

**UNIFIED SCHOOL DISTRICT NUMBER 405
LYONS, KANSAS**

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2012

**Unified School District Number 405
Lyons, Kansas**

Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS

<u>ITEM</u>	<u>Page Number</u>
Independent Auditor's Report.....	1 - 2
Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 - 4
Report on Compliance with Requirements with Requirements That Could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	5 - 6

FINANCIAL SECTION

Statement 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash	7
	Notes to the Financial Statements	8 - 14

SUPPLEMENTARY INFORMATION

Schedule 1	Summary of Expenditures - Actual and Budget	15
Schedule 2	Schedule of Cash Receipts and Expenditures - Actual and Budget	
2-1	General Fund	16 - 18
2-2	Supplemental General Fund	19 - 20

SPECIAL REVENUE FUNDS

2-3	At Risk (4 Years Old) Fund	21
2-4	At Risk (K-12) Fund	22
2-5	Bilingual Education Fund.....	23
2-6	Capital Outlay Fund.....	24
2-7	Driver Training Fund.....	25
2-8	Food Service Fund	26
2-9	Professional Development Fund	27
2-10	Parent Education Fund.....	28
2-11	Recreation Commission Fund.....	29
2-12	Recreation Commission Employee Benefits Fund.....	30
2-13	Special Education Fund	31
2-14	Special Education Cooperative Fund	32 - 33
2-15	Summer School Fund	34
2-16	Technology Revolving Fund.....	35
2-17	Vocational Education Fund	36
2-18	Virtual Education Fund	37

**Unified School District Number 405
Lyons, Kansas**

**Fiscal Year Ended June 30, 2012
TABLE OF CONTENTS**

	<u>ITEM</u>	<u>Page Number</u>
<u>SPECIAL REVENUE FUNDS (cont.)</u>		
	2-19 KPERs Special Retirement Contribution Fund	38
	2-20 Carl Perkins Consortium Fund	39
	2-21 Contingency Reserve Fund	40
	2-22 Title I Fund	41
	2-23 Title II-A Teacher Quality Fund	42
	2-24 Title VI-B Discretionary Fund	43
	2-25 Title II-D Education Technology Fund	44
	2-26 Other Federal Funds Fund	45
	2-27 Gifts and Grants Fund	46
	2-28 Fatherhood Grant Fund	47
<u>DEBT SERVICE FUND</u>		
	2-29 Bond and Interest Fund	48
<u>TRUST FUND</u>		
	2-30 Private Purpose Trust Funds	49
Schedule 3	Schedule of Cash Receipts and Cash Disbursements - Agency Funds	50
Schedule 4	Schedule of Cash Receipts and Cash Disbursements - Student Organization Funds	51
Schedule 5	Schedule of Cash Receipts and Expenditures - Gate Receipts Funds; School Project Funds	52
<u>ADDITIONAL INFORMATION</u>		
Schedule 6	Schedule of Expenditures of Federal Awards	53
Schedule 7	Summary Schedule of Prior Audit Findings	54
Schedule 8	Schedule of Findings and Questioned Costs	55 - 57



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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 405
Lyons, KS 67554

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District Number 405, Lyons, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the School District's management. Our responsibility is to express an opinion on the financial statement based on our audit.

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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with cash basis and budget laws of the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory 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 statement referred to above, does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the June 30, 2012 financial statement as a whole. The summary of expenditures—actual and budget, individual fund schedules of cash receipts and expenditures, agency funds—schedule of cash receipts and cash disbursements, and district activity funds—schedule of cash receipts and cash disbursements (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the June 30, 2012 financial statement. Such information is the responsibility of management and the June 30, 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement. The June 30, 2012 information has been

subjected to the auditing procedures applied in the audit of the June 30, 2012 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement or to the June 30, 2012 financial statement itself, 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 June 30, 2012 financial statement as a whole.

The June 30, 2011 Actual column presented in the individual fund schedules of cash receipts and expenditure (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2011 financial statement upon which we rendered an unqualified opinion dated October 14, 2011. The June 30, 2011 financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link: <http://da.ks.gov/ar/muniserv/>. Such June 30, 2011 comparative information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the June 30, 2011 financial statement. The June 30, 2011 comparative information was subjected to the auditing procedures applied in the audit of June 30, 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2011 financial statement or to the June 30, 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2011 comparative information is fairly stated in all material respects in relation to the June 30, 2011 financial statement as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2012, on our consideration of the Unified School District Number 405'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 statement that collectively comprise Unified School District Number 405, Lyons, Kansas' financial statement as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statement of Unified School District Number 405, Lyons, 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 statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or the financial statement itself, 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 statement taken as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

October 17, 2012

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

Board of Education
Unified School District Number 405
Lyons, Kansas 67554

We have audited the financial statements of the Unified School District Number 405 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statement and have issued our report thereon dated October 17, 2012. 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

Management of the District is responsible for establishing and maintaining effective 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 statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 (12-01 and 12-02). 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 17, 2012.

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 17, 2012

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

Board of Education
Unified School District Number 405
Lyons, Kansas 67554

Compliance

We have audited the compliance of the Unified School District Number 405 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, 2012. 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, 2012.

Internal Control Over Compliance

Management of the Unified School District Number 405 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 over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, Board of Education, 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 17, 2012

**Unified School District Number 405
Lyons, Kansas**

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance 07-01-11	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 06-30-12	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 06-30-12
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ -	\$ 6,227,291	\$ 6,227,291	\$ -	\$ 50,176	\$ 50,176
Supplemental General Fund	42,043	1,648,681	1,618,106	72,618	187,662	260,280
SPECIAL REVENUE FUNDS						
At Risk (4 Year Old) Fund	30,750	4,073	4,073	30,750	183	30,933
At Risk (K-12) Fund	650,000	1,437,678	1,387,678	700,000	316	700,316
Bilingual Education Fund	70,000	242,069	242,069	70,000	-	70,000
Capital Outlay Fund	854,705	574,931	429,636	1,000,000	158,153	1,158,153
Driver Training Fund	18,000	10,516	10,516	18,000	784	18,784
Food Service Fund	131,631	435,566	434,659	132,538	37,386	169,924
Professional Development Fund	70,000	31,820	31,820	70,000	705	70,705
Parent Education Fund	-	96,025	96,025	-	1,326	1,326
Recreation Commission Fund	6,650	197,852	202,000	2,502	-	2,502
Recreation Commission Employee Benefits Fund	1,269	39,568	40,340	497	-	497
Special Education Fund	510,000	1,145,823	1,144,487	511,336	-	511,336
Special Education Cooperative Fund	1,158,805	3,196,111	3,125,468	1,229,448	7,541	1,236,989
Summer School Cooper	18,000	8,572	8,572	18,000	16	18,016
Technology Revolving Fund	33,468	19,455	2,850	50,073	2,850	52,923
Vocational Education Fund	175,000	98,196	98,196	175,000	-	175,000
Virtual Education Fund	6,627	-	160	6,467	-	6,467
KPERS Special Retirement Contribution Fund	-	755,384	755,384	-	-	-
Carl Perkins Consortium Fund	-	3,664	3,664	-	-	-
Contingency Reserve Fund	626,753	-	-	626,753	-	626,753
Title I Fund	-	216,209	216,209	-	17,497	17,497
Title II-A Teacher Quality Fund	-	35,650	35,650	-	1,044	1,044
Title VI-B Discretionary Fund	-	22,084	22,084	-	-	-
Title II-D Education Technology Fund	-	-	-	-	-	-
Other Federal Funds Fund	-	17,188	17,188	-	4,116	4,116
Gifts and Grants Fund	5,839	68,659	63,442	11,056	50,034	61,090
Fatherhood Grant Fund	-	-	-	-	-	-
Gate Receipts Funds	795	110,038	110,177	656	2,043	2,699
School Project Funds	32,320	101,454	105,436	28,338	240	28,578
DEBT SERVICE FUND						
Bond and Interest Fund	291,040	443,532	423,985	310,587	-	310,587
FIDUCIARY TYPE FUNDS:						
PRIVATE PURPOSE TRUST FUNDS						
John Lawrence Fund	825	1	-	826	-	826
Needy Children Fund	3,555	850	1,043	3,362	-	3,362
Total Reporting Entity	\$ 4,738,075	\$ 17,188,940	\$ 16,858,208	\$ 5,068,807	\$ 522,072	\$ 5,590,879

COMPOSITION OF CASH:

Lyons State Bank - Super NOW	\$ 2,765
Lyons State Bank - Hi Fi	2,570
First Bank - NOW	3,119
First Bank - Maximizer	3,871
First Bank - LHS Activity Fund	28,646
Lyons Federal Savings - Super Advantage	15,953
Lyons Federal Savings - Advantage	1,582,348
Lyons State Bank - Checking #90417	3,362
Lyons State Bank - Passbook Savings # 610410	826
Lyons State Bank - LMS Activity	5,990
Lyons State Bank - Park Elementary Activity	6,598
Lyons State Bank - Central Elementary Activity	1,129
Lyons Federal Savings - Certificates of Deposit	4,000,000
Total Cash	5,657,177
Agency Funds per Schedules 3 and 4	(66,298)
Total (Excluding Agency Funds)	\$ 5,590,879

UNIFIED SCHOOL DISTRICT NUMBER 405

LYONS, KANSAS

NOTES TO THE FINANCIAL STATEMENT

FISCAL YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 405 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 405 (the primary government). There were no component units in the year ended June 30, 2012.

(b) Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements to revenue of that fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2012, in the amount of \$110,117, \$6,106, \$166,282, \$6,760, \$1,035, \$325, and \$7,342 are classified as reimbursed expenses in the General Fund, Supplemental General Fund, Capital Outlay Fund, Food Service Fund, Professional Development Fund, Parent Education Fund, and Special Education Cooperative 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.

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 this statutory basis financial statement, 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 transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

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

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with 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 statement.

(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 no 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, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Projects Fund, Fiduciary and Permanent Funds and the following Special Revenue Funds: Technology Revolving, Carl Perkins Consortium, Contingency Reserve, Title I, Title II-A Teacher Quality, Title VI-B Discretionary, Title II-D Education Technology, Other Federal Funds, Gifts and Grants Fund, Fatherhood Grant Fund, 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. 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.

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, 2012.

Deposits

At year end the carrying amount of the District's deposits, including certificates of deposit, was \$5,657,177. The bank balance was \$8,000,776. 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, \$557,943 was covered by FDIC insurance and the remaining \$7,442,833 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.

3. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2012, were as follows:

STATEMENT OF CHANGES IN LONG TERM DEBT
For the Year Ended June 30, 2012

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 Refund Bonds: Series 2005	3.00% to 5.00%	07-1-05	\$ 3,985,000	10-1-20	\$3,575,000	\$ -	\$ 280,000	\$ (280,000)	\$3,295,000	\$143,985
Capital Lease: Technology Lease	2.97%	04-11-11	\$ 272,082	01-15-13	137,074	-	137,074	(137,074)	-	417
Total Contractual Indebtedness					3,712,074	-	417,074	(417,074)	3,295,000	144,402
Compensated Absences	N/A	N/A	N/A	N/A	31,745	-	7,044	(7,044)	24,701	-
Total Long-Term Debt					\$3,743,819	\$ -	\$ 424,118	\$ (424,118)	\$3,319,701	\$144,402

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
	2013	2014	2015	2016	2017	2018-2021	
Principal:							
General Obligation Bonds: Series 2005	\$ 300,000	\$ 325,000	\$ 350,000	\$ 375,000	\$ 395,000	\$ 1,550,000	\$ 3,295,000
Total Principal	300,000	325,000	350,000	375,000	395,000	1,550,000	3,295,000
Interest:							
General Obligation Bonds: Series 2005	130,535	114,910	98,035	82,535	68,478	112,785	607,278
Total Interest	130,535	114,910	98,035	82,535	68,478	112,785	607,278
Total Principal and Interest	\$ 430,535	\$ 439,910	\$ 448,035	\$ 457,535	\$ 463,478	\$ 1,662,785	\$ 3,902,278

4. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Bilingual Education	K.S.A. 72-6428	\$ 70,000
General	Capital Outlay	K.S.A. 72-6428	368,367
General	Driver Training	K.S.A. 72-6428	2,850
General	Professional Development	K.S.A. 72-6428	19,629
General	Parent Education	K.S.A. 72-6428	18,645
General	Special Education	K.S.A. 72-6428	1,145,823
General	Summer School	K.S.A. 72-6428	8,572
General	Vocational Education	K.S.A. 72-6428	98,196
General	At Risk (4 year old)	K.S.A. 72-6428	4,073
General	At Risk (K-12)	K.S.A. 72-6428	821,260
Supplemental General	Bilingual Education	K.S.A. 72-6433	116,135
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	616,418
Special Education	Special Education Coop	K.S.A. 72-6420	1,144,487

5. RELATED PARTY TRANSACTIONS

Unified School District Number 405 is the taxing authority for the Lyons Recreation Commission. During the fiscal year ended June 30, 2012, the District levied a total tax of 6.00 mills for the Recreation Commission and the Recreation Commission Employee Benefits Fund, which is in turn appropriated to the Lyons Recreation Commission for its operations. Also, there is an informal agreement between the District and the Recreation Commission for use of District facilities when they are not otherwise being used by the District.

6. PENSION COSTS AND EMPLOYEE BENEFITS

Defined Benefit Pension Plan

Plan Description. The District contributes to Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas 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 2012, the State of Kansas contributed 9.77% 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, 2012, 2011, and 2010 were \$298,635,383 received as of June 30, 2012, \$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), and \$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), respectively, equal to the statutory required contributions for each year.

7. LEAVE POLICIES

Temporary leave for teachers is granted at the rate of thirteen days per year. Upon completion of a contract year, a request may be submitted to the District for reimbursement for the number of temporary leave days granted for the current school year which have not been used. The total reimbursement for all teachers may not exceed \$40,000. Temporary leave for classified employees is at the rate of one day per month of contract and a maximum of twelve days may be bought back per year for \$35.00 per day for days over 60 accumulative days. Vacation is accrued as follows: 3.34 hours per month for the first year of service; 6.67 hours per month for two to ten years of service; 10 hours per month for eleven to twenty years of service; and 13.34 hours per month for more than 21 years of service. Upon termination, no employees are paid for unused sick leave. Vacation leave is required to be used by October 1 of the next fiscal year or benefit is lost.

Principals are given 20 vacation days to accumulate to 40 after the first year of service. They are given an option of being paid 80% of the daily rate for up to 10 days annually. Days in excess of 40 will be forfeited.

The Superintendent is given 20 vacation days to accumulate to 40 after the first year of service. Unused days will be paid at a rate of 80% of the daily rate for up to 10 days annually. Days in excess of 40 will be forfeited.

8. EARLY RETIREMENT INCENTIVE

The District provides an early retirement program for certain eligible employees. Employees are eligible if they are currently certified or classified employees of the District, eligible for full KPERS early retirement benefits, and have a minimum of twelve (12) years (for certified employees) or fifteen (15) years (for classified employees) of employment with USD 405. If the employee applying for early retirement is over sixty-five (65) years old, they are eligible for the temporary leave buy out provisions of the early retirement program. Those eligible under this program may receive benefits for up to five (5) years or until age 65.

Payments to retired employees under this plan were \$20,722 for the year ended June 30, 2012.

9. OTHER POST EMPLOYMENT BENEFITS

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

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

10. 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 17, 2012, 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, 2011 to fiscal year end June 30, 2012, 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.

11. RESTATEMENT OF BEGINNING BALANCES

Due to a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$436,535) to \$0 in the General Fund and from (\$11,691) to \$42,043 in the Supplemental General Fund. These changes reflect the change in policy of the Kansas Municipal Audit Guide as to when the final State Aid payments are posted. The previous policy dictated that the payment received in July of the subsequent fiscal year be posted in the subsequent fiscal year. The technical amendment for the statutory statements now states that the payment should be posted in the prior fiscal year. The balances have been adjusted for this change in policy.

12. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through October 17, 2012 which is the date at which the financial statement was available to be issued.

**UNIFIED SCHOOL DISTRICT NUMBER 405
LYONS, KANSAS**

OTHER SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2012

**Unified School District Number 405
Lyons, Kansas**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2012

Fund	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ 6,624,200	\$ (507,026)	\$ 110,117	\$ 6,227,291	\$ 6,227,291	\$ -
Supplemental General Fund	1,612,000	-	6,106	1,618,106	1,618,106	-
SPECIAL REVENUE FUNDS						
At Risk (4 Yr Old) Fund	85,750	-	-	85,750	4,073	81,677
At Risk (K-12) Fund	1,545,460	-	-	1,545,460	1,387,678	157,782
Bilingual Education Fund	301,500	-	-	301,500	242,069	59,431
Capital Outlay Fund	750,280	-	166,282	916,562	429,636	486,926
Driver Training Fund	26,200	-	-	26,200	10,516	15,684
Food Service Fund	524,275	-	6,760	531,035	434,659	96,376
Professional Development Fund	87,000	-	1,035	88,035	31,820	56,215
Parent Education Fund	95,700	-	325	96,025	96,025	-
Recreation Commission Fund	202,000	-	-	202,000	202,000	-
Recreation Commission Employee Benefits Fund	40,340	-	-	40,340	40,340	-
Special Education Fund	1,325,000	-	-	1,325,000	1,144,487	180,513
Special Education Cooperative Fund	3,596,242	-	7,342	3,603,584	3,125,468	478,116
Summer School Fund	26,000	-	-	26,000	8,572	17,428
Vocational Education Fund	210,885	-	-	210,885	98,196	112,689
Virtual Education Fund	56,627	-	-	56,627	160	56,467
KPERS Special Retirement Contribution Fund	857,351	-	-	857,351	755,384	101,967
DEBT SERVICE FUND						
Bond and Interest Fund	424,085	-	-	424,085	423,985	100
Total	\$ 18,390,895	\$ (507,026)	\$ 297,967	\$ 18,181,836	\$ 16,280,465	\$ 1,901,371

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2012			
	2011 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 11,226	\$ 13,355	\$ 26,013	\$ (12,658)
Current year	609,445	623,464	595,340	28,124
Delinquent tax	13,387	12,912	16,731	(3,819)
In lieu of taxes - industrial revenue bonds	1,890	1,846	-	1,846
Mineral production tax	774	1,454	500	954
General state aid	4,412,978	4,562,355	4,728,298	(165,943)
Special Education aid	808,214	898,999	1,013,880	(114,881)
Federal aid - ARRA	111,036	-	-	-
Federal aid - Education Jobs	194,424	2,789	-	2,789
Miscellaneous reimbursements	94,384	110,117	-	110,117
Total Cash Receipts	<u>6,257,758</u>	<u>6,227,291</u>	<u>\$ 6,380,762</u>	<u>\$ (153,471)</u>
Expenditures:				
Instruction -				
Certified salaries	1,244,182	1,332,140	\$ 1,425,300	\$ 93,160
Certified salaries - ARRA	41,296	-	-	-
Certified salaries - Education Jobs	108,432	2,789	-	(2,789)
Non-certified salaries	54,400	50,097	57,500	7,403
Non-certified salaries - Education Jobs	2,305	-	-	-
Insurance	65,724	75,715	72,000	(3,715)
Insurance - Education Jobs	5,021	-	-	-
Social Security	104,655	105,862	110,050	4,188
Social Security - ARRA	800	-	-	-
Other employee benefits	60,830	82,888	68,900	(13,988)
Purchased professional services	123,932	65,778	128,500	62,722
Other purchased services	10,540	18,485	11,000	(7,485)
Teaching supplies	8,221	12,639	8,250	(4,389)
Textbooks	2,249	684	1,500	816
Miscellaneous supplies	4,200	3,600	4,500	900
Property and equipment	17,503	25,355	26,050	695
Other	87,701	104,767	100,150	(4,617)
Student Support Services -				
Certified salaries	81,189	92,775	107,000	14,225
Certified salaries - ARRA	2,506	-	-	-
Certified salaries - Education Jobs	8,114	-	-	-
Insurance	3,031	2,406	3,800	1,394
Social Security	7,035	7,109	7,800	691
Other employee benefits	642	679	660	(19)
Purchased professional services	290	2,169	525	(1,644)
Supplies	2,279	1,685	2,500	815
Instruction Support Staff -				
Certified salaries	50,425	53,057	56,750	3,693
Certified salaries - ARRA	1,900	-	-	-
Certified salaries - Education Jobs	4,950	-	-	-
Non-certified salaries	100,503	123,172	105,040	(18,132)
Non-certified salaries - ARRA	9,906	-	-	-
Non-certified salaries - Education Jobs	11,002	-	-	-

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

GENERAL FUND (cont.)

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2012			
	2011 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures: (cont.)				
Instruction Support Staff -	\$ 20,595	\$ 25,055	\$ 23,500	\$ (1,555)
Insurance	13,707	13,498	14,400	902
Social Security	10,397	5,469	6,715	1,246
Other employee benefits	-	-	20,000	20,000
Other purchased services	2,196	2,087	3,700	1,613
Miscellaneous supplies				
General Administration -				
Certified salaries	127,897	142,291	169,760	27,469
Certified salaries - ARRA	13,217	-	-	-
Non-certified salaries	6,430	21,968	8,900	(13,068)
Insurance	10,448	9,588	10,500	912
Social Security	11,354	12,591	12,825	234
Other employee benefits	5,615	3,516	9,025	5,509
Purchased professional services	30,498	29,733	34,750	5,017
Purchased property services	4,349	3,126	4,150	1,024
Communications	4,798	5,181	6,000	819
Other purchased services	-	-	-	-
Supplies	3,407	1,803	3,250	1,447
Property and equipment	2,003	211	1,000	789
School Administration -				
Certified salaries	206,573	252,170	295,750	43,580
Certified salaries - ARRA	23,737	-	-	-
Certified salaries - Education Jobs	20,875	-	-	-
Non-certified salaries	90,248	98,319	100,000	1,681
Non-certified salaries - Education Jobs	9,699	-	-	-
Insurance	26,964	24,704	26,300	1,596
Social Security	26,962	26,939	30,000	3,061
Other employee benefits	3,139	1,481	3,095	1,614
Communications	324	296	450	154
Other purchased services	1,970	3,639	1,750	(1,889)
Property and equipment	2,342	5,032	2,000	(3,032)
Operations & Maintenance -				
Non-certified salaries	158,094	197,480	203,250	5,770
Non-certified salaries - ARRA	17,673	-	-	-
Non-certified salaries - Education Jobs	18,000	-	-	-
Insurance	7,957	10,274	8,500	(1,774)
Social Security	14,829	15,120	16,000	880
Other employee benefits	9,074	9,497	9,850	353
Purchased professional services	993	-	12,000	12,000
Water/sewer	6,873	8,046	7,250	(796)
Cleaning	18,330	21,126	19,500	(1,626)
Repairs and maintenance	23,126	33,686	27,600	(6,086)
Rentals	8,100	8,100	8,100	-
Other	13,334	14,786	15,000	214
Insurance	88,405	88,838	109,750	20,912
General supplies	4,738	5,881	4,400	(1,481)
Heating	67,650	55,354	135,000	79,646
Electricity	135,184	140,103	133,500	(6,603)
Motor fuel	2,343	1,714	2,200	486
Property and equipment	451	-	450	450

**Unified School District Number 405
Lyons, Kansas**

GENERAL OPERATING FUND

GENERAL FUND (cont.)

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2012</u>			
	<u>2011</u> <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Student Transportation Services:				
Vehicle Operating Services -				
Non-certified salaries	\$ 31,733	\$ 33,082	\$ 42,000	\$ 8,918
Non-certified salaries - Education Jobs	3,789	-	-	-
Insurance	1,540	2,979	2,000	(979)
Social Security	2,679	2,644	3,500	856
Other employee benefits	1,802	2,289	1,750	(539)
Other purchased services	8,243	7,800	8,375	575
Supplies	28,351	31,263	31,000	(263)
Property and equipment	2,050	-	3,000	3,000
Other	2,297	2,524	2,700	176
Student Transportation Services:				
Vehicle and Maintenance Services -				
Non-certified salaries	11,679	8,144	12,500	4,356
Social Security	893	623	1,000	377
Other employee benefits	242	297	350	53
Other purchased services	24,025	20,431	26,000	5,569
Supplies	4,508	5,842	7,500	1,658
Equipment	-	-	250	250
Other Student Transportation Services -				
Certified salaries	24,456	27,114	28,500	1,386
Certified salaries - Education Jobs	2,237	-	-	-
Non-Certified salaries	-	1,520	-	(1,520)
Insurance	1,833	1,562	2,200	638
Social security	2,053	2,084	2,160	76
Other employee benefits	656	557	2,000	1,443
Other Supplemental Service -				
Non-certified salaries	62,351	50,453	68,500	18,047
Insurance	2,433	1,038	3,500	2,462
Social Security	4,883	3,873	5,000	1,127
Other employee benefits	2,444	1,204	2,525	1,321
Outgoing transfers -				
Bilingual Education	-	70,000	-	(70,000)
Capital Outlay	163,449	368,367	523,053	154,686
Driver Training	932	2,850	-	(2,850)
Professional Development	-	19,629	-	(19,629)
Parent Education	16,748	18,645	16,524	(2,121)
Special Education	808,214	1,145,823	1,114,818	(31,005)
Summer School	-	8,572	-	(8,572)
Virtual Education	-	-	50,000	50,000
Vocational Education	60,000	98,196	87,526	(10,670)
At Risk (4 Year Old)	-	4,073	55,000	50,927
At Risk (K-12)	1,480,577	821,260	723,024	(98,236)
Adjustment for Legal Max	-	-	(507,026)	(507,026)
Legal General Fund Budget	6,257,758	6,227,291	6,117,174	(110,117)
Adjustment for Qualifying Budget Credits	-	-	110,117	110,117
Total Expenditures	<u>6,257,758</u>	<u>6,227,291</u>	<u>\$ 6,227,291</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011		2012		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Cash Receipts:					
Taxes and Shared Revenue:					
Ad valorem property					
Prior year	\$ 16,344	\$ 18,336	\$ 36,495		\$ (18,159)
Current year	735,181	761,162	-		761,162
Delinquent tax	18,818	19,717	20,317		(600)
Reimbursements	9,373	6,106	-		6,106
Motor and recreational vehicle tax	82,399	73,923	78,620		(4,697)
In lieu of taxes - industrial revenue bonds	2,073	2,049	-		2,049
Supplemental state aid	904,428	767,388	739,758		27,630
	<u>1,768,616</u>	<u>1,648,681</u>	<u>\$ 875,190</u>		<u>\$ 773,491</u>
Total Cash Receipts					
Expenditures:					
Instruction -					
Certified salaries	74,319	76,734	\$ 81,350		\$ 4,616
Non-certified salaries	1,266	1,422	2,210		788
Insurance	128,044	128,507	130,000		1,493
Social Security	5,588	5,814	6,000		186
Purchased professional services	2,324	-	2,000		2,000
Other employee benefits	1,056	1,546	1,250		(296)
Other purchased services	17,313	23,921	25,440		1,519
Supplies	63,086	80,334	66,000		(14,334)
Textbooks	6,182	2,874	20,000		17,126
Property and equipment	164,002	171,521	166,000		(5,521)
Other	7,172	7,000	8,200		1,200
Student Support Services -					
Certified salaries	900	659	1,500		841
Non-certified salaries	197	-	200		200
Insurance	7,405	8,822	8,500		(322)
Social Security	84	49	145		96
Other employee benefits	90	113	110		(3)
Purchased professional services	1,701	-	1,750		1,750
Other purchased services	155	131	1,000		869
Supplies	164	1,094	250		(844)
Instructional Support -					
Certified salaries	544	724	600		(124)
Non-certified salaries	844	1,296	850		(446)
Insurance	21,867	23,111	25,000		1,889
Social Security	106	154	150		(4)
Other employee benefits	107	128	70		(58)
Books	9,607	9,378	10,500		1,122
Miscellaneous supplies	2,892	793	2,750		1,957
Property and equipment	251	-	250		250
General Administration -					
Certified salaries	5,851	108	2,500		2,392
Insurance	8,732	8,905	9,000		95
Social Security	427	8	550		542
Other employee benefits	58	57	75		18
Purchased professional services	16,574	15,879	17,700		1,821
Other purchased services	14,580	7,486	16,100		8,614
Property and equipment	226	-	500		500
Other	8,418	8,350	9,000		650

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND (cont.)

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2012			
	2011 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures: (cont.)				
School Administration -				
Certified salaries	\$ 7,605	\$ 2,022	\$ 7,000	\$ 4,978
Non-certified salaries	3,381	2,291	3,400	1,109
Insurance	30,671	28,840	31,000	2,160
Social Security	820	313	700	387
Other employee benefits	57	66	75	9
Other purchased services	2,579	1,684	2,300	616
Supplies	3,278	3,958	3,100	(858)
Operations & Maintenance -				
Certified salaries	-	210	-	(210)
Non-certified salaries	31,896	31,192	33,000	1,808
Insurance	30,673	30,236	33,000	2,764
Social Security	2,426	2,386	250	(2,136)
Other employee benefits	1,626	1,760	1,665	(95)
Purchased property services	73,747	104,544	74,700	(29,844)
Other purchased services	202	-	100	100
Supplies	16,074	37,309	37,030	(279)
Motor fuel	1,425	1,496	2,500	1,004
Property and equipment	31,928	30,752	26,500	(4,252)
Student Transportation Services -				
Certified salaries	405	450	410	(40)
Non-certified salaries	-	-	1,000	1,000
Insurance	1,578	2,292	2,500	208
Social Security	29	33	50	17
Other employee benefits	131	170	175	5
Other Student Transportation Services -				
Insurance	2,200	2,320	3,000	680
Other Supplemental Services -				
Certified salaries	3,240	-	3,100	3,100
Non-certified salaries	9,137	7,799	7,200	(599)
Insurance	6,174	5,886	6,500	614
Social Security	928	584	750	166
Other employee benefits	38	42	50	8
Outgoing Transfers -				
Bilingual Education	203,267	116,135	200,000	83,865
Special Education	242,813	-	114,825	114,825
Professional Development	25,895	-	-	-
Summer School	9,133	-	8,000	8,000
Vocational Education	86,403	-	88,000	88,000
At Risk (4 Yr Old)	467	-	-	-
At Risk (K-12)	397,015	616,418	302,620	(313,798)
Legal Supplemental General Fund Budget	1,799,373	1,618,106	1,612,000	(6,106)
Adjustment for Qualifying Budget Credits	-	-	6,106	6,106
Total Expenditures	1,799,373	1,618,106	\$ 1,618,106	\$ -
Receipts Over (Under) Expenditures	(30,757)	30,575		
Unencumbered Cash, Beginning	72,800	42,043		
Unencumbered Cash, Ending	\$ 42,043	\$ 72,618		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

AT RISK (4 YEAR OLD) FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ -	\$ 4,073	\$ 55,000	\$ (50,927)
Transfer from Supplemental General Fund	467	-	-	-
Total Cash Receipts	467	4,073	\$ 55,000	\$ (50,927)
Expenditures:				
Instruction -				
Other employee benefits	189	-	\$ -	\$ -
Purchased professional services	-	-	81,250	81,250
Teaching supplies	171	2,915	3,000	85
Equipment	-	1,158	1,500	342
Total Expenditures	360	4,073	\$ 85,750	\$ 81,677
Receipts Over (Under) Expenditures	107	-		
Unencumbered Cash, Beginning	30,643	30,750		
Unencumbered Cash, Ending	\$ 30,750	\$ 30,750		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

AT RISK (K-12) FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Miscellaneous revenue	\$ 208	\$ -	\$ 1,000	\$ (1,000)
Transfer from General Fund	1,480,577	821,260	1,025,000	(203,740)
Transfer from Supplemental General Fund	397,015	616,418	302,620	313,798
Total Cash Receipts	1,877,800	1,437,678	\$ 1,328,620	\$ 109,058
Expenditures:				
Instruction -				
Certified salaries	1,050,834	1,101,065	\$ 1,143,610	\$ 42,545
Non-certified salaries	5,014	5,639	7,500	1,861
Insurance	152,639	159,716	163,500	3,784
Social security	85,459	84,935	89,500	4,565
Other employee benefits	7,478	15,402	7,600	(7,802)
Purchased professional services	-	894	3,000	2,106
Teaching supplies	22,817	20,027	30,750	10,723
Other	8	-	100,000	100,000
Total Expenditures	1,324,249	1,387,678	\$ 1,545,460	\$ 157,782
Receipts Over (Under) Expenditures	553,551	50,000		
Unencumbered Cash, Beginning	96,449	650,000		
Unencumbered Cash, Ending	\$ 650,000	\$ 700,000		

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

BILINGUAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Favorable</u>
				<u>(Unfavorable)</u>
Cash Receipts:				
Other revenue from local source	\$ 1,525	\$ -	\$ 1,500	\$ (1,500)
Federal Aid	30,715	55,934	30,000	25,934
Transfer from General Fund	-	70,000	-	70,000
Transfer from Supplemental General Fund	203,267	116,135	200,000	(83,865)
	<u>235,507</u>	<u>242,069</u>	<u>\$ 231,500</u>	<u>\$ 10,569</u>
Expenditures:				
Instruction -				
Certified salaries	35,852	43,690	\$ 44,500	\$ 810
Non-certified salaries	140,803	135,139	145,750	10,611
Insurance	28,718	32,278	37,500	5,222
Social Security	13,557	13,666	15,000	1,334
Other employee benefits	986	1,146	1,250	104
Other purchased services	-	-	1,250	1,250
General teaching supplies	411	-	3,500	3,500
Miscellaneous supplies	53	-	36,080	36,080
School Administration -				
Certified salaries	13,601	13,523	13,900	377
Insurance	1,496	1,561	1,650	89
Social Security	1,046	1,041	1,100	59
Other employee benefits	25	25	20	(5)
	<u>236,548</u>	<u>242,069</u>	<u>\$ 301,500</u>	<u>\$ 59,431</u>
Receipts Over (Under) Expenditures	(1,041)	-		
Unencumbered Cash, Beginning	<u>71,041</u>	<u>70,000</u>		
Unencumbered Cash, Ending	<u>\$ 70,000</u>	<u>\$ 70,000</u>		

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

CAPITAL OUTLAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2012</u>			
	<u>2011 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 374	\$ 419	\$ 833	\$ (414)
Current year	16,786	8,609	8,230	379
Delinquent tax	1,216	835	464	371
Motor vehicle tax	4,258	1,669	1,785	(116)
Recreational vehicle tax	64	25	6	19
In lieu of taxes - industrial revenue bonds	47	23	-	23
Interest on idle funds	24,636	21,039	30,000	(8,961)
Miscellaneous income	8,211	7,663	30,000	(22,337)
Transfer from General Fund	163,449	368,367	16,027	352,340
Miscellaneous reimbursements	124,964	166,282	-	166,282
Total Cash Receipts	<u>344,005</u>	<u>574,931</u>	<u>\$ 87,345</u>	<u>\$ 487,586</u>
Expenditures:				
Instruction -				
Property and equipment	12,842	-	\$ 144,000	\$ 144,000
General Administration -				
Property and equipment	41,436	-	4,000	4,000
School Administration -				
Property and equipment	-	-	11,000	11,000
Operations & Maintenance -				
Property and equipment	82,325	102,260	61,000	(41,260)
Facilities Acquisition Services -				
Architectural & engineering services	-	10,665	25,000	14,335
Building additions/services system	-	77,529	103,280	25,751
Repair & remodel building	52,573	150,356	312,000	161,644
Site Improvement	81,835	88,826	90,000	1,174
Legal Capital Outlay Fund Budget	271,011	429,636	750,280	320,644
Adjustment for Qualifying Budget Credits	-	-	166,282	166,282
Total Expenditures	<u>271,011</u>	<u>429,636</u>	<u>\$ 916,562</u>	<u>\$ 486,926</u>
Receipts Over (Under) Expenditures	72,994	145,295		
Unencumbered Cash, Beginning	781,711	854,705		
Unencumbered Cash, Ending	<u>\$ 854,705</u>	<u>\$ 1,000,000</u>		

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

DRIVER TRAINING FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011		2012		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Cash Receipts:					
State aid	\$ 2,220	\$ 3,666	\$ 3,700	\$ (34)	
Miscellaneous income	5,125	4,000	4,500	(500)	
Transfer from General Fund	<u>932</u>	<u>2,850</u>	<u>-</u>	<u>2,850</u>	
 Total Cash Receipts	 <u>8,277</u>	 <u>10,516</u>	 <u>\$ 8,200</u>	 <u>\$ 2,316</u>	
Expenditures:					
Instruction -					
Certified salaries	6,455	8,091	\$ 10,000	\$ 1,909	
Social Security	494	619	750	131	
Other employee benefits	9	19	35	16	
Purchased professional & technical services	8	8	1,025	1,017	
Textbooks	-	-	1,500	1,500	
Miscellaneous supplies	34	33	4,440	4,407	
Other	685	618	5,000	4,382	
Operation and Maintenance -					
Vehicle insurance	299	219	500	281	
Motor fuel	74	781	1,250	469	
Miscellaneous supplies	-	-	200	200	
Other	<u>11</u>	<u>128</u>	<u>1,500</u>	<u>1,372</u>	
 Total Expenditures	 <u>8,069</u>	 <u>10,516</u>	 <u>\$ 26,200</u>	 <u>\$ 15,684</u>	
Receipts Over (Under) Expenditures	208	-			
Unencumbered Cash, Beginning	<u>17,792</u>	<u>18,000</u>			
Unencumbered Cash, Ending	<u>\$ 18,000</u>	<u>\$ 18,000</u>			

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

FOOD SERVICE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Student sales	\$ 70,337	\$ 64,655	\$ 90,970	\$ (26,315)
Adult meals	9,752	9,213	16,250	(7,037)
Ala carte meals	5,518	5,814	-	5,814
State aid	4,651	4,639	4,283	356
Federal aid	316,881	336,859	320,916	15,943
Miscellaneous income	3,894	7,626	10,000	(2,374)
Miscellaneous reimbursements	4,270	6,760	-	6,760
Total Cash Receipts	<u>415,303</u>	<u>435,566</u>	<u>\$ 442,419</u>	<u>\$ (6,853)</u>
Expenditures:				
Food Service Operation -				
Non-certified salaries	111,460	107,992	\$ 137,800	\$ 29,808
Insurance	20,279	20,471	25,500	5,029
Social Security	8,541	8,230	9,000	770
Other employee benefits	3,321	3,281	5,650	2,369
Other purchased services	1,334	1,297	1,250	(47)
Food and milk	213,084	229,442	255,000	25,558
Miscellaneous supplies	16,664	9,665	50,075	40,410
Property and equipment	16,619	31,512	15,000	(16,512)
Other	7,911	22,769	25,000	2,231
Legal Food Service Fund Budget	399,213	434,659	524,275	89,616
Adjustment for Qualifying Budget Credits	-	-	6,760	6,760
Total Expenditures	<u>399,213</u>	<u>434,659</u>	<u>\$ 531,035</u>	<u>\$ 96,376</u>
Receipts Over (Under) Expenditures	16,090	907		
Unencumbered Cash, Beginning	<u>115,541</u>	<u>131,631</u>		
Unencumbered Cash, Ending	<u>\$ 131,631</u>	<u>\$ 132,538</u>		

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Miscellaneous income	\$ 13,160	\$ 11,156	\$ 17,000	\$ (5,844)
Transfer from Supplemental General Fund	25,895	-	-	-
Transfer from General Fund	-	19,629	-	19,629
Miscellaneous reimbursements	2,160	1,035	-	1,035
Total Cash Receipts	41,215	31,820	\$ 17,000	\$ 14,820
Expenditures:				
Instructional Support Staff -				
Certified salaries	14,265	18,254	\$ 32,550	\$ 14,296
Non-certified salaries	278	1,577	1,350	(227)
Social Security	1,484	1,540	2,000	460
Other employee benefits	166	187	205	18
Purchased professional services	1,772	2,055	11,395	9,340
Other purchased services	20,951	8,173	36,150	27,977
Books and periodicals	-	-	1,600	1,600
Miscellaneous supplies	-	34	1,750	1,716
Legal Professional Development Fund Budget	38,916	31,820	87,000	55,180
Adjustment for Qualifying Budget Credits	-	-	1,035	1,035
Total Expenditures	38,916	31,820	\$ 88,035	\$ 56,215
Receipts Over (Under) Expenditures	2,299	-		
Unencumbered Cash, Beginning	67,701	70,000		
Unencumbered Cash, Ending	\$ 70,000	\$ 70,000		

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

PARENT EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Payments from other school districts	\$ 20,951	\$ 21,176	\$ 21,176	\$ -
State aid	57,452	55,879	58,000	(2,121)
Transfer from General Fund	16,748	18,645	16,524	2,121
Miscellaneous reimbursements	-	325	-	325
Total Cash Receipts	95,151	96,025	\$ 95,700	\$ 325
Expenditures:				
Student Support Services -				
Certified salaries	51,800	66,483	\$ 77,300	\$ 10,817
Insurance	17,325	18,691	6,960	(11,731)
Social Security	4,101	5,088	4,000	(1,088)
Other employee benefits	99	121	100	(21)
Other purchased services	7,155	4,559	4,300	(259)
Books and periodicals	328	-	-	-
Miscellaneous supplies	5,126	1,083	2,540	1,457
Property and equipment	9,217	-	500	500
Legal Parent Education Fund Budget	95,151	96,025	95,700	(325)
Adjustment for Qualifying Budget Credits	-	-	325	325
Total Expenditures	95,151	96,025	\$ 96,025	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

RECREATION COMMISSION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

			<u>2012</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>2011 Actual</u>		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:					
Taxes and Shared Revenue:					
Ad valorem property					
Prior year	\$ 3,731	\$ 4,183	\$ 8,325	\$ (4,142)	
Current year	167,722	171,754	164,614	7,140	
Delinquent tax	4,314	4,578	4,636	(58)	
Motor vehicle tax	18,993	16,621	17,888	(1,267)	
Recreational vehicle tax	292	254	60	194	
In lieu of taxes - industrial revenue bonds	473	462	-	462	
Total Cash Receipts	195,525	197,852	<u>\$ 195,523</u>	<u>\$ 2,329</u>	
Expenditures:					
Appropriation to Recreation Commission	<u>204,450</u>	<u>202,000</u>	<u>\$ 202,000</u>	<u>\$ -</u>	
Receipts Over (Under) Expenditures	(8,925)	(4,148)			
Unencumbered Cash, Beginning	<u>15,575</u>	<u>6,650</u>			
Unencumbered Cash, Ending	<u>\$ 6,650</u>	<u>\$ 2,502</u>			

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011		2012		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Cash Receipts:					
Taxes and Shared Revenue:					
Ad valorem property					
Prior year	\$ 746	\$ 836	\$ 1,664	\$ (828)	
Current year	33,538	34,364	32,933	1,431	
Delinquent tax	806	901	927	(26)	
Motor vehicle tax	3,795	3,322	3,571	(249)	
Recreational vehicle tax	58	51	12	39	
In lieu of taxes - industrial revenue bonds	94	94	-	94	
Total Cash Receipts	39,037	39,568	\$ 39,107	\$ 461	
Expenditures:					
Appropriation to Recreation Commission	40,325	40,340	\$ 40,340	\$ -	
Receipts Over (Under) Expenditures	(1,288)	(772)			
Unencumbered Cash, Beginning	2,557	1,269			
Unencumbered Cash, Ending	\$ 1,269	\$ 497			

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

SPECIAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		2012		
	2011 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Transfer from General Fund	\$ 808,214	\$ 1,145,823	\$ 1,314,818	\$ (168,995)
Transfer from Supplemental General Fund	242,813	-	114,825	(114,825)
Total Cash Receipts	1,051,027	1,145,823	\$ 1,429,643	\$ (283,820)
Expenditures:				
Transfers to Special Education Cooperative	1,048,374	1,144,487	\$ 1,325,000	\$ 180,513
Receipts Over (Under) Expenditures	2,653	1,336		
Unencumbered Cash, Beginning	507,347	510,000		
Unencumbered Cash, Ending	\$ 510,000	\$ 511,336		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2012</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>2011 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Payments from other districts	\$ 1,343,602	\$ 1,487,533	\$ 1,501,337	\$ (13,804)
Federal aid	437,547	430,352	422,042	8,310
Federal aid - ARRA	211,003	-	-	-
Miscellaneous income	1,901	251	46,000	(45,749)
Medicaid reimbursement	136,419	126,146	90,000	36,146
Transfer from Special Education Fund	1,048,374	1,144,487	1,282,483	(137,996)
Miscellaneous reimbursements	20,834	7,342	2,000	5,342
Total Cash Receipts	<u>3,199,680</u>	<u>3,196,111</u>	<u>\$ 3,343,862</u>	<u>\$ (147,751)</u>
Expenditures:				
Instruction -				
Certified salaries	957,413	922,504	\$ 1,257,442	\$ 334,938
Certified salaries - ARRA	8,528	-	-	-
Non-certified salaries	801,023	908,547	865,500	(43,047)
Insurance	310,580	307,795	318,000	10,205
Social Security	135,722	140,687	143,000	2,313
Other employee benefits	15,149	17,734	31,700	13,966
Purchased professional services	52,938	11,474	65,000	53,526
Other purchased services	17,435	16,356	33,000	16,644
General teaching supplies	9,522	14,200	13,000	(1,200)
Textbooks	-	-	700	700
Miscellaneous supplies	-	-	2,000	2,000
Property and equipment	15,842	7,436	22,000	14,564
Student Support Services -				
Certified salaries	335,291	373,729	416,000	42,271
Insurance	49,853	54,976	56,700	1,724
Social Security	26,514	29,227	31,500	2,273
Other employee benefits	2,499	2,966	3,400	434
Purchased professional services	59,011	81,283	63,500	(17,783)
Supplies	3,266	8,381	6,300	(2,081)
Special Area Administrative Services -				
Certified salaries	102,388	102,613	107,500	4,887
Non-certified salaries	39,285	38,576	50,000	11,424

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND (cont.)

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures: (cont.)				
Special Area Administrative Services -				
Insurance	\$ 16,269	\$ 15,362	\$ 22,000	\$ 6,638
Social Security	11,053	10,834	13,000	2,166
Other employee benefits	2,443	1,574	5,000	3,426
Purchased professional services	2,750	3,000	3,500	500
Other purchased services	6,095	4,128	7,000	2,872
Supplies	457	430	1,000	570
Operations and Maintenance -				
Other employee benefits	-	563	500	(63)
Repairs and maintenance	525	494	5,500	5,006
Other purchased services	230	169	-	(169)
Student Transportation Services -				
Supervision -				
Non-certified salaries	9,828	3,705	11,000	7,295
Insurance	2,609	472	2,800	2,328
Social Security	763	272	1,000	728
Other employee benefits	453	570	700	130
Vehicle Operating Services -				
Insurance	647	657	1,500	843
Motor fuel	3,878	4,210	8,000	3,790
Vehicle Services and Maintenance Services -				
Other purchased services	27,678	40,544	27,500	(13,044)
Legal Special Cooperative Fund Budget	3,027,937	3,125,468	3,596,242	470,774
Adjustment for Qualifying Budget Credits	-	-	7,342	7,342
Total Expenditures	3,027,937	3,125,468	\$ 3,603,584	\$ 478,116
Receipts Over (Under) Expenditures	171,743	70,643		
Unencumbered Cash, Beginning	987,062	1,158,805		
Unencumbered Cash, Ending	\$ 1,158,805	\$ 1,229,448		

**Unified School District Number 405
Lyons, Kansas**

SPECIAL REVENUE FUND

SUMMER SCHOOL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2012			Variance Favorable (Unfavorable)
	2011 Actual	Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ -	\$ 8,572	\$ -	\$ 8,572
Transfer from Supplemental General Fund	9,133	-	8,000	(8,000)
	9,133	8,572	\$ 8,000	\$ 572
Total Cash Receipts				
Expenditures:				
Instruction -				
Certified salaries	-	-	\$ 5,250	\$ 5,250
Non-certified salaries	-	-	2,500	2,500
Supplies	-	16	6,575	6,559
School Administration -				
Certified salaries	6,945	6,976	8,500	1,524
Non-certified salaries	1,528	977	2,500	1,523
Social Security	627	588	650	62
Other employee benefits	15	15	25	10
	9,115	8,572	\$ 26,000	\$ 17,428
Total Expenditures				
Receipts Over (Under) Expenditures	18	-		
Unencumbered Cash, Beginning	17,982	18,000		
Unencumbered Cash, Ending	\$ 18,000	\$ 18,000		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

TECHNOLOGY REVOLVING FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Rental fees and books	\$ 19,080	\$ 19,455
Expenditures:		
Instruction - Supplies	<u>20,977</u>	<u>2,850</u>
Receipts Over (Under) Expenditures	(1,897)	16,605
Unencumbered Cash, Beginning	<u>35,365</u>	<u>33,468</u>
Unencumbered Cash, Ending	<u>\$ 33,468</u>	<u>\$ 50,073</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

VOCATIONAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 60,000	\$ 98,196	\$ 87,526	\$ 10,670
Transfer from Supplemental General Fund	86,403	-	88,000	(88,000)
Total Cash Receipts	146,403	98,196	\$ 175,526	\$ (77,330)
Expenditures:				
Instruction -				
Certified salaries	105,615	69,540	\$ 144,250	\$ 74,710
Insurance	10,956	9,328	13,200	3,872
Social Security	8,109	5,346	11,000	5,654
Other employee benefits	720	332	2,980	2,648
Teaching supplies	171	-	5,250	5,250
Textbooks	-	-	1,500	1,500
Property and equipment	-	-	4,500	4,500
Other	-	-	12,500	12,500
School Administration -				
Administrative Salaries	11,036	11,107	12,700	1,593
Insurance	1,670	1,667	2,000	333
Social Security	846	856	985	129
Other employee benefits	20	20	20	-
Total Expenditures	139,143	98,196	\$ 210,885	\$ 112,689
Receipts Over (Under) Expenditures	7,260	-		
Unencumbered Cash, Beginning	167,740	175,000		
Unencumbered Cash, Ending	\$ 175,000	\$ 175,000		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

VIRTUAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ -	\$ -	\$ 50,000	\$ (50,000)
Expenditures:				
Instruction -				
Certified salaries	-	150	\$ 45,000	\$ 44,850
Social Security	-	10	525	515
Other employee benefits	-	-	25	25
Supplies	-	-	11,077	11,077
Total Expenditures	-	160	\$ 56,627	\$ 56,467
Receipts Over (Under) Expenditures	-	(160)		
Unencumbered Cash, Beginning	6,627	6,627		
Unencumbered Cash, Ending	\$ 6,627	\$ 6,467		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State Sources - KPERS	\$ 718,204	\$ 755,384	\$ 857,351	\$ (101,967)
Expenditures:				
Employee Benefits -				
Instruction	293,304	490,999	\$ 557,278	\$ 66,279
Student Support	31,587	52,877	60,015	7,138
Instructional Support	18,049	30,215	34,293	4,078
General Administration	22,562	37,769	42,868	5,099
School Administration	27,074	45,323	51,441	6,118
Other Supplemental Services	9,025	15,108	17,148	2,040
Operations & Maintenance	27,074	45,323	51,441	6,118
Student Transportation Services	9,025	15,108	17,147	2,039
Food Service	13,537	22,662	25,720	3,058
Total Expenditures	451,237	755,384	\$ 857,351	\$ 101,967
Receipts Over (Under) Expenditures	266,967	-		
Unencumbered Cash, Beginning	(266,967)	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

CARL PERKINS CONSORTIUM FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Federal aid	\$ 3,500	\$ 3,664
Expenditures:		
Instruction -		
Certified salaries	-	402
Social Security	-	1
Staff travel	1,539	1,261
Property and equipment	1,961	2,000
Total Expenditures	<u>3,500</u>	<u>3,664</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

CONTINGENCY RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>626,753</u>	<u>626,753</u>
Unencumbered Cash, Ending	<u>\$ 626,753</u>	<u>\$ 626,753</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

TITLE I FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 227,588	\$ 216,209
Federal aid - ARRA	<u>77,427</u>	<u>-</u>
Total Receipts	<u>305,015</u>	<u>216,209</u>
Expenditures:		
Instruction -		
Certified salaries	189,316	155,536
Certified salaries - ARRA	48,559	-
Other employee benefits	37,756	32,673
Other employee benefits - ARRA	815	-
Purchased professional services	-	3,821
Purchased professional services - ARRA	3,905	-
Purchased property services	-	2,223
Supplies	-	21,456
Property and Equipment ARRA	23,969	-
Other	516	500
Other - ARRA	<u>179</u>	<u>-</u>
Total Expenditures	<u>305,015</u>	<u>216,209</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

TITLE II-A TEACHER QUALITY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Federal aid	\$ 40,555	\$ 35,650
Miscellaneous reimbursements	152	-
	<u>40,707</u>	<u>35,650</u>
Total Receipts		
Expenditures:		
Instruction -		
Salaries	5,377	722
Purchased professional services	32,829	32,074
Purchased property services	-	2,750
Supplies	2,501	104
	<u>40,707</u>	<u>35,650</u>
Total Expenditures		
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

TITLE VI-B DISCRETIONARY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Federal aid	\$ 22,084	\$ 22,084
Miscellaneous reimbursement	461	-
	<u>22,545</u>	<u>22,084</u>
Total Receipts		
Expenditures:		
Instruction -		
Certified salaries	13,084	12,784
Purchased professional services	1,248	5,871
Teaching supplies	3,713	2,217
Property and equipment	2,500	-
Other	2,000	1,212
	<u>22,545</u>	<u>22,084</u>
Total Expenditures		
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

TITLE II-D EDUCATION TECHNOLOGY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 770	\$ -
Federal aid - ARRA	<u>2,605</u>	<u>-</u>
Total Receipts	<u>3,375</u>	<u>-</u>
Expenditures:		
Instruction -		
Purchased professional services - ARRA	2,605	-
Other purchased services	<u>770</u>	<u>-</u>
Total Expenditures	<u>3,375</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 405
Lyons, Kansas

SPECIAL REVENUE FUND

OTHER FEDERAL FUNDS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Federal aid	\$ 19,253	\$ 17,188
Expenditures:		
Instruction -		
Purchased professional and technical services	1,250	-
Other tuitions	-	7,444
Supplies	<u>18,003</u>	<u>9,744</u>
Total Expenditures	<u>19,253</u>	<u>17,188</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

GIFTS AND GRANTS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Contributions	\$ -	\$ 56,525
Miscellaneous reimbursements	<u>11,715</u>	<u>12,134</u>
Total Receipts	11,715	68,659
Expenditures:		
Instruction - Supplies	<u>8,328</u>	<u>63,442</u>
Receipts Over (Under) Expenditures	3,387	5,217
Unencumbered Cash, Beginning	<u>2,452</u>	<u>5,839</u>
Unencumbered Cash, Ending	<u>\$ 5,839</u>	<u>\$ 11,056</u>

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

FATHERHOOD GRANT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Grant	\$ 62,500	\$ -
Miscellaneous reimbursements	<u>275</u>	<u>-</u>
Total Cash Receipts	<u>62,775</u>	<u>-</u>
Expenditures:		
Student Support Services		
Certified salaries	24,588	-
Insurance	3,400	-
Social Security	1,448	-
Other employee benefits	35	-
Other purchased services	2,735	-
Supplies	21,237	-
Other	<u>17,784</u>	<u>-</u>
Total Expenditures	<u>71,227</u>	<u>-</u>
Receipts Over (Under) Expenditures	(8,452)	-
Unencumbered Cash, Beginning	<u>8,452</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 405
Lyons, Kansas

DEBT SERVICE FUND

BOND AND INTEREST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 5,222	\$ 5,866	\$ 11,676	\$ (5,810)
Current year	235,199	249,982	239,588	10,394
Delinquent tax	6,316	6,512	6,500	12
Motor vehicle tax	26,575	23,270	25,049	(1,779)
Recreational vehicle tax	409	355	84	271
In lieu of taxes - industrial revenue bonds	663	673	-	673
State aid	163,043	156,874	165,874	(9,000)
Total Cash Receipts	<u>437,427</u>	<u>443,532</u>	<u>\$ 448,771</u>	<u>\$ (5,239)</u>
Expenditures:				
Interest	154,060	143,985	\$ 144,085	\$ 100
Principal	<u>275,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Total Expenditures	<u>429,060</u>	<u>423,985</u>	<u>\$ 424,085</u>	<u>\$ 100</u>
Receipts Over (Under) Expenditures	8,367	19,547		
Unencumbered Cash, Beginning	<u>282,673</u>	<u>291,040</u>		
Unencumbered Cash, Ending	<u>\$ 291,040</u>	<u>\$ 310,587</u>		

Unified School District Number 405
Lyons, Kansas

PRIVATE PURPOSE TRUST FUNDS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012

	<u>John Lawrence</u>	<u>Needy Children</u>	<u>Total (Memo Only)</u>
Cash Receipts:			
Contributions	\$ -	\$ 850	\$ 850
Interest	<u>1</u>	<u>-</u>	<u>1</u>
Total Cash Receipts	1	850	851
Expenditures:			
Other	<u>-</u>	<u>1,043</u>	<u>1,043</u>
Receipts Over (Under) Expenditures	1	(193)	(192)
Unencumbered Cash, Beginning	<u>825</u>	<u>3,555</u>	<u>4,380</u>
Unencumbered Cash, Ending	<u>\$ 826</u>	<u>\$ 3,362</u>	<u>\$ 4,188</u>

Unified School District Number 405
Lyons, Kansas

AGENCY FUNDS

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended June 30, 2012

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Health Insurance	\$ 52,174	\$ 3,045	\$ -	\$ 55,219
High School Activity Fund Sales Tax	<u>550</u>	<u>7,364</u>	<u>7,656</u>	<u>258</u>
Total Agency Funds	<u>\$ 52,724</u>	<u>\$ 10,409</u>	<u>\$ 7,656</u>	<u>\$ 55,477</u>

**Unified School District Number 405
Lyons, Kansas**

STUDENT ORGANIZATION FUNDS

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended June 30, 2012

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Middle School -				
Builders Club	\$ 1,293	\$ 1,493	\$ 1,516	\$ 1,270
Cheerleaders	28	1,370	1,199	199
DFYIT	186	-	-	186
FACS	58	-	17	41
Scholar's Bowl	205	250	282	173
Student Council	938	174	758	354
High School -				
Art Club	80	-	-	80
Class of 2010	204	-	204	-
Class of 2011	288	-	288	-
Class of 2012	435	1,955	2,390	-
Class of 2013	1,385	3,536	4,915	6
Class of 2014	386	987	48	1,325
Class of 2015	-	1,003	276	727
Family Career & Community	617	2,401	2,446	572
Foreign Language Club	219	250	195	274
Letterman Club	1,831	424	-	2,255
National Honor Society Club	939	448	308	1,079
ROTC Student	-	8,135	7,437	698
Scholar's Bowl	158	380	253	285
Student Council	904	4,905	4,512	1,297
	<u>904</u>	<u>4,905</u>	<u>4,512</u>	<u>1,297</u>
Total Student Organization Funds	<u>\$ 10,154</u>	<u>\$ 27,711</u>	<u>\$ 27,044</u>	<u>\$ 10,821</u>

**Unified School District Number 405
Lyons, Kansas**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2012

GATE RECEIPTS FUNDS

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Middle School - Athletics	\$ 795	\$ 11,323	\$ 11,462	\$ 656	\$ -	\$ 656
High School - Athletics	-	98,715	98,715	-	2,043	2,043
Total Gate Receipts	<u>\$ 795</u>	<u>\$ 110,038</u>	<u>\$ 110,177</u>	<u>\$ 656</u>	<u>\$ 2,043</u>	<u>\$ 2,699</u>

SCHOOL PROJECT FUNDS

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Central Elementary School - Student Project	\$ 1,458	\$ 2,274	\$ 2,603	\$ 1,129	\$ -	\$ 1,129
Park Elementary School - Student Project	5,892	10,042	9,336	6,598	-	6,598
Middle School - Library	18	557	457	118	-	118
Student Assistance	1,459	2,575	2,418	1,616	-	1,616
Yearbook	2,632	2,954	4,216	1,370	-	1,370
High School - AFROTC Reimbursable	-	1,884	1,884	-	-	-
Band Trip	5,770	41,495	44,415	2,850	-	2,850
Baseball Student Projects	-	5,885	5,771	114	-	114
Boys Basketball Uniforms	2,047	2,871	3,482	1,436	-	1,436
Boys Golf	10	-	-	10	-	10
Cheerleader Uniforms	1,555	5,270	6,505	320	240	560
Cross Country	11	-	10	1	-	1
Football	-	398	15	383	-	383
Girls Basketball Student Project	149	3,538	3,560	127	-	127
National Forensics	950	2,362	2,593	719	-	719
Photography	221	94	142	173	-	173
Science/Sci. Olympiad	198	150	142	206	-	206
Softball Student Project	653	2,259	1,472	1,440	-	1,440
Special Education Student Projects	995	717	623	1,089	-	1,089
Special Olympics	400	-	400	-	-	-
Track Student Project	249	374	375	248	-	248
Video Production	780	453	192	1,041	-	1,041
Vocal Music	4,178	3,167	1,505	5,840	-	5,840
Volleyball Student Projects	451	-	50	401	-	401
Wrestling Student Project	425	313	458	280	-	280
Yearbook	1,819	11,822	12,812	829	-	829
Total School Projects	<u>\$ 32,320</u>	<u>\$ 101,454</u>	<u>\$ 105,436</u>	<u>\$ 28,338</u>	<u>\$ 240</u>	<u>\$ 28,578</u>

**Unified School District Number 405
Lyons, Kansas**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

<u>Pass-Through Grantor/ Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education			
School Breakfast Program	10.553	DO405	\$ 63,282
National School Lunch Program	10.555	DO405	252,083
Summer Reimbursement	10.559	DO405	9,579
Child and Adult Care Food Program	10.558	DO405	6,049
Fresh Fruit and Vegetable Program	10.582	DO405	<u>5,866</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>336,859</u>
<u>U.S. Department of Education</u>			
Passed through Kansas Department of Education			
Title I Grants to Local Educational Agencies	84.010	DO405	216,209
Title II-A - Improving Teacher Quality	84.367	DO405	35,650
Title III, Part A English Language Acquisition	84.365	DO405	17,188
Special Education - Grants to States - IDEA Part B	84.027	DO405	406,186
Special Education - Discretionary Spending Projects	84.027	DO405	22,084
Special Education - Preschool Grants	84.173	DO405	24,166
Education Jobs Fund	84.410	DO405	2,789
Passed through ESSDACK			
Title I, Part C - Carl Perkins Vocational Education	84.048	DO405	3,664
Passed through Northwest Kansas Education Service Center			
Migrant Education	84.011	DO405	55,935
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>783,871</u>
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,120,730</u>

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District Number 405 Lyons, Kansas, and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule.

**UNIFIED SCHOOL DISTRICT NUMBER 405
LYONS, KANSAS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2012**

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. DEPARTMENT OF EDUCATION

Education Jobs Fund – CFDA Number 84.410

NONE

Special Education Cluster CFDA Number 84.027, 84.173, 84.391 & 84.392

NONE

Title I, Part A Cluster CFDA Number 84.010 & 84.389

NONE

UNIFIED SCHOOL DISTRICT NUMBER 405
LYONS, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statement of Unified School District Number 405.
2. Significant deficiencies relating to the audit of the financial statement 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 statement of Unified School District Number 405, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs expressed an unqualified opinion.
6. There were 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
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Unified School District Number 405 was a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

Number 12-01 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 12-02 Financial Statement Reporting

Condition: Our firm has been asked to prepare the financial statement 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 statement.

Criteria: The District prepares its financial statement 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 statement 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 statement and other supplemental information.

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

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

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

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster CFDA Number 84.027, 84.173

NONE

Title I, Part A Cluster CFDA Number 84.010

NONE