditures	<u>716,975</u>	<u>278,958</u>	<u>\$ 2,500,000</u>	<u>\$ 2,221,042</u>
Receipts Over (Under) Expenditures	829,806	657,740		
Unencumbered Cash, Beginning	<u>2,705,638</u>	<u>3,535,444</u>		
Unencumbered Cash, Ending	<u>\$ 3,535,444</u>	<u>\$ 4,193,184</u>		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

DRIVER TRAINING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	<u>2011</u>			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Cash Receipts:				
State aid	\$ 4,250	\$ 5,698	\$ 6,300	\$ (602)
Other revenue from local source	20,005	17,945	20,000	(2,055)
	<u>24,255</u>	<u>23,643</u>	<u>\$ 26,300</u>	<u>\$ (2,657)</u>
Total Cash Receipts				
Expenditures:				
Instruction -				
Certified salaries	15,772	11,844	\$ 20,000	\$ 8,156
Non certified salaries	2,580	-	2,000	2,000
Social Security	1,385	954	1,500	546
Other employee benefits	106	142	125	(17)
Purchased professional and technical services	70	-	500	500
General supplemental teaching supplies	166	146	1,000	854
Other	-	-	13,000	13,000
Operation and Maintenance -				
Motor fuel-not school bus	1,364	1,456	1,600	144
Miscellaneous supplies	-	2	-	(2)
	<u>21,443</u>	<u>14,544</u>	<u>\$ 39,725</u>	<u>\$ 25,181</u>
Total Expenditures				
Receipts Over (Under) Expenditures	2,812	9,099		
Unencumbered Cash, Beginning	<u>29,166</u>	<u>31,978</u>		
Unencumbered Cash, Ending	<u>\$ 31,978</u>	<u>\$ 41,077</u>		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Cash Receipts:				
Student sales	\$ 335,138	\$ 313,512	\$ 508,550	\$ (195,038)
Adult and ala carte meals	37,852	54,027	147,060	(93,033)
State aid	10,460	13,072	12,565	507
Federal aid	555,119	589,459	574,685	14,774
Miscellaneous income	8,379	7,395	-	7,395
Transfer from General Fund	30,000	-	-	-
Transfer from Supplemental General Fund	-	75,000	-	75,000
Total Cash Receipts	976,948	1,052,465	\$ 1,242,860	\$ (190,395)
Expenditures:				
Operations & Maintenance -				
Non-certified salaries	9,254	10,383	\$ 10,250	\$ (133)
Social Security	700	791	900	109
Other employee benefits	790	580	800	220
Other purchased property services	8,582	7,378	10,250	2,872
Other purchased services	83	-	-	-
Supplies	495	439	750	311
Heating	5,146	4,091	12,000	7,909
Electricity	16,670	16,300	24,000	7,700
Motor fuel	3,160	1,920	4,500	2,580
Other	905	3,531	1,000	(2,531)
Food Service Operation -				
Non-certified salaries	277,059	269,172	290,600	21,428
Insurance	4,486	3,542	6,400	2,858
Social Security	20,688	20,101	24,800	4,699
Other employee benefits	23,013	17,617	30,000	12,383
Purchased professional and technical services	567	-	-	-
Purchased property services	-	95	-	(95)
Vehicle insurance	701	375	1,200	825
Other purchased services	2,179	1,971	6,000	4,029
Food and milk	551,954	567,293	562,900	(4,393)
Miscellaneous supplies	37,773	28,769	39,000	10,231
Property and equipment	2,846	13,351	8,000	(5,351)
Other	-	-	250,000	250,000
Total Expenditures	967,051	967,699	\$ 1,283,350	\$ 315,651
Receipts Over (Under) Expenditures	9,897	84,766		
Unencumbered Cash, Beginning	91,280	101,177		
Unencumbered Cash, Ending	\$ 101,177	\$ 185,943		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

PROFESSIONAL DEVELOPMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Miscellaneous income	\$ 12,511	\$ 2,000	\$ -	\$ 2,000
Transfer from Supplemental General Fund	<u>45,152</u>	<u>75,000</u>	<u>20,000</u>	<u>55,000</u>
Total Cash Receipts	<u>57,663</u>	<u>77,000</u>	<u>\$ 20,000</u>	<u>\$ 57,000</u>
Expenditures:				
Instructional Support Staff -				
Certified salaries	21,403	31,708	\$ 19,000	\$ (12,708)
Social Security	1,627	2,377	1,300	(1,077)
Other employee benefits	290	189	-	(189)
Purchased professional and technical services	13,967	3,210	18,000	14,790
Other purchased services	6,637	8,344	20,000	11,656
Books and periodicals	3,073	459	2,500	2,041
Miscellaneous supplies	293	-	3,177	3,177
Other	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total Expenditures	<u>47,290</u>	<u>46,287</u>	<u>\$ 78,977</u>	<u>\$ 32,690</u>
Receipts Over (Under) Expenditures	<u>10,373</u>	<u>30,713</u>		
Unencumbered Cash, Beginning	<u>83,604</u>	<u>93,977</u>		
Unencumbered Cash, Ending	<u>\$ 93,977</u>	<u>\$ 124,690</u>		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

SPECIAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Miscellaneous income	\$ 47,800	\$ 20,551	\$ -	\$ 20,551
Transfer from General Fund	1,198,172	1,539,944	1,495,742	44,202
Transfer from Supplemental General Fund	450,000	520,631	300,000	220,631
Total Cash Receipts	1,695,972	2,081,126	\$ 1,795,742	\$ 285,384
Expenditures:				
Instruction -				
Other purchased services	9,599	9,599	\$ 71,882	\$ 62,283
Student Support Services -				
Non-certified salaries	25,419	28,071	27,000	(1,071)
Social security	1,946	2,144	2,200	56
Other employee benefits	250	306	300	(6)
Student Transportation Services -				
Non-certified salaries	90,057	82,847	99,750	16,903
Insurance	369	417	520	103
Social security	6,815	6,280	9,085	2,805
Other employee benefits	7,568	6,094	7,885	1,791
Other purchased services	6,024	3,169	8,200	5,031
Motor fuel	25,643	33,508	40,800	7,292
Miscellaneous supplies	8,544	20,298	15,000	(5,298)
Property and equipment	513	376	175,000	174,624
Transfers to Special Education Cooperative Fund	1,424,090	1,771,718	1,779,034	7,316
Total Expenditures	1,606,837	1,964,827	\$ 2,236,656	\$ 271,829
Receipts Over (Under) Expenditures	89,135	116,299		
Unencumbered Cash, Beginning	639,343	728,478		
Unencumbered Cash, Ending	\$ 728,478	\$ 844,777		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2011			
	2010 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Payments from other districts	\$ 10,134,672	\$ 10,843,890	\$ 10,159,178	\$ 684,712
Deaf/Blind state aid	1,597	2,371	5,000	(2,629)
Federal aid	2,714,312	2,726,540	2,529,178	197,362
Federal aid - ARRA	1,582,090	1,521,597	1,521,597	-
Medicaid reimbursement	921,947	658,863	700,000	(41,137)
Other reserve grants in aid	96,937	62,425	-	62,425
Transfer from Special Education Fund	1,424,090	1,771,718	1,700,819	70,899
Total Cash Receipts	<u>16,875,645</u>	<u>17,587,404</u>	<u>\$ 16,615,772</u>	<u>\$ 971,632</u>
Expenditures:				
Instruction -				
Certified salaries	4,402,020	4,364,949	\$ 4,743,055	\$ 378,106
Certified salaries - ARRA	1,533,832	1,521,597	1,558,000	36,403
Non-certified salaries	4,358,388	4,492,121	4,532,000	39,879
Insurance	407,852	454,817	420,000	(34,817)
Social Security	766,513	770,725	850,000	79,275
Other employee benefits	262,531	174,524	308,240	133,716
Purchased professional and technical services	7,509	11,153	36,000	24,847
Purchased property services	530	838	7,600	6,762
Other purchased services	653,410	240,793	751,370	510,577
General teaching supplies	94,540	153,561	101,600	(51,961)
Textbooks	6,158	85,144	10,000	(75,144)
Miscellaneous supplies	16,579	15,694	10,000	(5,694)
Property and equipment	82,152	140,429	73,500	(66,929)
Other	10,724	7,930	15,000	7,070
Student Support Services -				
Certified salaries	2,416,482	2,597,210	2,700,394	103,184
Insurance	95,312	128,169	95,000	(33,169)
Social Security	176,771	192,249	200,000	7,751
Other employee benefits	54,746	56,485	59,000	2,515
Purchased professional and technical services	41,191	52,440	84,553	32,113
Other purchased services	124,245	122,286	172,000	49,714
Supplies	113,947	124,288	147,500	23,212
Property and equipment	3,452	7,303	10,000	2,697
Instructional Support Staff -				
Purchased professional and technical services	33,714	53,258	59,500	6,242
Purchased property services	9,762	29,539	20,000	(9,539)
Other purchased services	9,779	9,779	15,000	5,221
Special Area Administrative Services -				
Certified salaries	273,048	280,345	356,410	76,065
Certified salaries - ARRA	48,258	-	-	-
Non-certified salaries	149,578	152,920	160,000	7,080

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

			<u>2011</u>		Variance Favorable (Unfavorable)
	<u>2010 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	
Expenditures: (cont.)					
Special Area Administrative Services -					
Insurance	\$ 16,266	\$ 10,331	\$ 17,000	\$ 6,669	\$ 6,669
Social Security	35,159	32,416	39,000	6,584	6,584
Other employee benefits	13,904	5,728	19,600	13,872	13,872
Purchased professional and technical services	21,453	24,999	32,000	7,001	7,001
Purchased property services	-	-	1,000	1,000	1,000
Other purchased services	71,865	61,839	87,100	25,261	25,261
Supplies	9,736	10,079	16,000	5,921	5,921
Property and equipment	14,047	33,922	17,500	(16,422)	(16,422)
Operations and Maintenance -					
Non-certified salaries	6,994	7,967	32,000	24,033	24,033
Insurance	-	-	2,000	2,000	2,000
Social Security	535	611	1,000	389	389
Other employee benefits	1,022	439	-	(439)	(439)
Water/Sewer	3,032	2,851	7,500	4,649	4,649
Other purchased property services	33,946	74,263	55,700	(18,563)	(18,563)
Supplies	7,396	24,395	6,000	(18,395)	(18,395)
Heating	12,074	14,463	7,000	(7,463)	(7,463)
Electricity	11,815	12,559	38,000	25,441	25,441
Property and equipment	-	55,354	1,951,321	1,895,967	1,895,967
Student Transportation Services -					
Other Student Transportation Services -					
Rent of vehicles	13,285	15,696	15,000	(696)	(696)
Insurance	1,741	1,268	2,000	732	732
Supplies	103	969	1,000	31	31
Motor fuel	1,473	1,602	6,000	4,398	4,398
Other Supplemental Service -					
Social security	2,352	2,323	3,500	1,177	1,177
Other employee benefits	31,806	31,347	38,450	7,103	7,103
Total Expenditures	<u>16,463,027</u>	<u>16,665,967</u>	<u>\$ 19,891,393</u>	<u>\$ 3,225,426</u>	<u>\$ 3,225,426</u>
Receipts Over (Under) Expenditures	412,618	921,437			
Unencumbered Cash, Beginning	2,863,118	3,275,736			
Prior Year Canceled Encumbrances	-	38			
Unencumbered Cash, Ending	<u>\$ 3,275,736</u>	<u>\$ 4,197,211</u>			

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

SUMMER SCHOOL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Tuition	\$ 70	\$ 2,485	\$ 1,600	\$ 885
Expenditures:				
Instruction -				
Certified salaries	559	41	\$ 18,000	\$ 17,959
Non-certified salaries	-	-	7,500	7,500
Insurance	-	-	2,200	2,200
Social Security	43	3	1,615	1,612
Other employee benefits	1	-	-	-
Supplies	-	3,187	4,000	813
Other	-	20	-	(20)
Total Expenditures	<u>603</u>	<u>3,251</u>	<u>\$ 33,315</u>	<u>\$ 30,064</u>
Receipts Over (Under) Expenditures	(533)	(766)		
Unencumbered Cash, Beginning	<u>45,427</u>	<u>44,894</u>		
Unencumbered Cash, Ending	<u>\$ 44,894</u>	<u>\$ 44,128</u>		

Unified School District Number 490
El Dorado, Kansas

SPECIAL REVENUE FUND

TEXTBOOK/STUDENT MATERIAL REVOLVING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Rental fees and books	\$ 98,552	\$ 49,740
Miscellaneous revenue	400	496
Total Cash Receipts	<u>98,952</u>	<u>50,236</u>
Expenditures:		
Instruction -		
Textbooks	748	1,544
Workbooks	8,663	2,678
Repairing textbooks	-	10,729
Other material/supplies	600	-
Miscellaneous supplies	-	(40)
Total Expenditures	<u>10,011</u>	<u>14,911</u>
Receipts Over (Under) Expenditures	88,941	35,325
Unencumbered Cash, Beginning	152,132	241,073
Prior Year Canceled Encumbrances	<u>-</u>	<u>221</u>
Unencumbered Cash, Ending	<u>\$ 241,073</u>	<u>\$ 276,619</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

VOCATIONAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Federal aid	\$ 17,885	\$ 17,515	\$ 14,000	\$ 3,515
Transfer from General Fund	222,444	255,703	104,800	150,903
Transfer from Supplemental General Fund	30,000	-	60,000	(60,000)
Total Cash Receipts	<u>270,329</u>	<u>273,218</u>	<u>\$ 178,800</u>	<u>\$ 94,418</u>
Expenditures:				
Instruction -				
Certified salaries	147,613	162,846	\$ 176,960	\$ 14,114
Insurance	10,966	14,847	13,840	(1,007)
Social Security	10,936	12,253	12,100	(153)
Other employee benefits	2,537	2,497	2,940	443
Purchased property services	-	-	500	500
Teaching supplies	1,804	9,886	2,500	(7,386)
Textbooks	9,494	3,485	7,000	3,515
Miscellaneous supplies	9,124	4,475	6,000	1,525
Property and equipment	57,407	32,691	21,960	(10,731)
Other	-	-	5,000	5,000
Instructional Support Staff -				
Certified salaries	396	-	-	-
Other purchased services	-	336	-	(336)
Total Expenditures	<u>250,277</u>	<u>243,316</u>	<u>\$ 248,800</u>	<u>\$ 5,484</u>
Receipts Over (Under) Expenditures	20,052	29,902		
Unencumbered Cash, Beginning	49,796	70,000		
Prior Year Canceled Encumbrances	<u>152</u>	<u>98</u>		
Unencumbered Cash, Ending	<u>\$ 70,000</u>	<u>\$ 100,000</u>		

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

Unified School District Number 490
El Dorado, Kansas

SPECIAL REVENUE FUND

VIRTUAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 4,413	\$ 18,504	\$ 19,000	\$ (496)
Expenditures:				
Instruction -				
Other purchased services	4,413	18,504	\$ 19,000	\$ 496
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 490
El Dorado, Kansas

SPECIAL REVENUE FUND

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State Sources - KPERS	\$ 803,560	\$ 2,315,214	\$ 1,923,358	\$ 391,856
Expenditures:				
Employee Benefits -				
Instruction	1,212,481	1,047,394	\$ 1,401,551	\$ 354,157
Student Support	204,262	175,033	232,478	57,445
Instructional Support	41,070	32,313	44,368	12,055
General Administration	44,389	42,125	54,973	12,848
School Administration	63,505	55,251	68,168	12,917
Other Supplemental Services	8,938	8,471	11,080	2,609
Operations & Maintenance	61,352	53,835	68,464	14,629
Student Transportation Services	17,656	14,921	19,984	5,063
Food Service	18,832	16,946	22,292	5,346
Total Expenditures	1,672,485	1,446,289	\$ 1,923,358	\$ 477,069
Receipts Over (Under) Expenditures	(868,925)	868,925		
Unencumbered Cash, Beginning	-	(868,925)		
Unencumbered Cash, Ending	\$ (868,925)	\$ -		

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

CONTINGENCY RESERVE FUND

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ 279,000	\$ -
Expenditures:		
Insurance	100,000	-
Equipment	-	222,159
Total Expenditures	<u>100,000</u>	<u>222,159</u>
Receipts Over (Under) Expenditures	179,000	(222,159)
Unencumbered Cash, Beginning	<u>1,066,024</u>	<u>1,245,024</u>
Unencumbered Cash, Ending	<u>\$ 1,245,024</u>	<u>\$ 1,022,865</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE I FUND

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 400,400	\$ 281,065
Expenditures:		
Instruction -		
Certified salaries	282,984	199,083
Non-certified salaries	36,351	24,244
Insurance	11,324	17,014
Social security	23,845	22,496
Other employee benefits	5,017	4,989
Purchased professional services	1,417	1,282
Other purchased services	2,623	-
Supplies	21,447	4,260
Property and equipment	9,083	-
Student Support Services -		
Other purchased services	3,282	3,861
Supplies	858	1,671
General Administration -		
Certified salaries	2,000	2,000
Social security	151	149
Other employee benefits	18	16
Total Expenditures	<u>400,400</u>	<u>281,065</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE I SCHOOL IMPROVEMENT FUND

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 5,000.00	\$ -
Expenditures:		
Instruction -		
Supplies	4,494	-
Other	<u>3,571</u>	<u>-</u>
Total Expenditures	<u>8,065</u>	<u>-</u>
Receipts Over (Under) Expenditures	(3,065)	-
Unencumbered Cash, Beginning	<u>3,065</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE I FUND - ARRA

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

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 102,500	\$ 139,146
Expenditures:		
Instruction -		
Certified salaries	-	78,045
Non-certified salaries	39,663	30,024
Social Security	3,000	2,301
Other employee benefits	119	395
Student Support Services -		
Other purchased services	59,718	28,381
Total Expenditures	<u>102,500</u>	<u>139,146</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE II-A TEACHER QUALITY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 70,492	\$ 97,293
Expenditures:		
Instruction -		
Certified salaries	27,400	14,837
Non-certified salaries	617	-
Insurance	944	1,063
Social Security	2,436	1,131
Other employee benefits	523	294
Purchased professional services	1,925	1,970
Other purchased services	2,921	-
Supplies	16,303	12,837
Other	3,538	-
Instructional Support Staff -		
Purchased professional services	6,550	21,259
Supplies	10,873	43,902
Total Expenditures	<u>74,030</u>	<u>97,293</u>
Receipts Over (Under) Expenditures	(3,538)	-
Unencumbered Cash, Beginning	<u>3,538</u>	<u>-</u>
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE II-D EDUCATION TECHNOLOGY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 3,587	\$ 1,394
Expenditures:		
Instruction -		
Purchased professional services	-	1,129
Other purchased services	3,587	265
Total Expenditures	<u>3,587</u>	<u>1,394</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE II-D EDUCATION TECHNOLOGY FUND - ARRA

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 4,500	\$ 4,322
Expenditures:		
Instruction Support Staff - Purchased professional services	<u>4,500</u>	<u>4,322</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE IV SCHOOL PREPAREDNESS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 1,000	\$ -
Expenditures:		
Operations and Maintenance - Supplies	<u>1,000</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE IV DRUG FREE SCHOOLS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 6,562	\$ 6,181
Expenditures:		
Instruction -		
Purchased professional services	4,896	-
Supplies	1,045	6,181
Other	721	-
Instructional Support Staff -		
Other purchased services	260	-
Operations and Maintenance -		
Purchased professional services	1,510	-
Total Expenditures	<u>8,432</u>	<u>6,181</u>
Receipts Over (Under) Expenditures	(1,870)	-
Unencumbered Cash, Beginning	<u>1,870</u>	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

TITLE V INNOVATIVE PROGRAMS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ -	\$ 4,000
Expenditures:		
Instruction -		
Supplies	-	2,380
Other	<u>33</u>	<u>-</u>
Total Expenditures	<u>33</u>	<u>2,380</u>
Receipts Over (Under) Expenditures	(33)	1,620
Unencumbered Cash, Beginning	<u>33</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1,620</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

GIFTS AND GRANTS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Contributions and grants	\$ 160,427	\$ 151,671
Expenditures:		
Instruction -		
Supplies	71,396	102,180
Other Supplemental Service -		
Non-certified salaries	19,610	19,806
Social security	1,500	1,515
Other employee benefits	171	157
Total Expenditures	<u>92,677</u>	<u>123,658</u>
Receipts Over (Under) Expenditures	67,750	28,013
Unencumbered Cash, Beginning	36,489	104,239
Prior Year Canceled Encumbrances	<u>-</u>	<u>26</u>
Unencumbered Cash, Ending	<u>\$ 104,239</u>	<u>\$ 132,278</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

PROJECT CONNECT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ -	\$ 244,365
Expenditures:		
Certified salaries	-	616
Social Security	-	47
Other employee benefits	-	1
Purchased professional services	-	17,700
Other purchased services	-	5,370
Supplies	-	7,985
Equipment	-	198,291
Total Expenditures	<u>-</u>	<u>230,010</u>
Receipts Over (Under) Expenditures	-	14,355
Unencumbered Cash, Beginning	<u>13</u>	<u>13</u>
Unencumbered Cash, Ending	<u>\$ 13</u>	<u>\$ 14,368</u>

**Unified School District Number 490
El Dorado, Kansas**

SPECIAL REVENUE FUND

PROJECT EXTEND FUND

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

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 155,000	\$ -
Expenditures:		
Instruction -		
Certified salaries	82,179	-
Non-certified salaries	1,264	-
Insurance	10,044	-
Social security	6,224	-
Other employee benefits	7,709	-
Other purchased services	1,535	-
Supplies	7,261	-
School Administration -		
Certified salaries	28,817	-
Insurance	1,865	-
Social security	2,169	-
Other employee benefits	464	-
Operations and Maintenance -		
Purchased services	539	-
Supplies	4,930	-
Total Expenditures	<u>155,000</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 490
El Dorado, Kansas

DEBT SERVICE FUND

BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

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

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 9,656	\$ 14,971	\$ 27,557	\$ (12,586)
Current year	979,323	1,079,028	1,032,253	46,775
Delinquent tax	24,628	30,426	9,075	21,351
Motor vehicle tax	75,570	70,858	71,405	(547)
Recreational vehicle tax	1,230	1,167	1,160	7
Rental excise tax	204	103	-	103
In lieu of taxes - industrial revenue bonds	1,475	660	-	660
State aid	38,166	69,597	69,525	72
Interest on idle funds	347	-	-	-
Total Cash Receipts	<u>1,130,599</u>	<u>1,266,810</u>	<u>\$ 1,210,975</u>	<u>\$ 55,835</u>
Expenditures:				
Interest	804,961	786,951	\$ 793,750	\$ 6,799
Principal	330,000	365,000	365,000	-
Commission and postage	-	-	100	100
Total Expenditures	<u>1,134,961</u>	<u>1,151,951</u>	<u>\$ 1,158,850</u>	<u>\$ 6,899</u>
Receipts Over (Under) Expenditures	(4,362)	114,859		
Unencumbered Cash, Beginning	<u>1,424,266</u>	<u>1,419,904</u>		
Unencumbered Cash, Ending	<u>\$ 1,419,904</u>	<u>\$ 1,534,763</u>		

**Unified School District Number 490
El Dorado, Kansas**

CAPITAL PROJECT FUND

CAPITAL IMPROVEMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Investment income	\$ 115	\$ 2,383
Bond proceeds	-	3,389,048
	<u>115</u>	<u>3,391,431</u>
Total Receipts		
Expenditures:		
Architectural and Engineering Services	2,618	-
New Building Acquisition and Construction	-	17,092
Building Improvements - Purchased property services	<u>139,234</u>	<u>-</u>
Total Expenditures	<u>141,852</u>	<u>17,092</u>
Receipts Over (Under) Expenditures	(141,737)	3,374,339
Unencumbered Cash, Beginning	141,737	-
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 3,374,339</u>

**Unified School District Number 490
El Dorado, Kansas**

CAPITAL PROJECT FUND

CAPITAL IMPROVEMENT FUND - MIDDLE SCHOOL

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Investment income	\$ -	\$ 665
Bond proceeds	-	20,424,706
	<u>-</u>	<u>20,424,706</u>
Total Receipts	<u>-</u>	<u>20,425,371</u>
Expenditures:		
Architectural and engineering services	-	428,302
Management fees	-	665
Issuance costs	-	45,809
	<u>-</u>	<u>474,776</u>
Total Expenditures	<u>-</u>	<u>474,776</u>
Receipts Over (Under) Expenditures	-	19,950,595
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 19,950,595</u>

**Unified School District Number 490
El Dorado, Kansas**

CAPITAL PROJECT FUND

CAPITAL IMPROVEMENT FUND - SKELLY

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

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

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Investment income	\$ -	\$ 402
Bond proceeds	-	12,500,000
	<hr/>	<hr/>
Total Receipts	-	12,500,402
	<hr/>	<hr/>
Expenditures:		
Architectural and engineering services	-	496,987
Management fees	-	402
Issuance costs	-	147,624
	<hr/>	<hr/>
Total Expenditures	-	645,013
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	-	11,855,389
Unencumbered Cash, Beginning	-	-
	<hr/>	<hr/>
Unencumbered Cash, Ending	\$ -	\$ 11,855,389
	<hr/>	<hr/>

**Unified School District Number 490
El Dorado, Kansas**

NON-EXPENDABLE TRUST FUNDS

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

	<u>2011</u>				
	<u>2010 Total</u>	<u>Dr. John Horner</u>	<u>Wiedeman</u>	<u>Winnie L Broers Special Education</u>	<u>Total (Memo Only)</u>
Cash Receipts:					
Interest	\$ 1,099	\$ 2	\$ 337	\$ 428	\$ 767
Expenditures:					
Other	<u>1,305</u>	<u>100</u>	<u>300</u>	<u>996</u>	<u>1,396</u>
Receipts Over (Under) Expenditures	(206)	(98)	37	(569)	(629)
Unencumbered Cash, Beginning	<u>49,706</u>	<u>2,089</u>	<u>24,688</u>	<u>22,723</u>	<u>49,500</u>
Unencumbered Cash, Ending	<u>\$ 49,500</u>	<u>\$ 1,991</u>	<u>\$ 24,725</u>	<u>\$ 22,154</u>	<u>\$ 48,871</u>

**Unified School District Number 490
El Dorado, Kansas**

AGENCY FUNDS

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

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
Middle School -				
Cheerleading	\$ 271	\$ -	\$ -	\$ 271
Cross County	130	-	5	125
Football	77	-	77	-
Kay	206	156	93	269
String Fling	73	1,820	1,686	207
Student Council	8,369	6,750	7,073	8,046
Wrestling	69	-	-	69
High School -				
ARAT	5,247	1,539	3,749	3,037
Bookworm Club	1,689	1,239	2,055	873
Circle of Friends	370	529	378	521
Class of 2011	4,023	2,865	6,888	-
Class of 2012	1,602	3,649	2,034	3,217
Class of 2013	521	550	124	947
Class of 2014	-	560	-	560
College Bowl	486	660	422	724
Communications Club	199	-	-	199
Crier - Ad Business	1,347	50	40	1,357
Debate Club	159	2,508	2,619	48
Earth Care Club	799	1,388	828	1,359
E-Club	3,756	-	300	3,456
FCCLA	2,441	1,145	895	2,691
Forensics	1,901	7,246	9,001	146
Instrumental Music	114	1,537	633	1,018
Kaleidoscope	1,007	1,347	1,774	580
Kay	2,329	5,136	4,958	2,507
Math Club	283	-	10	273
National Honor Society	343	297	498	142
Orchestra Club	905	1,497	292	2,110
Pom Club	716	551	970	297
SADD	1,026	4,051	4,118	959
Spanish Club	610	177	349	438
Business Club	-	1,490	146	1,344
Student Council	5,600	6,759	6,497	5,862
Thespian Club	255	-	-	255
Robotics Club	434	110	313	231
Vocal Music Club	1,631	933	1,528	1,036
Total Student Organization Funds	48,988	56,539	60,353	45,174
Sales Tax	-	5,956	5,952	4
Health Insurance Reserve Account	20,639	1,564	-	22,203
Total Agency Funds	\$ 69,627	\$ 64,059	\$ 66,305	\$ 67,381

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

**Unified School District Number 490
El Dorado, Kansas**

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2011

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
Gate Receipts:				
Athletics - High School	\$ 17,365	\$ 96,730	\$ 88,620	\$ 25,475
Athletics - Middle School	9,359	15,620	11,103	13,876
Total Gate Receipts	<u>\$ 26,724</u>	<u>\$ 112,350</u>	<u>\$ 99,723</u>	<u>\$ 39,351</u>
	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
School Projects:				
High School	\$ 7,934	\$ 16,327	\$ 18,315	\$ 5,946
Middle School	15,772	51,191	52,893	14,070
Total School Projects	<u>\$ 23,706</u>	<u>\$ 67,518</u>	<u>\$ 71,208</u>	<u>\$ 20,016</u>

UNIFIED SCHOOL DISTRICT NUMBER 490

EL DORADO, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2011 and 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 490 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 490 (the primary government). There were no component units in the year ended June 30, 2011.

(b) Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements to revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2011, in the amount of \$48,956 and \$2,501 are classified as reimbursed expenses in the General Fund and Supplemental General Fund respectively. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

(c) Basis of Presentation - Fund Accounting

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

Governmental Fund Types

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

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

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

Capital Project Fund – This fund is used to account for the source of funds and the use of those funds to be expended on a particular capital project.

Fiduciary Fund Types

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with 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 transactions, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

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

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

(f) Budget and Tax Cycle

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Budget and Tax Cycle (cont.)

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Projects Fund, Fiduciary and Permanent Funds and the following Special Revenue Funds: Textbook/Student Material Revolving, Contingency Reserve, Title I, Title I-School Improvement, Title I – ARRA, Title II-A Teacher Quality, Title II-D Education Technology, Title II-D, Education Technology Project – ARRA, Title IV School Preparedness, Title IV Drug Free Schools, Title V-Innovative Programs, Gifts and Grants, Project Connect, Project Extend, Gate Receipts and School Projects.

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

2. COMPLIANCE WITH KANSAS STATUTES

In violation of K.S.A. 10-815 and 10-816, the District did not cancel and restore to the fund originally charged, checks outstanding for two years or more.

3. DEPOSITS AND INVESTMENTS

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. At June 30, 2011, the District held 100% of their investments in the Financial Square Tr Government Fund with The Commerce Trust Company.

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

3. DEPOSITS AND INVESTMENTS (cont.)

(a) Deposits

At year end the carrying amount of the District's deposits, including certificates of deposit, was \$17,004,497. The bank balance was \$20,152,477. The bank balance was held by three banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$409,142 was covered by FDIC insurance and the remaining \$19,743,335 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name under joint custody arrangements or by letters of credit. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party agreement signed by all three parties: The District, the pledging bank, and the independent third-party bank holding the pledged securities.

(b) Investments

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities Less than 1 Year</u>	<u>Rating</u>
Financial Square Tr Government Fund	\$ 31,805,984	\$ 31,805,984	S&P AAAm

4. INTERLOCAL AGREEMENTS

El Dorado Middle School Auditorium

The City of El Dorado, Kansas and Unified School District No. 490 entered into an Interlocal Agreement on January 18, 1999, involving the modernization, renovation and refurbishment of the El Dorado Middle School Auditorium. This agreement provides for the City's contribution to the project and the usage of the auditorium.

The City's financial contribution to this project totaled \$250,000 and was received by the District in prior years.

The District was obligated to contribute \$250,000 on or before June 30, 2003 and has fulfilled this obligation. The District is responsible for all repairs, maintenance, utilities, and insurance for the facility.

Community Facility

The District entered into an Interlocal Agreement with the City of El Dorado, Kansas on April 21, 1994, to construct, furnish, equip, maintain and operate a community educational and recreational facility. It is located immediately adjacent to and connected with the El Dorado High School building.

The District has completed its payment commitment toward the facility's cost. The District is obligated to pay for the utilities servicing the facility and provide maintenance and custodial services for a period of eighteen years, beginning with the agreement date.

Butler County Community College

On March 1, 2010, the District entered into an interlocal agreement with Butler Community College for the creation and operation of Educational Facilities Authority of Butler County to facilitate the renovation of Blackmore Stadium and the future acquisition, lease, development, improvement, renovation, repair and operation of such other educational and athletic facilities as the Authority shall determine for the joint benefit of the College, the District, the City and members of the general public. As of the date of this report, no financial obligations have been incurred as a result of this agreement.

5. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2005-B	3.00% to 5.00%	05-1-05	\$ 19,140,000.00	09-01-24	\$ 9,215,000	\$ -	\$ 655,000	\$ (655,000)	\$ 8,560,000	\$ 385,109
Refunding Bonds: Series 2007	4.00% to 5.00%	10-1-07	10,000,000.00	09-01-30	9,910,000	-	30,000	(30,000)	9,880,000	401,843
Refunding Bonds: Series 2010-A	2.00% to 5.00%	12-30-10	3,340,000.00	09-01-18	-	3,340,000	-	3,340,000	3,340,000	-
Build America Bonds: Series 2010-A	6.63% to 7.00%	12-30-10	20,605,000.00	09-01-35	-	20,605,000	-	20,605,000	20,605,000	-
Refunding Bonds: Series 2007	5.67%	12-30-10	12,500,000.00	09-01-28	-	12,500,000	-	12,500,000	12,500,000	-
Total General Obligation Bonds					<u>19,125,000</u>	<u>36,445,000</u>	<u>685,000</u>	<u>35,760,000</u>	<u>54,885,000</u>	<u>786,952</u>
Capital Leases:										
Computer equipment	2.90%	07-15-09	415,148.00	7-15-12	207,489	-	102,262	(102,262)	105,227	6,017
Computer equipment	4.79%	07-07-08	455,517.00	07-07-11	212,380	-	103,706	(103,706)	108,674	10,173
Total Capital Leases					<u>419,869</u>	<u>-</u>	<u>205,968</u>	<u>(205,968)</u>	<u>213,901</u>	<u>16,190</u>
Total Long-Term Debt					<u>\$ 19,544,869</u>	<u>\$ 36,445,000</u>	<u>\$ 890,968</u>	<u>\$ 35,554,032</u>	<u>\$ 55,098,901</u>	<u>\$ 803,142</u>

5. LONG-TERM DEBT (cont.)

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

	Year									Total
	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2031	2032-2036	
Principal:										
General Obligation Bonds:										
Series 2005-B	\$ 50,000	\$ 400,000	\$ 445,000	\$ 490,000	\$ 535,000	\$ 3,450,000	\$ 3,190,000	\$ -	\$ -	\$ 8,560,000
Refunding Series 2007	30,000	35,000	35,000	35,000	40,000	210,000	2,110,000	7,385,000	-	9,880,000
Refunding Series 2010-A	-	340,000	500,000	500,000	500,000	1,500,000	-	-	-	3,340,000
Series 2010-B	-	-	-	-	-	-	-	2,505,000	18,100,000	20,605,000
Series 2010-C	-	-	-	150,000	200,000	2,875,000	5,475,000	3,800,000	-	12,500,000
Total General Obligation Bonds	80,000	775,000	980,000	1,175,000	1,275,000	8,035,000	10,775,000	13,690,000	18,100,000	54,885,000
Capital Leases:										
Computer equipment	-	105,227	-	-	-	-	-	-	-	105,227
Computer equipment	108,674	-	-	-	-	-	-	-	-	108,674
Total Capital Leases	108,674	105,227	-	-	-	-	-	-	-	213,901
Total Principal	188,674	880,227	980,000	1,175,000	1,275,000	8,035,000	10,775,000	13,690,000	18,100,000	55,098,901
Interest:										
General Obligation Bonds:										
Series 2005-B	372,283	364,249	347,890	328,119	306,337	1,116,856	269,097	-	-	3,104,831
Refunding Series 2007	400,643	399,342	397,942	396,543	395,043	1,950,812	1,840,012	792,909	-	6,573,246
Refunding Series 2010-A	183,369	153,400	137,500	112,500	87,500	112,500	-	-	-	786,769
Series 2010-B	1,661,839	1,421,050	1,421,050	1,421,050	1,421,050	7,105,250	7,105,250	6,942,441	3,324,297	31,823,277
Series 2010-C	828,844	708,750	708,750	704,497	694,575	3,154,646	1,876,061	327,443	-	9,003,566
Total General Obligation Bonds	3,446,978	3,046,791	3,013,132	2,962,709	2,904,505	13,440,064	11,090,420	8,062,793	3,324,297	51,291,689
Capital Leases:										
Computer equipment	-	3,052	-	-	-	-	-	-	-	3,052
Computer equipment	5,205	-	-	-	-	-	-	-	-	5,205
Total Capital Leases	5,205	3,052	-	-	-	-	-	-	-	8,257
Total Interest	3,452,183	3,049,843	3,013,132	2,962,709	2,904,505	13,440,064	11,090,420	8,062,793	3,324,297	51,299,946
Total Principal and Interest	\$ 3,640,857	\$ 3,930,070	\$ 3,993,132	\$ 4,137,709	\$ 4,179,505	\$ 21,475,064	\$ 21,865,420	\$ 21,752,793	\$ 21,424,297	\$ 106,398,847

5. LONG-TERM DEBT (Cont.)

In October 2007, the District issued \$10,000,000 of General Obligation Refunding Bonds Series 2007 (the "Series 2007 Bonds") with an average interest rate of 4.066% to advance refund a portion of the District's General Obligation Improvement Bonds, Series 2005-B described as follows: (a) \$690,000 of the Series 2005-B Bonds maturing in the year 2024; and (b) the Series 2005-B Bonds maturing in the years 2025 to 2030, inclusive, in the aggregate principal amount of \$8,475,000 (collectively, the "Refunded Bonds"). The proceeds were also used to pay the costs of issuance. The net proceeds of \$9,708,183 (after payment of \$162,314 of underwriting fees, bond insurance and other issuance costs and a deposit to the Debt Service Account of \$4,412 of excess proceeds) were deposited in an irrevocable trust with an escrow agent and were used to purchase U.S. government securities (\$9,708,177) and establish a cash balance (\$6). Those securities and cash will provide for the scheduled interest payments on the Refunded Bonds and redemption of the principal of the Refunded Bonds on September 1, 2015. As a result the Refunded Bonds, in the principal amount of \$9,165,000, are considered defeased and the liability for those bonds has been removed from long-term debt. For the year ended June 30, 2011, outstanding defeased bonds totaled \$9,165,000.

In December, 2010, the District issued \$3,340,000 in General Obligation Refunding and School Building Bonds Series 2010-A with interest rates ranging from 2.00% to 5.00% for improvements and to advance refund \$320,000 of the District's General Obligation Improvement Bonds, Series 2005-B with an interest rate of 4.135% maturing September 1, 2011. The net proceeds of \$3,722,225 (after payment of \$29,225 of underwriting fees and other issuance costs) were used for school improvements and to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the future debt service payment of a portion of the 2005-B Series bonds. As a result, \$320,000 of the 2005-B Series bonds are considered defeased and the liability for those bonds has been removed from long-term debt. For the year ended June 30, 2011, outstanding defeased bonds totaled \$320,000.

The District advance refunded a portion of the 2005-B Series bonds to increase its total debt service payments over the next 20 years by \$17,572 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5,743. The purpose of this advance refund was to restructure the repayment schedule of the new bond issue to maintain a stable mill levy rate.

6. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Bilingual Education	K.S.A. 72-6428	\$ 4,000
General Fund	Special Education	K.S.A. 72-6428	1,539,944
General Fund	Vocational Education	K.S.A. 72-6428	255,703
General Fund	Virtual Education	K.S.A. 72-6428	18,504
General Fund	At Risk (4 Year Old)	K.S.A. 72-6428	54,616
General Fund	At Risk (K-12)	K.S.A. 72-6428	2,016,808
Supplemental General	Food Service	K.S.A. 72-6433	75,000
Supplemental General	Professional Development	K.S.A. 72-6433	75,000
Supplemental General	Special Education	K.S.A. 72-6433	520,631
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	9,043
Special Education	Special Education Coop	K.S.A. 72-6420	1,771,718

7. CAPITAL PROJECTS

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

	Expenditures to Date	Project Authorization
School Improvement	\$ 1,119,790	\$ 36,105,000

K.S.A. 10-131 allows interest earned on investment of bonds proceeds to be used on the project for which the bonds were issued.

8. PENSION COSTS AND EMPLOYEE BENEFITS

Defined Benefit Pension Plan

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

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

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

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the District to record any payment of general state aid that is due to be paid during the month of June and is paid to the District after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes.

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2011

GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 35,738	\$ 61,678	\$ (25,940)
Current Year	2,850,478	2,694,465	156,013
Delinquent Tax	75,751	25,138	50,613
In Lieu of Taxes - IRB	1,868	-	1,868
Mineral Production Tax	2,779	-	2,779
State Aid	6,700,397	7,319,027	(618,630)
Special Education State Aid	1,539,944	1,495,742	44,202
Federal Aid - ARRA	221,992	221,992	-
Federal Aid - Education Jobs	388,707	-	388,707
Miscellaneous reimbursements	48,956	-	48,956
	<u>11,866,610</u>	<u>\$ 11,818,042</u>	<u>\$ 48,568</u>
Expenditures			
Instruction	5,508,710	\$ 5,682,006	\$ 173,296
Instructional Support Staff	2,736	2,770	34
School Administration	1,022,565	1,053,675	31,110
Operations & Maintenance	1,443,458	1,638,090	194,632
Outgoing Transfers	3,889,574	3,610,914	(278,660)
Adjustment to Comply with Legal Max	-	(169,368)	(169,368)
	<u>11,867,043</u>	<u>11,818,087</u>	<u>(48,956)</u>
Legal General Fund Budget			
Adjustment for qualifying budget credits	-	48,956	48,956
	<u>11,867,043</u>	<u>\$ 11,867,043</u>	<u>\$ -</u>
Total Expenditures			
Statutory Revenues Over (Under) Expenditures	(433)		
Modified Unencumbered Cash, June 30, 2010	433		
Prior Year Canceled Encumbrances	284		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 284</u>		

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

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 42,586	\$ 78,723	\$ (36,137)
Current Year	2,961,330	2,750,373	210,957
Delinquent Tax	84,793	25,828	58,965
Motor Vehicle Tax	224,979	226,490	(1,511)
Recreational Vehicle Tax	3,717	3,678	39
Rental Excise Tax	346	-	346
In Lieu of Taxes - IRB	1,813	-	1,813
State Aid	839,471	842,217	(2,746)
Miscellaneous reimbursements	2,501	-	2,501
Total Statutory Revenues	<u>4,161,536</u>	<u>\$ 3,927,309</u>	<u>\$ 234,227</u>
Expenditures			
Instruction	671,818	\$ 670,084	\$ (1,734)
Student Support Services	616,379	538,390	(77,989)
Instructional Support Staff	667,199	731,680	64,481
General Administration	318,352	358,930	40,578
School Administration	24,762	14,800	(9,962)
Operations & Maintenance	453,447	717,000	263,553
Student Transportation Services	273,211	282,575	9,364
Other Supplemental Services	314,567	323,450	8,883
Outgoing Transfers	679,675	380,000	(299,675)
Legal General Fund Budget	4,019,410	4,016,909	(2,501)
Adjustment for qualifying budget credits	-	2,501	2,501
Total Expenditures	<u>4,019,410</u>	<u>\$ 4,019,410</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	142,126		
Modified Unencumbered Cash, June 30, 2010	89,601		
Prior Year Canceled Encumbrances	-		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 231,727</u>		

10. LEAVE POLICIES

Sick Leave is available to all support services twelve-month employees and is issued according to the individuals work day. Twelve-month employees will accrue ten days of sick leave a year accumulative to 95 days. Sick Leave is also available to all nine-month support services employees and is issued according to the individuals work day. Nine-month employees will accrue seven days of sick leave a year accumulative to 95 days. Full-time and part-time twelve-month employees will earn a two week (10 regular working days) vacation yearly beginning on the first anniversary date of employment with USD 490. Vacation hours and pay will correspond to the employee's workday during the school year.

11. EARLY RETIREMENT INCENTIVE

The District provides an early retirement program for certain eligible employees. Employees are eligible if they are (a) currently a full-time employee of the school district, (b) has met the KPERs early retirement eligibility requirements for full or partial retirement, (c) has 15 or more years of employment service with the school district, or (d) has 35 years of service in the district. Eligibility for early retirement will be determined by the Superintendent of Schools. An employee applying for early retirement shall have the responsibility of providing all facts and information necessary to prove eligibility for early retirement and to verify benefits to be paid.

Part-time employees will be eligible for this plan based upon the following criteria. The benefit will be based upon their least full-time equivalence (FTE) during their last 5 years prior to retirement.

Payments to retired employees under this plan were \$162,922 and \$161,937 for the year ended June 30, 2011 and 2010.

12. OTHER POST EMPLOYMENT BENEFITS

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

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

13. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of October 24, 2011, grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

The District is exposed to various risks of loss related to property loss, torts, and errors and omissions. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from fiscal year end June 30, 2010 to fiscal year end June 30, 2011, and there were no settlements that exceeded insurance coverage in the past three years.

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

14. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through October 24, 2011, which is the date at which the financial statements were available to be issued.

On August 11, 2011, the District signed a Facility Use Agreement with the Educational Facilities Authority of Butler County (Authority). This agreement provides that the District will agree to pay an amount not to exceed \$150,000 for the purpose of design and development costs by the Authority's architects and consultants.

On August 17 and 29, 2011, the District received \$332,969 and \$474,469. These amounts represent the first interest subsidy payments for the Series 2010-B and 2010-C bond issues.

**UNIFIED SCHOOL DISTRICT NUMBER 490
EL DORADO, KANSAS**

OTHER SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2011

**Unified School District Number 490
El Dorado, Kansas**

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

<u>Pass-Through Grantor/ Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education			
School Breakfast Program	10.553	DO490	\$ 135,172
National School Lunch Program	10.555	DO490	454,287
Fresh Fruit and Vegetable Program	10.582	DO490	<u>2,682</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>592,141</u>
<u>U.S. Department of Education</u>			
Passed through Kansas Department of Education			
Title I - Low Income	84.010	DO490	281,065
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	DO490	139,146
Title II-D - Tech Literacy	84.318	DO490	1,394
ARRA - Title II-D - Education Technology State Grants, Recovery Act	84.386	DO490	4,322
Title II-A - Improving Teacher Quality	84.367	DO490	97,293
Title VI-B IDEA	84.027	DO490	2,567,681
Title VI-B IDEA, Special Discretionary Projects	84.027	DO490	95,827
ARRA - Title VI-B - Special Education IDEA Part B - Grants to States, Recovery Act	84.391	DO490	1,458,879
Title VI-B - IDEA Preschool	84.173	DO490	63,032
ARRA - Title VI-B - Special Education - Preschool Grants, Recovery Act	84.392	DO490	62,718
Drug-Free Schools	84.186	DO490	6,181
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	DO490	221,992
Education Jobs Fund	84.410	DO490	388,707
Fund for the Improvement of Education	84.215	DO490	2,380
Fund for the Improvement of Education	84.215K	DO490	230,010
Passed through South Central Kansas Education Service Center:			
Carl Perkins	84.048	DO490	<u>17,515</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>5,638,142</u>
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,230,283</u>

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of Unified School District Number 490, El Dorado, Kansas, and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule.

**UNIFIED SCHOOL DISTRICT NUMBER 490
EL DORADO, KANSAS**

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

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF EDUCATION

Title I Low Income Program – CFDA Number 84.010
Title I School Improvement Program – CFDA Number 84.010
ARRA - Title I, Part A Cluster – CFDA Number 84.389
Grant Number DO490

NONE

ARRA – State Fiscal Stabilization Fund – Education State Grants, Recovery Act – CFDA Number 84.394
Grant Number DO490

NONE

Special Education Cluster (IDEA)
Title VI-B Program – CFDA Numbers 84.027 & 84.173
ARRA – Special Education – CFDA Numbers 84.391 & 84.392
Grant Number DO490

NONE

UNIFIED SCHOOL DISTRICT NUMBER 490
EL DORADO, KANSAS

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

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Unified School District Number 490, El Dorado, Kansas.
2. Significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Unified School District Number 490, El Dorado, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs as reported in the Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District Number 490, El Dorado, Kansas expresses an unqualified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7. The programs tested as a major program included:

	<u>CFDA No.</u>
Title I, Part A Cluster:	
Title I, Part A	84.010
ARRA – Title I, Part A	84.389
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
ARRA – Special Education – Grants to States	84.391
Special Education – Preschool Grants	84.173
ARRA – Special Education – Preschool Grants	84.392
Education Jobs Fund	84.410

8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. Unified School District Number 490, El Dorado, Kansas did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

Number 11-01 Lack of Segregation of Duties

Condition: Appropriate segregation of duties is achieved when one or more employees or functions acts as a check and balance on the activities of another so that no employee should be in a position to both commit an irregularity and conceal it. Due to resource constraints, these conflicting phases of transactions potentially occur throughout your entity at various times throughout the fiscal year. We considered this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

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

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

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

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

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

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

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

Number 11-02 Financial Statement Reporting

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

Criteria: The District prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide* (KMAG).

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

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

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

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

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF EDUCATION

Education Jobs Fund – CFDA Number 84.410

NONE

Title I Low Income Program – CFDA Number 84.010
ARRA – Title I, Part A Cluster – CFDA Number 84.389
Grant Number DO490

NONE

Special Education Cluster (IDEA)
Title VI-B Program – CFDA Numbers 84.027 & 84.173
ARRA – Special Education – CFDA Numbers 84.391 & 84.392
Grant Number DO490

NONE