

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

Year Ended June 30, 2012

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LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

Year Ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Lyndon Unified School District No. 421

We have audited the accompanying financial statements of Lyndon Unified School District No. 421, Lyndon, Kansas, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of Lyndon Unified School District No. 421, Lyndon, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 2, Lyndon Unified School District No. 421, Lyndon, Kansas, has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Lyndon Unified School District No. 421, Lyndon, Kansas, as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Lyndon Unified School District No. 421, Lyndon, Kansas, as of June 30, 2012 and its cash receipts and expenditures and budgetary comparisons for the year then ended, on the basis of accounting described in Note 2.

The schedules and supplementary information listed in the table of contents have been subjected to the auditing procedures applied in the audit of the financial statements referred to above and, in our opinion, such supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Goff & Berry".

May 29, 2013

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSASSUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add:	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental type funds:							
General funds:							
General	\$ (231,687)	\$ -	\$ 3,361,714	\$ 3,291,714	\$ (161,687)	\$ 1,981	\$ (159,706)
Supplemental general (local option)	(1,775)	-	811,521	817,527	(7,781)	35,234	27,453
Special revenue funds:							
At risk	-	-	158,004	158,004	-	-	-
Capital outlay	1,328,119	-	84,949	106,693	1,306,375	65,064	1,371,439
Driver training	14,589	-	22,042	18,630	18,001	-	18,001
Extraordinary school program	20,289	-	21,839	19,764	22,364	280	22,644
Food service	51,394	-	207,670	208,876	50,188	5,250	55,438
Professional development	7,125	-	4,772	4,353	7,544	-	7,544
Summer school	2,980	-	3,015	2,995	3,000	-	3,000
Special education	235,043	-	581,857	681,037	135,863	120,005	255,868
Vocational education	-	-	48,985	48,985	-	-	-
KPERS contribution	-	-	250,307	250,307	-	-	-
Contingency reserve	82,767	-	-	-	82,767	-	82,767
Federal grants	8,954	-	56,816	60,522	5,248	766	6,014
Recreation commission	-	-	46,537	46,537	-	-	-
Other federal grants	(38,330)	-	41,139	25,168	(22,359)	3,274	(19,085)
Textbook and student material revolving	293	-	15,444	8,197	7,540	5,505	13,045
District activity	3,739	-	42,555	38,488	7,806	-	7,806
Fiduciary type funds:							
Expendable trusts:							
Other grants	1,525	-	-	1,065	460	-	460
Building activity	5,415	-	36,678	35,443	6,650	-	6,650
Needy children	1,031	-	-	-	1,031	-	1,031
Endowment	1,544	-	3,119	1,300	3,363	-	3,363
World War II Memorial Trips	11,897	-	14,785	25,756	926	-	926
	\$ 1,504,912	\$ -	\$ 5,813,748	\$ 5,851,361	\$ 1,467,299	\$ 237,359	\$ 1,704,658

(Continued)

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

Composition of cash:

Lyndon State Bank, Lyndon, Kansas:

Insured money market account

\$ 287,011

General account

1,880,078

2,167,089

Add: deposits in transit

-

Less: outstanding warrants

474,883

\$ 1,692,206

Activity fund account

54,191

Add: deposit in transit

-

Less: outstanding warrants

2,181

52,010

Petty cash

4,646

Add: deposit in transit

-

Less: outstanding warrants

-

4,646

Total cash

1,748,862

Agency funds per Statement 4

(44,204)

\$ 1,704,658

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(BUDGETED FUNDS ONLY)
For the Year Ended June 30, 2012

Funds	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 fund types:						
General funds:						
General	\$ 3,306,366	\$ (12,852)	\$ -	\$ 3,293,514	\$ 3,291,714	\$ 1,800
Supplemental general (local option)	800,000	-	-	800,000	817,527	(17,527)
Special revenue funds:						
At risk	158,004	-	-	158,004	158,004	-
Capital outlay	1,333,001	-	-	1,333,001	106,693	1,226,308
Driver training	24,178	-	-	24,178	18,630	5,548
Extraordinary school program	39,408	-	-	39,408	19,764	19,644
Food service	240,984	-	-	240,984	208,876	32,108
Professional development	7,125	-	-	7,125	4,353	2,772
Summer school	5,480	-	-	5,480	2,995	2,485
Special education	858,469	-	-	858,469	681,037	177,432
Vocational education	35,000	-	-	35,000	48,985	(13,985)
KPERS contribution	303,387	-	-	303,387	250,307	53,080
Federal grants	62,242	-	-	62,242	60,522	1,720
Recreation commission	40,182	-	-	40,182	46,537	(6,355)

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>GENERAL FUND</u>			
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 344,683	\$ 320,248	\$ 24,435
Delinquent tax	9,585	7,120	2,465
General state aid	2,498,929	2,455,571	43,358
Special education aid	507,012	523,427	(16,415)
ARRA stabilization funds	-	-	-
Other federal funds	<u>1,505</u>	<u>-</u>	<u>1,505</u>
Total cash receipts	<u>3,361,714</u>	<u>\$ 3,306,366</u>	<u>\$ 55,348</u>
Expenditures and transfers subject to legal maximum budget:			
Instruction	1,727,339	\$ 1,840,700	\$ 113,361
Support services:			
Student support service	48,239	61,500	13,261
Instruction support	74,075	72,700	(1,375)
General administration	328,719	272,800	(55,919)
School administration	229,586	232,000	2,414
Operations and maintenance	10,722	-	(10,722)
Student activities	-	-	-
Transportation	145,970	127,735	(18,235)
Transfers	727,064	698,931	(28,133)
Adjustment to legal maximum budget	<u>-</u>	<u>(12,852)</u>	<u>(12,852)</u>
Total expenditures subject to legal maximum budget	<u>3,291,714</u>	<u>\$ 3,293,514</u>	<u>\$ 1,800</u>
Total cash receipts over (under) expenditures	70,000		
Unencumbered cash, July 1	<u>(231,687)</u>		
Unencumbered cash, June 30	<u>\$ (161,687)</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>SUPPLEMENTAL GENERAL</u> <u>(LOCAL OPTION)</u>			
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 375,197	\$ 344,653	\$ 30,544
Delinquent tax	8,390	6,506	1,884
Motor vehicle tax	38,509	46,204	(7,695)
Recreational vehicle tax	1,491	1,769	(278)
Supplemental state aid	<u>387,934</u>	<u>378,746</u>	<u>9,188</u>
Total cash receipts	<u>811,521</u>	<u>\$ 777,878</u>	<u>\$ 33,643</u>
Expenditures:			
Instruction:			
Salaries	127,773	\$ 125,000	\$ (2,773)
Employee benefits	-	9,000	9,000
Purchased property services	36,812	9,150	(27,662)
Teaching supplies	14,270	20,000	5,730
Textbooks	-	-	-
Purchased professional services	28,350	-	(28,350)
Supplies (technology related)	6,104	4,000	(2,104)
Miscellaneous supplies	7,142	10,000	2,858
Activities	33,101	30,000	(3,101)
Property (equipment and furnishings)	3,078	500	(2,578)
Student support services:			
Purchased services other	90	1,500	1,410
Supplies	100	-	(100)
Other	-	-	-
Instruction support staff:			
Purchased services - other	5,077	-	(5,077)
Technology supplies	-	-	-
Miscellaneous supplies	1,872	3,000	1,128
Equipment	-	-	-
Other	5	500	495
General administration:			
Salaries	-	32,350	32,350
Other	-	-	-
School administration:			
Property	-	-	-
Other	1,618	-	(1,618)
Transfers:			
Driver training	18,000	7,000	(11,000)
Extraordinary school program	6,000	7,000	1,000
Food service	26,000	10,000	(16,000)
Vocational education	39,194	25,000	(14,194)
Special education	<u>70,014</u>	<u>100,000</u>	<u>29,986</u>
Expenditures - forward	<u>\$ 424,600</u>	<u>\$ 394,000</u>	<u>\$ (30,600)</u>

(Continued)

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
(Continued)
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
SUPPLEMENTAL GENERAL (LOCAL OPTION) (Continued)			
Total cash receipts - forward	\$ 811,521	\$ 777,828	\$ 33,643
Expenditures - forward	424,600	\$ 394,000	\$ (30,600)
Operations and maintenance:			
Salaries	134,702	141,000	6,298
Employee benefits	61,129	45,000	(16,129)
Heating	17,957	30,000	12,043
Electricity	84,300	80,000	(4,300)
Water/sewer	16,220	17,000	780
Cleaning	18,484	22,000	3,516
Repairs and maintenance	33,897	3,000	(30,897)
Other	-	2,000	2,000
Purchased services - other	5,061	2,000	(3,061)
Supplies	17,425	10,000	(7,425)
Property	3,702	-	(3,702)
Other	50	35,000	34,950
Operations and maintenance - transportation:			
Equipment	-	-	-
Vehicle services and maintenance:			
Equipment	-	2,000	2,000
Motor fuel	-	17,000	17,000
Total expenditures	<u>817,527</u>	<u>\$ 800,000</u>	<u>\$ (17,527)</u>
Total cash receipts over (under) expenditures	(6,006)		
Unencumbered cash, July 1	<u>(1,775)</u>		
Unencumbered cash, June 30	<u>\$ (7,781)</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>AT RISK FUND</u>			
Cash receipts:			
Transfers from general fund	\$ 158,004	\$ 158,004	\$ -
Other sources	<u>-</u>	<u>-</u>	<u>-</u>
Total cash receipts	<u>158,004</u>	<u>\$ 158,004</u>	<u>\$ -</u>
Expenditures:			
Instruction:			
Salaries	149,881	\$ 147,100	\$ (2,781)
Employee benefits	8,123	10,904	2,781
Supplies	-	-	-
Other	-	-	-
Support services:			
Supplies	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>158,004</u>	<u>\$ 158,004</u>	<u>\$ -</u>
Total cash receipts over (under) expenditures	-		
Unencumbered cash, July 1	<u>-</u>		
Unencumbered cash, June 30	<u>\$ -</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>CAPITAL OUTLAY FUND</u>			
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 171	\$ 28	\$ 143
Delinquent tax	897	7	890
Interest on idle funds	2,644	-	2,644
Motor vehicle tax	4,453	4,960	(507)
Recreational vehicle tax	179	190	(11)
Federal flood control	9,465	-	9,465
Transfers from general fund	44,470	-	44,470
Other	22,670	-	22,670
State aid	-	-	-
Total cash receipts	<u>84,949</u>	<u>\$ 5,185</u>	<u>\$ 79,764</u>
Expenditures:			
Instruction:			
Property	954	\$ -	\$ (954)
Operations and maintenance:			
Property	1,069	-	(1,069)
Transportation:			
Property	-	85,000	85,000
Building improvements:			
Outside contractors	3,500	15,000	11,500
Other	58,393	1,233,001	1,174,608
General administration:			
Property	744	-	(744)
Technology:			
Property	<u>42,033</u>	<u>-</u>	<u>(42,033)</u>
Total expenditures	<u>106,693</u>	<u>\$ 1,333,001</u>	<u>\$ 1,226,308</u>
Total cash receipts over (under) expenditures	(21,744)		
Unencumbered cash, July 1	<u>1,328,119</u>		
Unencumbered cash, June 30	<u>\$ 1,306,375</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>DRIVER TRAINING FUND</u>			
Cash receipts:			
State aid	\$ 4,042	\$ 2,590	\$ 1,452
Transfer from supplemental general	<u>18,000</u>	<u>7,000</u>	<u>11,000</u>
Total cash receipts	<u>22,042</u>	<u>\$ 9,590</u>	<u>\$ 12,452</u>
Expenditures:			
Salaries	16,388	\$ 14,500	\$ (1,888)
Employee benefits	1,275	1,109	(166)
Professional services	-	100	100
Equipment	60	-	(60)
Teaching supplies and other	-	3,500	3,500
Other	-	169	169
Fuel and other	<u>907</u>	<u>4,800</u>	<u>3,893</u>
Total expenditures	<u>18,630</u>	<u>\$ 24,178</u>	<u>\$ 5,548</u>
Total cash receipts over (under) expenditures	3,412		
Unencumbered cash, July 1	<u>14,589</u>		
Unencumbered cash, June 30	<u>\$ 18,001</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>EXTRAORDINARY SCHOOL PROGRAM FUND</u>			
Cash receipts:			
After school fees	\$ 14,849	\$ 12,000	\$ 2,849
Other	990	250	740
Transfer from general fund	-	7,000	(7,000)
Transfer from supplemental general	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total cash receipts	<u>21,839</u>	<u>\$ 19,250</u>	<u>\$ 2,589</u>
Expenditures:			
Instruction:			
Salaries	16,508	\$ 22,500	\$ 5,992
Employee benefits	1,218	1,721	503
Purchased professional and technical services	50	300	250
Supplies	1,708	4,500	2,792
Property	-	2,500	2,500
Other	280	2,500	2,220
Other supplemental service:			
Other	<u>-</u>	<u>5,387</u>	<u>5,387</u>
Total expenditures	<u>19,764</u>	<u>\$ 39,408</u>	<u>\$ 19,644</u>
Total cash receipts over (under) expenditures	2,075		
Unencumbered cash, July 1	<u>20,289</u>		
Unencumbered cash, June 30	<u>\$ 22,364</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>FOOD SERVICE FUND</u>			
Cash receipts:			
Federal aid	\$ 73,845	\$ 80,675	\$ (6,830)
State aid	2,374	2,001	373
Lunches and milk	105,011	91,917	13,094
Transfers from general fund	-	5,000	(5,000)
Transfers from supplemental general	26,000	10,000	16,000
Miscellaneous	<u>440</u>	<u>-</u>	<u>440</u>
Total cash receipts	<u>207,670</u>	<u>\$ 189,593</u>	<u>\$ 18,077</u>
Expenditures:			
Operations and maintenance:			
Salaries	9,602	\$ 17,000	\$ 7,398
Employee benefits	659	1,377	718
Other purchased services	-	305	305
Property	-	250	250
Food service operations:			
Salaries	47,548	55,000	7,452
Employee benefits	3,561	29,902	26,341
Other purchased services	-	-	-
Food and milk	131,365	130,000	(1,365)
Miscellaneous supplies	2,265	650	(1,615)
Equipment	13,215	3,000	(10,215)
Other	<u>661</u>	<u>3,500</u>	<u>2,839</u>
Total expenditures	<u>208,876</u>	<u>\$ 240,984</u>	<u>\$ 32,108</u>
Total cash receipts over (under) expenditures	(1,206)		
Unencumbered cash, July 1	<u>51,394</u>		
Unencumbered cash, June 30	<u>\$ 50,188</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>PROFESSIONAL DEVELOPMENT FUND</u>			
Cash receipts:			
State aid	\$ -	\$ -	\$ -
Transfers from general fund	<u>4,772</u>	<u>-</u>	<u>4,772</u>
Total cash receipts	<u>4,772</u>	<u>\$ -</u>	<u>\$ 4,772</u>
Expenditures:			
Support services:			
Salaries - clerical	-	\$ -	\$ -
Employee benefits - other	-	-	-
Purchased professional and technical services	-	1,500	1,500
Purchased property services	-	-	-
Other purchased services	1,317	1,300	(17)
Supplies	-	-	-
Other	<u>3,036</u>	<u>4,325</u>	<u>1,289</u>
Total expenditures	<u>4,353</u>	<u>\$ 7,125</u>	<u>\$ 2,772</u>
Total cash receipts over (under) expenditures	419		
Unencumbered cash, July 1	<u>7,125</u>		
Unencumbered cash, June 30	<u>\$ 7,544</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>SUMMER SCHOOL FUND</u>			
Cash receipts:			
Transfer from general fund	\$ <u>3,015</u>	\$ <u>2,500</u>	\$ <u>515</u>
Expenditures:			
Salaries	2,686	\$ 3,840	\$ 1,154
Employee benefits	294	294	-
Supplies - other	<u>15</u>	<u>1,346</u>	<u>1,331</u>
Total expenditures	<u>2,995</u>	\$ <u>5,480</u>	\$ <u>2,485</u>
Total cash receipts over (under) expenditures	20		
Unencumbered cash, July 1	<u>2,980</u>		
Unencumbered cash, June 30	\$ <u>3,000</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>SPECIAL EDUCATION FUND</u>			
Cash receipts:			
Other revenue (1)	\$ 4,831	\$ -	\$ 4,831
Transfers from general fund	507,012	523,427	(16,415)
Transfers from supplemental general (local option)	<u>70,014</u>	<u>100,000</u>	<u>(29,986)</u>
Total cash receipts	<u>581,857</u>	<u>\$ 623,427</u>	<u>\$ (41,570)</u>
Expenditures:			
Instruction:			
Payments to special education co-op - assessments	171,700	\$ 192,650	\$ 20,950
Payments to special education co-op flow through	507,012	523,427	16,415
Other	-	113,275	113,275
Other purchased services	-	25,000	25,000
Vehicle operating services:			
Salaries	2,160	3,360	1,200
Employee benefits	165	257	92
Mileage in lieu	<u>-</u>	<u>500</u>	<u>500</u>
Total expenditures	<u>681,037</u>	<u>\$ 858,469</u>	<u>\$ 177,432</u>
Total cash receipts over (under) expenditures	(99,180)		
Unencumbered cash, July 1	<u>235,043</u>		
Unencumbered cash, June 30	<u>\$ 135,863</u>		

(1) State of Kansas \$ 1,081

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>VOCATIONAL EDUCATION FUND</u>			
Cash receipts:			
Transfers from general fund	\$ 9,791	\$ 10,000	\$ (209)
Transfers from supplemental general	<u>39,194</u>	<u>25,000</u>	<u>14,194</u>
Total cash receipts	<u>48,985</u>	<u>\$ 35,000</u>	<u>\$ 13,985</u>
Expenditures:			
Instruction:			
Salaries	40,946	\$ 33,000	\$ (7,946)
Employee benefits	3,005	2,000	(1,005)
Tuition	4,934	-	(4,934)
Other	<u>100</u>	<u>-</u>	<u>(100)</u>
Total expenditures	<u>48,985</u>	<u>\$ 35,000</u>	<u>\$ (13,985)</u>
Total cash receipts over (under) expenditures	-		
Unencumbered cash, July 1	<u>-</u>		
Unencumbered cash, June 30	<u>\$ -</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>KPERS SPECIAL RETIREMENT CONTRIBUTION FUND</u>			
Cash receipts:			
State aid	\$ 250,307	\$ 303,387	\$ 53,080
Expenditures:			
Employee benefits:			
Instruction	250,307	\$ 293,887	\$ 43,580
Instructional support	-	2,000	2,000
General administration	-	2,000	2,000
School administration	-	2,000	2,000
Operations and maintenance	-	1,500	1,500
Student transportation services	-	1,000	1,000
Food service	-	1,000	1,000
Total expenditures	<u>250,307</u>	<u>\$ 303,387</u>	<u>\$ 53,080</u>
Total cash receipts over (under) expenditures	-		
Unencumbered cash, July 1	-		
Unencumbered cash, June 30	<u>\$ -</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	Current Year - <u>Actual</u>
<u>CONTINGENCY RESERVE FUND</u>	
Cash receipts:	
Transfer from general fund	\$ <u> -</u>
Expenditures:	
Transfer to special education	<u> -</u>
Total expenditures	<u> -</u>
Total cash receipts over (under) expenditures	<u> -</u>
Unencumbered cash, July 1	<u> 82,767</u>
Unencumbered cash, June 30	\$ <u><u> 82,767</u></u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>FEDERAL GRANTS</u>			
Cash receipts:			
Title I	\$ 44,209	\$ 44,287	\$ (78)
Title II	12,607	12,622	(15)
Title IV (drug free)	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total cash receipts	<u>56,816</u>	<u>\$ 56,909</u>	<u>\$ (93)</u>
Expenditures:			
Salaries	41,164	\$ 52,500	\$ 11,336
Employee benefits	3,045	3,978	933
Purchased professional and technical services	-	3,000	3,000
Other purchased services	-	1,264	1,264
Supplies - teaching	-	-	-
Supplies - technology related	-	1,500	1,500
Miscellaneous supplies	-	-	-
Other	<u>16,313</u>	<u>-</u>	<u>(16,313)</u>
Total expenditures	<u>60,522</u>	<u>\$ 62,242</u>	<u>\$ 1,720</u>
Total cash receipts over (under) expenditures	(3,706)		
Unencumbered cash, July 1	<u>8,954</u>		
Unencumbered cash, June 30	<u>\$ 5,248</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
<u>RECREATION COMMISSION FUND</u>			
Cash receipts:			
Ad valorem property tax	\$ 39,021	\$ 36,790	\$ 2,231
Delinquent tax	1,289	732	557
Motor vehicle tax	5,993	7,218	(1,225)
Recreational vehicle tax	234	258	(24)
Other	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
Total cash receipts	<u>46,537</u>	<u>\$ 46,998</u>	<u>\$ (461)</u>
Expenditures:			
Transfers to recreation commission	<u>46,537</u>	<u>\$ 40,182</u>	<u>\$ (6,355)</u>
Total cash receipts over (under) expenditures	<u>-</u>		
Unencumbered cash, July 1	<u>-</u>		
Unencumbered cash, June 30	<u>\$ -</u>		

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Current Year - Actual</u>
 <u>TEXTBOOK AND</u> <u>STUDENT MATERIAL REVOLVING FUND</u>	
Cash receipts:	
Fees (rental)	\$ 15,444
Expenditures:	
Materials and supplies	<u>8,197</u>
Total cash receipts over (under) expenditures	7,247
Unencumbered cash, July 1	<u>293</u>
Unencumbered cash, June 30	\$ <u><u>7,540</u></u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

	<u>Current Year - Actual</u>
<u>OTHER FEDERAL GRANT</u>	
Cash receipts:	
Rural Education Achievement Program 2003	\$ 41,139
Expenditures:	
REAP grant expenditures	<u>25,168</u>
Total cash receipts over (under) expenditures	15,971
Unencumbered cash, July 1	<u>(38,330)</u>
Unencumbered cash, June 30	\$ <u>(22,359)</u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

EXPENDABLE TRUSTS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012

	Current Year - <u>Actual</u>
<u>OTHER GRANTS</u>	
Cash receipts:	
Others	\$ -
Expenditures:	
Supplies and other	<u>1,065</u>
Total cash receipts over (under) expenditures	(1,065)
Unencumbered cash, July 1	<u>1,525</u>
Unencumbered cash, June 30	\$ <u><u>460</u></u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

EXPENDABLE TRUSTS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012

	<u>Current Year - Actual</u>
<u>BUILDING ACTIVITY FUNDS</u>	
Cash receipts:	
Student activities:	
Admissions and entry fees	\$ 35,217
Vending	<u>1,461</u>
Total cash receipts	<u>36,678</u>
Expenditures:	
Athletics	30,789
Other	<u>4,654</u>
Total expenditures	<u>35,443</u>
Total cash receipts over (under) expenditures	1,235
Unencumbered cash, July 1	<u>5,415</u>
Unencumbered cash, June 30	<u>\$ 6,650</u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

EXPENDABLE TRUSTS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012

	Current Year - <u>Actual</u>
<u>NEEDY CHILDREN FUND</u>	
Cash receipts:	
Contributions	\$ -
Expenditures:	
Other	<u>-</u>
Total cash receipts over (under) expenditures	-
Unencumbered cash, July 1	<u>1,031</u>
Unencumbered cash, June 30	\$ <u><u>1,031</u></u>
<u>ENDOWMENT FUND</u>	
Cash receipts:	
Contributions and other	\$ 3,119
Expenditures:	
Scholarships and other	<u>1,300</u>
Total cash receipts over (under) expenditures	1,819
Unencumbered cash, July 1	<u>1,544</u>
Unencumbered cash, June 30	\$ <u><u>3,363</u></u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

EXPENDABLE TRUSTS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012

	Current Year - <u>Actual</u>
<u>WORLD WAR II MEMORIAL TRIPS</u>	
Cash receipts:	
Contributions	\$ 14,785
Expenditures:	
Trip expenses	<u>25,756</u>
Total cash receipts over (under) expenditures	(10,971)
Unencumbered cash, July 1	<u>11,897</u>
Unencumbered cash, June 30	\$ <u><u>926</u></u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
For the Year Ended June 30, 2012

<u>Fund</u>	<u>Balance, July 1</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30</u>
High school:				
Spirit squad (HS Cheerleader)	\$ 1,167	\$ 8,375	\$ 6,341	\$ 3,201
TSA	12	-	-	12
Student council	222	3,491	2,817	896
Drama club	308	853	1,107	54
Yearbook	2,565	6,890	7,905	1,550
Music	24	637	619	42
FCA	270	220	440	50
LHS activities	759	3,363	3,517	605
Photo	113	-	-	113
Library	396	411	344	463
FBLA	1,252	4,451	4,976	727
Class of 2010	1,432	-	-	1,432
Class of 2011	939	-	266	673
Class of 2012	4,440	1,000	4,598	842
Class of 2013	2,957	10,209	7,223	5,943
Class of 2014	2,976	474	617	2,833
Class of 2015	2,380	36	480	1,936
Class of 2016	-	6,616	5,876	740
Drill-dance squad	672	-	-	672
Sales tax	54	4,542	4,536	60
District concessions	4,702	28,195	29,945	2,952
Baseball team	172	1,621	1,118	675
Volleyball team	99	1,306	1,306	99
Boys basketball	537	11,109	10,149	1,497
Softball team	770	1,740	2,164	346
Football team	596	3,228	1,878	1,946
Cross country	321	325	456	190
Interest	1,318	93	1,333	78
National Honor Society	-	787	547	240
Unallocated funds	1,094	-	1,062	32
Weight lifting	3,059	349	895	2,513
Spanish club	113	346	-	459
Track team	9	-	-	9
Forensics	118	2,513	1,110	1,521
Subtotal high school - forward	\$ 35,846	\$ 103,180	\$ 103,625	\$ 35,401

(Continued)

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
(Continued)
For the Year Ended June 30, 2012

<u>Fund</u>	<u>Balance, July 1</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30</u>
Subtotal high school - forward	\$ <u>35,846</u>	\$ <u>103,180</u>	\$ <u>103,625</u>	\$ <u>35,401</u>
Grade school:				
Jr-Hi cheer - dance	1,124	1,712	1,282	1,554
Jr-Hi student council	1,958	6,174	7,010	1,122
LEMS activities	4,389	7,708	6,307	5,790
Girls basketball	60	3,642	3,464	238
Middle school	<u>256</u>	<u>81</u>	<u>238</u>	<u>99</u>
Subtotal grade school	<u>7,787</u>	<u>19,317</u>	<u>18,301</u>	<u>8,803</u>
Total student organization funds	\$ <u>43,633</u>	\$ <u>122,497</u>	\$ <u>121,926</u>	\$ <u>44,204</u>

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add:	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Cash receipts:							
High school athletics:							
General	\$ (2,449)	\$ -	\$ 37,546	\$ 33,669	\$ 1,428	\$ -	\$ 1,428
Jr-Hi athletics:							
General	6,188	-	5,009	4,819	6,378	-	6,378
Substate tournament	-	-	-	-	-	-	-
Total district activity funds	\$ 3,739	\$ -	\$ 42,555	\$ 38,488	\$ 7,806	\$ -	\$ 7,806

See accompanying notes to financial statements.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS

1 - Reporting Entity

The Board of Education (Board), a seven-member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the local unified school district. The Board receives funding from local, State and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

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

The following types of funds comprise the financial activities of the District for the year ended June 30, 2012:

GOVERNMENTAL FUNDS

General Fund is used to account for all unrestricted resources except those required to be accounted for in another fund.

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

FIDUCIARY FUNDS

Trust and Agency Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) expendable trust funds, (b) nonexpendable trust funds, (c) pension trust funds, and (d) agency funds.

(b) Basis of Presentation

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash-basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, 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.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(b) Basis of Presentation (Continued)

The District Board has approved a Generally Accepted Accounting Principles (GAAP) waiver by resolution which allows this type of special reporting.

(c) 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 expense, liabilities such as deferred revenues, matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes and compensated absences is not presented in the financial statements.

(d) 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. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

The 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.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(d) Budget and Tax Cycle (Continued)

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end.

A legal operating budget is not required for capital project funds, trust funds and the following special revenue fund: Textbook and Student Material Revolving Fund. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

(e) Annual, Personal and Sick Leave Benefits

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

Classified and contracted personnel accumulate sick leave at the rate of 12 days per year accumulative to 75 days, and 2 days personal leave per year not accumulated. Contracted employees earn annual leave of 2 weeks per year.

Classified and contracted employees shall be paid \$ 65 per day for unused leave days over an accumulated 75 days. Classified employees will be paid \$ 50 per day for accumulated leave days if they retire with 15 years total in-house service and are eligible under the KPERS 85-point rule.

3 - Compliance with Kansas Statutes

Depository Security

At June 30, 2012, deposits at the Lyndon State Bank, Lyndon, Kansas, were adequately secured in accordance with K.S.A. 9-1402. The Lyndon State Bank, Lyndon, Kansas, was designated as the official depository for the District funds on July 14, 2012. (See Note 4)

Expenditures and Budget

Expenditures exceeded appropriations in the Supplemental General (Local Option) Fund, Vocational Education Fund, and the Recreation Commission Fund for the year ended June 30, 2012.

Indebtedness and Available Cash

Indebtedness was created in excess of available cash in the General Fund and REAP Grant Fund during the year ended June 30, 2012. (See Note 6)

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - Deposits - Cash

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government is located 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 Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government'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 Government has no investment policy that would further limit its investment choices.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposit may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal deposit 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, except during designated "peak periods" when required coverage is 50%. During the period ended June 30, 2010, the Government had no "peak period" coverage. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the carrying amount of the District's deposits was \$ 1,748,862 and the bank balance was \$ 2,225,926. The balance was held by one bank resulting in a concentration credit risk. Of the bank balance, \$ 308,837 was covered by federal depository insurance and \$ 1,911,541 was collateralized with securities held by the pledging institution's agent in the District's name. The approximate market value of the securities pledged is \$ 2,882,194.

5 - Defined Benefit Pension Plan

Plan description. The school municipality participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Topeka, KS 66603) or by calling 1-800-228-0366.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

5 - Defined Benefit Pension Plan (Continued)

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. Kansas' contributions to KPERS for school municipality employees for the years ending June 30, 2012, 2011 and 2010 were \$ 210,501, \$ 202,021 and \$ 194,855, respectively, equal to the statutory required contributions for each year.

6 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

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

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Continued)

STATUTORY REVENUES AND EXPENDITURES -
STATUTORY AND BUDGET
For the Year Ended June 30, 2012

GENERAL FUND

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 344,683	\$ 320,248	\$ 24,435
Delinquent tax	9,585	7,120	2,465
General state aid	2,428,929	2,455,571	(26,642)
Special education aid	507,012	523,427	(16,415)
Other federal funds	<u>1,505</u>	<u>-</u>	<u>1,505</u>
Total statutory revenues	<u>3,291,714</u>	<u>\$ 3,306,366</u>	<u>\$ (14,652)</u>
Expenditures:			
Instruction	1,727,339	\$ 1,840,700	\$ 113,361
Support services:			
Student support service	48,239	61,500	13,261
Instruction support	74,075	72,700	(1,375)
General administration	328,719	272,800	(55,919)
School administration	229,586	232,000	2,414
Operations and maintenance	10,722	-	(10,722)
Student activities	-	-	-
Transportation	145,970	127,735	(18,235)
Transfers	727,064	698,931	(28,133)
Adjustment to legal maximum budget	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,291,714</u>	<u>\$ 3,306,366</u>	<u>\$ 14,652</u>
Total statutory revenues over (under) expenditures	-		
Unencumbered cash, July 1	<u>-</u>		
Unencumbered cash, June 30	<u>\$ -</u>		

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Continued)

STATUTORY REVENUES AND EXPENDITURES -
STATUTORY AND BUDGET
(Continued)

For the Year Ended June 30, 2012

SUPPLEMENTAL GENERAL
(LOCAL OPTION)

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Statutory revenues:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 375,197	\$ 344,653	\$ 30,544
Delinquent tax	8,390	6,506	1,884
Motor vehicle tax	38,509	46,204	(7,695)
Recreational vehicle tax	1,491	1,769	(278)
Supplemental state aid	<u>392,892</u>	<u>378,746</u>	<u>14,146</u>
Total statutory revenues	<u>816,479</u>	<u>777,878</u>	<u>\$ 38,601</u>
Expenditures:			
Instruction:			
Salaries	127,773	\$ 125,000	\$ (2,773)
Employee benefits	-	9,000	9,000
Purchased property services	36,812	9,150	(27,662)
Teaching supplies	14,270	20,000	5,730
Textbooks	-	-	-
Purchased professional services	28,350	-	(28,350)
Supplies (technology related)	6,104	4,000	(2,104)
Miscellaneous supplies	7,142	10,000	2,858
Activities	33,101	30,000	(3,101)
Property, equipment and furnishings	3,078	500	(2,578)
Student support services:			
Purchased services - other	90	1,500	1,410
Supplies	100	-	(100)
Other	-	-	-
Instruction support staff:			
Purchased services - other	5,077	-	(5,077)
Technology supplies	-	-	-
Miscellaneous supplies	1,872	3,000	1,128
Equipment	-	-	-
Other	5	500	495
General administration:			
Salaries	-	32,350	32,350
Other	-	-	-
School administration:			
Property	-	-	-
Other	1,618	-	(1,618)
Transfers:			
Driver training	18,000	7,000	(11,000)
Extraordinary school program	6,000	7,000	1,000
Food service	26,000	10,000	(16,000)
Vocational education	39,194	25,000	(14,194)
Special education	<u>70,014</u>	<u>100,000</u>	<u>29,986</u>
Expenditures - forward	<u>\$ 424,600</u>	<u>\$ 394,000</u>	<u>\$ (30,600)</u>

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Continued)

STATUTORY REVENUES AND EXPENDITURES -
STATUTORY AND BUDGET
(Continued)
For the Year Ended June 30, 2012

SUPPLEMENTAL GENERAL
(LOCAL OPTION)
(Continued)

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Total statutory revenues - forward	\$ <u>816,479</u>	\$ <u>777,878</u>	\$ <u>38,601</u>
Expenditures - forward	424,600	\$ 394,000	\$ (30,600)
Operations and maintenance:			
Salaries	134,702	141,000	6,298
Employee benefits	61,129	45,000	(16,129)
Heating	17,957	30,000	12,043
Electricity	84,300	80,000	(4,300)
Water/sewer	16,220	17,000	780
Cleaning	18,484	22,000	3,516
Repairs and maintenance	33,897	3,000	(30,897)
Other	-	2,000	2,000
Purchased services - other	5,061	2,000	(3,061)
Supplies	17,425	10,000	(7,425)
Property	3,702	-	(3,702)
Other	50	35,000	34,950
Operations and maintenance - transportation:			
Equipment	-	-	-
Vehicle services and maintenance:			
Equipment	-	2,000	2,000
Motor fuel	-	17,000	17,000
Total expenditures	<u>817,527</u>	<u>\$ 800,000</u>	<u>\$ (17,527)</u>
Total statutory revenues over (under) expenditures	(1,048)		
Unencumbered cash, July 1	<u>(37,695)</u>		
Unencumbered cash, June 30	<u>\$ (38,743)</u>		

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

NOTE TO FINANCIAL STATEMENTS
(Continued)

7 - Jointly Governed Organizations

The District, in cooperation with five other districts in the area, has created a special educational cooperative under K.S.A. 12-2901 through 12-2907. Three Lakes Educational Cooperative Interlocal No. 620 (Cooperative) provides a full range of special educational programs and support personnel to meet the needs of all exceptional students, ages 3 to 21, in the least restrictive environment. The Board of Education (Directors) consists of one member of the Board of Education of each participating district. Funding for the Cooperative is furnished by member assessments, state aid and federal grants.

The District, in cooperation with the City of Lyndon, adopted a joint resolution to create a joint recreation commission pursuant to the provisions of K.S.A. 12-1922, et seq., effective July 1, 1997. The Commission members are appointed, 2 by the City and 2 by the Board of Education. The 5th member is selected by the 4 appointed members. The annual levy, not to exceed two mills, is on all property located within the school district boundaries.

8 - Supplemental Retirement Benefit

The Board has approved a supplemental retirement benefit for teachers retiring from the District. To qualify for this benefit, the teacher must have been employed by the District for 15 total years and retire using the KPERS 85-point rule. The plan will pay benefits monthly for a maximum of four years; the length of time will be reduced for those retiring between the ages of 62 and 64. Those retiring will receive \$ 300 per month. The 2011-2012 expense for this benefit was \$ 4,800.

9 - Contingency

The District receives federal and State grants for specific purposes that are subject to review and audit by federal and State agencies. Such audits could result in a request for reimbursement by federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of District management, such disallowances, if any, will not be significant to the District's financial statements.

9 - Operating Transfers

	<u>Authority</u>	<u>From</u>	<u>To</u>
General fund	K.S.A. 72-6428	\$ 727,063	\$ -
Supplemental general fund (local option)	K.S.A. 72-6433	159,208	-
Capital outlay fund	K.S.A. 72-6428	-	44,470
Driver training fund	K.S.A. 72-6428	-	18,000
Food service fund	K.S.A. 72-6428	-	26,000
Professional development fund	K.S.A. 72-6428	-	4,772
Special education fund	K.S.A. 72-6427	-	577,026
Vocational education fund	K.S.A. 72-6428	-	48,985
Summer school fund	K.S.A. 72-6428	-	3,015
At risk fund	K.S.A. 72-6428	-	158,004
Extraordinary school program fund	K.S.A. 72-6273	-	6,000

SUPPLEMENTARY INFORMATION

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED WITH BUDGET
Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Expenditures:			
Instruction:			
Salaries	\$ 1,202,322	\$ 1,342,600	\$ 140,278
Employee benefits	484,868	434,000	(50,868)
Unemployment	5,858	10,000	4,142
Purchased professional and technical services	7,128	8,000	872
Purchased property services	5,022	45,000	39,978
Supplies - general supplemental	-	-	-
Supplies - technology related	-	-	-
Miscellaneous supplies	-	1,100	1,100
Textbooks	22,141	-	(22,141)
Property	-	-	-
Total instruction	<u>1,727,339</u>	<u>1,840,700</u>	<u>113,361</u>
Support services:			
Student support services:			
Salaries	44,876	57,000	12,124
Employee benefits	3,342	4,500	1,158
Other purchased services	-	-	-
Supplies	<u>21</u>	<u>-</u>	<u>(21)</u>
Total student support services	<u>48,239</u>	<u>61,500</u>	<u>13,261</u>
Instruction support staff:			
Salaries	68,884	67,500	(1,384)
Employee benefits	5,191	5,200	9
Purchased property services	-	-	-
Books and periodicals	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction support staff	<u>\$ 74,075</u>	<u>\$ 72,700</u>	<u>\$ (1,375)</u>

(Continued)

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED WITH BUDGET
(Continued)
Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Expenditures (Continued):			
General administration:			
Salaries	\$ 186,201	\$ 165,000	\$ (21,201)
Employee benefits	53,331	38,300	(15,031)
Other service	474	500	26
Purchased professional and technical services	22,813	2,000	(20,813)
Board expense	1,743	5,000	3,257
Purchased property services	-	3,000	3,000
Insurance	66,118	57,000	(9,118)
Communications	-	-	-
Supplies	1,399	2,000	601
Property	-	-	-
Other	<u>(3,360)</u>	<u>-</u>	<u>3,360</u>
Total general administration	<u>328,719</u>	<u>272,800</u>	<u>(55,919)</u>
School administration:			
Salaries	177,742	182,500	4,758
Employee benefits	48,386	49,500	1,114
Purchased professional and technical services	1,330	-	(1,330)
Purchased property services	195	-	(195)
Supplies	1,313	-	(1,313)
Property	330	-	(330)
Other	<u>290</u>	<u>-</u>	<u>(290)</u>
Total school administration	<u>229,586</u>	<u>232,000</u>	<u>2,414</u>
Operations and maintenance:			
Employee benefits	6,185	-	(6,185)
Heat	323	-	(323)
Supplies - other	488	-	(488)
Purchased professional and technical services	-	-	-
Purchased property services	-	-	-
Other services	1,019	-	(1,019)
Supplies - maintenance	<u>2,707</u>	<u>-</u>	<u>(2,707)</u>
Total operations and maintenance	\$ <u>10,722</u>	\$ <u>-</u>	\$ <u>(10,722)</u>

(Continued)

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED WITH BUDGET
(Continued)
Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
Expenditures (Continued):			
Transportation:			
Operations and maintenance:			
Energy	\$ 304	\$ -	\$ (304)
Supervision:			
Salaries	12,400	13,000	600
Employee benefits	910	-	(910)
Vehicle operating services:			
Salaries	43,890	44,000	110
Employee benefits	40,038	3,900	(36,138)
Insurance	-	28,000	28,000
Other	-	-	-
Motor fuel	29,741	25,000	(4,741)
Other purchased services	1,333	-	(1,333)
Vehicle services:			
Supplies	16,425	12,835	(3,590)
Other	<u>929</u>	<u>1,000</u>	<u>71</u>
Total transportation	<u>145,970</u>	<u>127,735</u>	<u>(18,235)</u>
Student activities:			
Activity	<u>-</u>	<u>-</u>	<u>-</u>
Total student activities	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to:			
Capital outlay	44,470	-	(44,470)
Driver training	-	-	-
Food service	-	5,000	5,000
Professional development	4,772	-	(4,772)
Summer school	3,015	2,500	(515)
Special education	507,012	523,427	16,415
Vocational education	9,791	10,000	209
Contingency reserve	-	-	-
At risk (K-12)	158,004	158,004	-
Extraordinary school program	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers to	<u>727,064</u>	<u>698,931</u>	<u>(28,133)</u>
Adjustment to legal maximum budget - amended	<u>-</u>	<u>(12,852)</u>	<u>(12,852)</u>
Total expenditures	<u>\$ 3,291,714</u>	<u>\$ 3,293,514</u>	<u>\$ 1,800</u>

See accompanying independent auditor's report.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

FUNDS ON DEPOSIT COMPARED WITH DEPOSITORY SECURITY
Year Ended June 30, 2012

	F.D.I.C. Coverage	Securities Pledged Market Value	Total Coverage	Funds on Deposit	Funds At Risk
	\$ 4,646	\$ -	\$ 4,646	\$ 4,646	NONE
	54,191	-	54,191	54,191	NONE
	<u>250,000</u>	<u>2,882,194</u>	<u>3,132,194</u>	<u>2,167,089</u>	<u>NONE</u>
	<u>\$ 308,837</u>	<u>\$ 2,882,194</u>	<u>\$ 3,191,031</u>	<u>\$ 2,225,926</u>	

Lyndon State Bank, Lyndon, Kansas:
Demand deposit
NOW account - Activity Fund
NOW account - District

See accompanying independent auditor's report.

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

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

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA No.	Beginning Balance July 1, 2011	Receipts Recognized	Expenditures	Ending Balance June 30, 2012
U.S. Department of Education: Rural Education Achievement Program (REAP) fy 2003	84.358a	\$ (38,330)	\$ 41,139	\$ 25,168	\$ (22,359)
Passed through State Department of Education:					
Title I Low Income	84.010	-	44,209	44,209	-
Title IID Educational Technology	84.318	123	-	-	123
Title IIA Teacher Quality	84.367	5,332	12,607	16,313	1,626
Title I Low Income - ARRA	84.389	3,500	-	-	3,500
Education Jobs Fund	84.410	-	1,505	1,505	-
Total Department of Education		8,955	58,321	62,027	5,249
		(29,325)	99,460	87,195	(17,110)
U.S. Department of Agriculture:					
Passed through State Department of Education:					
School Breakfast	10.553	-	10,810	10,810	-
National School Lunch	10.555	-	63,034	63,034	-
Total Department of Agriculture		-	73,844	73,844	-
Total federal assistance		\$ (29,375)	\$ 173,304	\$ 161,039	\$ 17,110

(Continued)

LYNDON UNIFIED SCHOOL DISTRICT NO. 421
LYNDON, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
Year Ended June 30, 2012

Note 1: Basis of Accounting. This schedule is presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, accounts payable and encumbrances.

See accompanying independent auditor's report.